

**Notice of Regular
The Board of Trustees
Granbury ISD
Monday, December 14, 2009
6:00 PM**

A Regular of the Board of Trustees of Granbury ISD will be held Monday, December 14, 2009, beginning at 6:00 PM in the Granbury ISD Board Room, 600 West Pearl St., Granbury, TX 76048, W Pearl St, Granbury, TX 76048.

11th day of December

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. Call to order - 6:00 PM - GISD Board Room
2. Convene in closed session under the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq.
 - a. Chapter 551.074 - Personnel
 1. Consider staff appointments
 2. Consider Resignation
 3. Superintendent Evaluation
 - b. Chapter 551.072 - Purchase, exchange, lease or value of real property
3. Reconvene in open session - 7:00 PM
4. Opening Comments/Invocation
5. Pledges - U.S. Flag & Texas Flag
6. Achievement Spotlight
 - a. Gold Performance Awards
7. Discussion/Action
 - a. Consider Consent Agenda Items
 1. Minutes of the October 26, 2009 Board Workshop, November 9, 2009 Regular Meeting and November 9, 2009 Board Workshop 3
 2. Consider Budget Amendments
 3. Consider Guidance and Evaluation Supplies & Materials and Testing Materials Bid 2010-05 (New Bid)
 4. Consider Printing & Copying Services CSP 2010-06 (New Bid)
 5. Consider Promotional Items, District Clothing, Student Awards and Incentives Bid 2009-10 (1st Renewal Option)
 - b. Consider Annual Financial Audit 8
 - c. Consider Fund Balance
 - d. Consider Technology Purchases
 - e. Consider 2008-2009 AEIS Report
 - f. Consider Policy Update 86, affecting policies CFD(LOCAL), CLB(LOCAL), CV(LOCAL), DGBA(LOCAL), EIA(LOCAL), EIE(LOCAL), EIE(LOCAL), EIF(LOCAL), FDD(LOCAL), FDE(LOCAL), FEA(LOCAL), FEC(LOCAL), FFAD(LOCAL)
 - g. Consider Participation in U.S. Communities Interlocal Agreement
 - h. Consider Records Management CSP 2010-01
 - i. Consider Financial Advisor RFQ 2010-09
 - j. Consider Expedited Waiver for Textbook Proclamation 2001 and 2002 97
 - k. Consider ESC Region XI Web Hosting Interlocal Agreement
 - l. Consider Approval of the Memo of Understanding to Transfer Operations of Channel 27 over to Granbury Educational Access Channel 27 501 (c)(3) Board
 - m. Consider the Building Usage Fee
 - n. Consider Staffing Review
 - o. Consider District Improvement Plan 101
 - p. Consider Course Additions for 2010 - 2011 School Year 106
 - q. Consider Approval of Use of the Agriculture Barn for Baseball and Softball 108
 - r. Consider Standardized Logo 109
 - s. Consider Stipends
8. Discussion/Information
 - a. Reports 1

1. October 31, 2009 Financial Statement	110
2. Project Lead the Way	113
3. Monitoring Update	114
4. Mission Granbury	
5. School Board Members Continuing Education Record	115
6. Determine January Meeting Date for Long-Term Strategic Planning	116
9. Public comments/audience participation	
10. Consider action on items discussed in closed session	
a. Consider staff appointments	
b. Consider Resignation	
c. Superintendent Evaluation	
d. Consider purchase, exchange, lease or value of real property	
11. Adjourn	

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

On this notice was faxed or mailed to the news media who have previously requested such notice, posted on the GISD web page at www.granburyisd.org, and an original was posted on an outside door at 3:00 p.m. at the School District Administration Building at 217 N. Jones St., Granbury, Texas.

Superintendent or Designee (For the Board of Trustees)

**GRANBURY ISD
BOARD OF TRUSTEES
OFFICIAL BOARD WORKSHOP MEETING
MINUTES
October 26, 2009**

The Board of Trustees of the Granbury Independent School District convened in an official **WORKSHOP** meeting on Monday, October 26, 2009 at 6:00 p.m. in the Board Room of the Administration Building, 600 West Pearl St., Granbury, Texas.

Presiding Officer..... Barbara Herrington, President

Board Members Present

Nancy Alana
Bowen Brawner
Jerry Campbell
Charlie Cloud
Micky Shearon
Don Walton

Board Members Absent

None

School Officials Present

Ron Mayfield, Superintendent

Meeting Called to Order

President, Barbara Herrington, called the meeting to order at 6:00 p.m. and noted that a quorum of board members was present, the meeting was duly called and that notice of the meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Strategic Planning

Strategic planning was led by Barbara Herrington, Board President. Board members and the Superintendent worked on goals for Granbury ISD. A follow up meeting was scheduled for November 30, 2009.

Adjournment

There being no further business, the meeting was adjourned at 8:00 p.m.

Barbara Herrington, Board President

Micky Shearon, Board Secretary

**GRANBURY ISD
BOARD OF TRUSTEES
OFFICIAL REGULAR MEETING
MINUTES
November 9, 2009**

The Board of Trustees of the Granbury Independent School District convened in an official **REGULAR** meeting on Monday, November 9, 2009 at 6:00 p.m. in the Board Room of the Administration Building, 600 West Pearl St., Granbury, Texas.

Presiding Officer.....Barbara Herrington, President

Board Members Present

Nancy Alana
Bowen Brawner
Jerry Campbell
Charlie Cloud
Micky Shearon
Don Walton

Board Members Absent

None

School Officials Present

Ron Mayfield, Superintendent
Carol Howard, Assistant Superintendent
Sharay Boynton, Executive Director of Finance
Tom Howard, Director of Human Resources
Amy Wood, Technology Director
Jeff Meador, Public Information Officer
Carola Bradley, Recording Secretary

Others Present

School Employees
Media
Community Members

Meeting Called to Order

Barbara Herrington, President, called the meeting to order at 6:00 p.m. and noted that a quorum of board members was present, the meeting was duly called and that notice of the meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Convened in Closed Session

The Board of Trustees convened in closed session 6:00 p.m. under the Texas Open Meeting Act, Chapter 551.072 – purchase, exchange, lease or value of real property and 551.074 – personnel.

Reconvened

The Board reconvened in open session at 7:00 p.m.

Invocation/Opening Comments

Ron Mayfield, Superintendent, led the prayer.

Pledge U.S. Flag and Texas Flag

Casey Pierson, led the American pledge, Parker Bradley, led the Texas pledge and Alexander Call led the Texas pledge in Spanish. These students are from Emma Roberson Elementary.

Achievement Spotlight

Jimmy Dawson presented Kellan Jones, Acton Middle School, Second Place winner, in the Youth Poetry Contest at Red Steagall Cowboy Gathering.

Trey Key, Granbury High School Ag teacher,⁴ presented Richard Comeau, Granbury High School, Delegate to National FFA Convention.

Consent Agenda Items

A motion was made by Micky Shearon and seconded by Charlie Cloud to approve consent agenda items 1. Minutes of the October 19, 2009 Regular Meeting; 2. Budget Amendments; 3. Copy Paper Bid; 4. Athletic Supplies – Golf Supplies Bid 2010-02, as presented. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Technology Purchases

A motion was made by Jerry Campbell and seconded by Charlie Cloud to approve technology purchases as presented. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Election of Appraisal Board of Directors for Johnson County

No action was taken on this item.

Consider Election of Appraisal Board of Directors for Hood County

A motion was made by Jerry Campbell and seconded by Charlie Cloud to cast GISD votes for Walter Baldree, Cullen Crisp and Peter Jalbert. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Election of Appraisal Board of Directors for Parker County

A motion was made by Jerry Campbell and seconded by Don Walton to cast GISD votes for Jerry Durant. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Election of Appraisal Board of Directors for Somervell County

A motion was made by Micky Shearon and seconded by Charlie Cloud to cast GISD votes for Mitchell George. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Highly Qualified Teacher Report

A motion was made by Charlie Cloud and seconded by Don Walton to accept the Highly Qualified Teacher report as presented. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Approval of Staffing Study Presentation

A motion was made by Micky Shearon and seconded by Don Walton to approve the Staffing Study as presented. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Action to Transfer Channel 27 to 501 C3 Board

A motion was made by Charlie Cloud and seconded by Micky Shearon to authorize the Superintendent to proceed with the transfer of Channel 27 to the 501 C3 Board as soon as possible and to have Nancy Alana as the GISD Board member serving on the 501 C3 Board. **MOTION CARRIED:** Yes 7 – Noe 0

Consider Purchase of Web-Streaming Equipment

No action was taken on this item.

Reports

September 30, 2009 Financial Statements

Sharay Boynton, Executive Director of Finance, presented the Board with the financial statement ending 9-30-09.

Consider Approval of Update 86

Ron Mayfield, Superintendent, presented the Board with Update 86 to review and bring back to the December 14, 2009 Board meeting for discussion and vote.

Career and Technology Education Report

Judy Gentry, Career and Technology Director, presented the Board with a report on the Career and Technology Department and the direction the department is taking.

Board Meeting Minutes

Page 3

November 9, 2009

Family Access Report

Amy Wood, Technology Director, gave a report on Family Access and the number of parents signing up the first week for this program.

Request for Proposals for Financial Advisors

Ron Mayfield, Superintendent, stated that Sharay Boynton, Executive Director of Finance was putting out a request for proposals for financial advisors.

Public comments/audience participation

None

Closed Session

The Board convened to closed session under Texas Open Meetings Act, Texas Government Code Section 551.001 and 551.074 – Personnel at 9:13 p.m.

Reconvene from Closed Session

The Board reconvened from closed session at 10:01 p.m.

Action on Items Discussed in Closed Session

Staff Appointments

None

Consider purchase, exchange, lease or value of real property

None

Adjournment

There being no further business, the meeting was adjourned at 10:01 p.m.

Barbara Herrington, Board President

Micky Shearon, Board Secretary

**GRANBURY ISD
BOARD OF TRUSTEES
OFFICIAL WORKSHOP MEETING
MINUTES
November 9, 2009**

The Board of Trustees of the Granbury Independent School District convened in an official **Workshop** meeting on Monday, November 9, 2009 at 3:00 p.m. in the Board Room of the Administration Building, 600 West Pearl St., Granbury, Texas.

Presiding Officer..... Barbara Herrington, President

Board Members Present

Nancy Alana
Jerry Campbell
Charlie Cloud
Micky Shearon
Don Walton

Board Members Absent

Bowen Brawner

School Officials Present

Ron Mayfield, Superintendent
Carol Howard, Assistant Superintendent
Sharay Boynton, Executive Director of Finance
Tom Howard, Director of Human Resources
Amy Wood, Technology Director
Jeff Meador, Public Information Officer
Carola Bradley, Recording Secretary

Others Present

School Employees
Media
Community Members

Meeting Called to Order

President, Barbara Herrington, called the meeting to order at 3:00 p.m. and noted that a quorum of board members was present, the meeting was duly called and that notice of the meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Staffing Study

Richard Lane, TASB consultant, gave a detailed report on the staffing study done through Texas Association of School Boards.

Adjournment

There being no further business, the meeting was adjourned at 4:40 p.m.

Barbara Herrington, Board President

Micky Shearon, Board Secretary

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: December 14, 2009
For: Approval

TO: Mr. Ron Mayfield, Superintendent

FROM: Sharay Boynton

DATE: December 7, 2009

RE: Annual Financial Report
– Year ended 8/31/2009

SUMMARY:

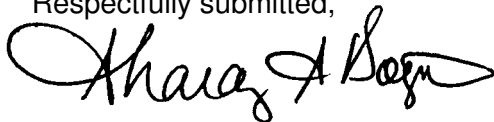
The annual audit has been completed. Mrs. Paula Lowe of Patillo, Brown & Hill, L.L.P., Certified Public Accountants will be at the board meeting to present the report and letters to the board. The Annual Financial Report for the year ended August 31, 2009 and the management letter are available in PDF format for the Boardbook and a hard copy is available for board members that wish to have a copy.

Should you have questions regarding the report, please feel free to contact me prior to the Board meeting so that I can get with Mrs. Lowe and she can be prepared to respond to your questions either at the meeting or prior to the meeting.

RECOMMENDATION:

That the Board accept the Annual Financial Report for the year ended August 31, 2009 as presented.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton

Date Submitted: December 7, 2009



GRANBURY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2009**

GRANBURY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2009

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Certificate of Board	1
Independent Auditors' Report	2
Management's Discussion and Analysis	4
 <u>Basic Financial Statements</u>	
Government-wide Statements:	
A-1 Statement of Net Assets	13
B-1 Statement of Activities	14
Governmental Fund Financial Statements:	
C-1 Balance Sheet	16
C-2 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	17
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	18
C-4 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Proprietary Fund Financial Statements:	
D-1 Statement of Net Assets	20
D-2 Statement of Revenues, Expenses, and Changes in Fund Net Assets	21
D-3 Statement of Cash Flows	22
Fiduciary Fund Financial Statements:	
E-1 Statement of Fiduciary Net Assets	23
E-2 Statement of Changes in Fiduciary Fund Net Assets	24
Notes to the Financial Statements	25
 <u>Required Supplementary Information</u>	
G-1 Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund	44
Notes to Required Supplementary Information	45
 <u>Combining Statements</u>	
Nonmajor Governmental Funds:	
H-1 Combining Balance Sheet	47
H-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	53
Internal Service Funds:	
H-3 Combining Statement of Net Assets	59
H-4 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	60
H-5 Combining Statement of Cash Flows	61
Private Purpose Trust Funds:	
H-10 Combining Statement of Net Assets	62
H-11 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	64
 <u>Required TEA Schedules</u>	
J-1 Schedule of Delinquent Taxes Receivable	66
J-2 Schedule of Expenditures for Computations of Indirect Cost for 2010 – 2011	68
J-3 Fund Balance and Cash Flow Calculation Worksheet (Unaudited)	69
J-4 Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – National School Breakfast and Lunch Program	70
J-5 Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund	71

GRANBURY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2009
(Continued)
TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
<u>Federal Awards Section</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	74
K-1 Schedule of Expenditures of Federal Awards	76
Notes to Schedule of Expenditures of Federal Awards	78
Schedule of Findings and Questioned Costs	79
Summary Schedule of Prior Audit Findings	80

CERTIFICATE OF BOARD

Granbury Independent School District
Name of School District

Hood
County

111-901
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, 2009, at a meeting of the Board of Trustees of such school district on the 14th of December, 2009.

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)

INDEPENDENT AUDITORS' REPORT

Board of Trustees of
Granbury Independent School District
Granbury, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Granbury Independent School District (the District), as of and for the year ended August 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Granbury Independent School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Granbury Independent School District as of August 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009, on our consideration of Granbury 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 4 through 12 and 44 through 46, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Granbury Independent School District's basic financial statements. The combining statements and required TEA schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and is also not a required part of the basic financial statements of Granbury Independent School District. The combining statements, required TEA schedules, and accompanying Schedule of Expenditures of Federal Awards 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 taken as a whole. Exhibit J-3 (Fund Balance and Cash Flow Calculation Worksheet) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Pattillo, Brown & Hill, L.L.P.

December 4, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Granbury Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2009. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District rated "Superior Achievement" in financial management for the sixth consecutive year by the TEA Financial Integrity Rating System of Texas (includes Administrative Cost ratio of 5.6% below the state cap).
- Actual expenses were less than the appropriated budget.
- The assets of the District exceeded its liabilities at the close of the most recent period by \$24,144,634 (*net assets*). Of this amount, \$18,652,514 (*unrestricted net assets*) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$17,379,614. Approximately 95.1% of this total amount, \$16,522,745, is available for spending at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$16,522,745 or 26.1% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities* as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no component units for which it is financially accountable. The government-wide financial statements can be found on pages 13 – 15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole.

- Some funds are required by state law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District adopts an annual appropriated budget for its General Fund, Debt Service Fund and Food Service Fund.

A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 16 – 19 of this report.

- *Proprietary funds* – Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District has business-type activities or Enterprise Funds that operate similar to a private business. The District uses the Enterprise Fund to account for its construction business activities. The second type of proprietary fund is the Internal Service Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its workers' compensation self-insurance fund and the flexible benefits plan. The basic proprietary fund financial statements can be found on pages 20 – 22 of this report.
- *Fiduciary funds* – Fiduciary funds provide are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and 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 assets that can be found on pages 23 – 24.
- *Notes to the financial statements* – The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 44 – 46 of this report.

FINANCIAL ANALYSIS

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental type assets exceeded liabilities by \$24,203,580 and business-type liabilities exceeded assets by (\$58,946) as of August 31, 2009.

Investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding is \$4,523,035. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (\$969,085) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$18,652,514) may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

GRANBURY INDEPENDENT SCHOOL DISTRICT'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 35,252,826	\$ 25,691,697	\$ (45,729)	\$ (59,302)	\$ 35,207,097	\$ 25,632,395
Capital assets	65,194,663	69,000,390	-	-	65,194,663	69,000,390
Total assets	<u>100,447,489</u>	<u>94,692,087</u>	<u>(45,729)</u>	<u>(59,302)</u>	<u>100,401,760</u>	<u>94,632,785</u>
Current liabilities	15,343,021	4,323,204	13,217	8,635	15,356,238	4,331,839
Long-term liabilities	60,900,888	63,478,007	-	-	60,900,888	63,478,007
Total liabilities	<u>76,243,909</u>	<u>67,801,211</u>	<u>13,217</u>	<u>8,635</u>	<u>76,257,126</u>	<u>67,809,846</u>
Net assets:						
Invested in capital assets, net of related debt	4,523,035	5,760,196	-	-	4,523,035	5,760,196
Restricted	969,085	1,245,468	-	-	969,085	1,245,468
Unrestricted	<u>18,711,460</u>	<u>19,885,210</u>	<u>(58,946)</u>	<u>(67,935)</u>	<u>18,652,514</u>	<u>19,817,275</u>
Total net assets	<u>\$ 24,203,580</u>	<u>\$ 26,890,874</u>	<u>\$ (58,946)</u>	<u>\$ (67,935)</u>	<u>\$ 24,144,634</u>	<u>\$ 26,822,939</u>

Governmental activities. The District's total net assets decreased by \$2,687,294. The total cost of all governmental activities this year was \$78,344,794. The amount that our taxpayers paid for these activities through property taxes was \$50,561,416 or 64.5%.

Business-type activities. The District's total net assets increased by \$8,989. The total cost of all business-type activities this year was \$282,454.

GRANBURY INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,006,527	\$ 1,933,951	\$ 291,443	\$ 261,264	\$ 2,297,970	\$ 2,195,215
Operating grants and contributions	9,088,349	7,923,348	-	-	9,088,349	7,923,348
General revenues:						
Property taxes	50,561,416	42,550,269	-	-	50,561,416	42,550,269
Grants and contributions	12,969,155	18,320,046	-	-	12,969,155	18,320,046
Other	1,032,053	1,734,300	-	-	1,032,053	1,734,300
Total revenues	<u>75,657,500</u>	<u>72,461,914</u>	<u>291,443</u>	<u>261,264</u>	<u>75,948,943</u>	<u>72,723,178</u>
Expenses:						
Instruction	39,488,178	37,039,839	-	-	39,488,178	37,039,839
Instruction resources and media services	1,459,345	1,150,790	-	-	1,459,345	1,150,790
Curriculum and staff development	1,389,306	1,422,056	-	-	1,389,306	1,422,056
Instructional leadership	750,473	684,691	-	-	750,473	684,691
School leadership	3,820,605	3,625,318	-	-	3,820,605	3,625,318
Guidance, counseling and evaluation services	2,447,458	2,497,552	-	-	2,447,458	2,497,552
Social work services	50,156	48,640	-	-	50,156	48,640
Health services	383,346	357,207	-	-	383,346	357,207
Student transportation	2,873,396	2,871,961	-	-	2,873,396	2,871,961
Food service	3,328,040	3,059,984	-	-	3,328,040	3,059,984
Co-curricular/ extracurricular activities	1,943,646	2,052,496	-	-	1,943,646	2,052,496
General administration	1,999,625	1,937,492	-	-	1,999,625	1,937,492
Plant maintenance and operations	6,601,783	6,766,360	-	-	6,601,783	6,766,360
Security and monitoring	371,238	397,292	-	-	371,238	397,292
Data processing services	963,147	1,054,919	-	-	963,147	1,054,919
Community services	244,840	243,719	-	-	244,840	243,719
Interest on long-term debt	3,196,560	3,300,651	-	-	3,196,560	3,300,651
Bond issuance costs	18,820	1,300	-	-	18,820	1,300
Contracted instructional services between schools	6,093,552	1,111,857	-	-	6,093,552	1,111,857
Payments to shared service arrangements	210,980	204,044	-	-	210,980	204,044
Other intergovernmental charges	710,300	653,798	-	-	710,300	653,798
Extended day school	-	-	282,454	263,572	282,454	263,572
Total expenses	<u>78,344,794</u>	<u>70,481,966</u>	<u>282,454</u>	<u>263,572</u>	<u>78,627,248</u>	<u>70,745,538</u>
Change in net assets	(2,687,294)	1,979,948	8,989	(2,308)	(2,678,305)	1,977,640
Net assets, beginning	26,890,874	24,564,740	(67,935)	(65,627)	26,822,939	24,499,113
Prior period adjustments	-	346,186	-	-	-	346,186
Net assets, ending	<u>\$ 24,203,580</u>	<u>\$ 26,890,874</u>	<u>\$ (58,946)</u>	<u>\$ (67,935)</u>	<u>\$ 24,144,634</u>	<u>\$ 26,822,939</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved, undesignated fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$17,379,614, a decrease of \$1,276,263. Approximately 95.1% of this total amount (\$16,522,745) constitutes unreserved, undesignated fund balance. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (1) to pay debt service (\$324,779), (2) to pay for construction (\$180,833), (3) for food service (\$49,989), and (4) for inventory and other miscellaneous designations (\$301,268).

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$16,522,745, out of a total fund balance of \$16,697,009. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to the total fund expenditures. Unreserved, undesignated fund balance represents 26.1% of the total General Fund expenditures.

The fund balance of the District's General Fund decreased by \$1,068,780 during the current fiscal year. Key factors in this decrease are as follows:

- TEA Target Revenue has established a system by which revenue is only increased as student ADA is increased. Granbury ISD did not recognize an increase in ADA this year, thus revenue remained consistent with last year; however, expenses increased, resulting in the reduction of the fund balance.

The net decrease in fund balance during the period in the Debt Service Fund is \$75,778. This decrease was a result of planned use of fund balance.

Proprietary funds. As mentioned earlier, the District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for the Enterprise Funds at August 31, 2009, amounted to \$(67,935) for the Enterprise Fund and \$200,709 for Internal Service Funds. The total increase in net assets was \$8,989 for the Enterprise Fund and an increase of \$198,597 for Internal Service Funds. For the fiscal year ended August 31, 2009, the District, the state, community, and employees contributed approximately \$291,443 to the Enterprise Funds and \$660,555 to the Internal Service Funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and appropriations. These amendments fall into the following categories:

- Amendments approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year.
- Amendments in early and late summer to revise estimates for local and state revenue based on the latest information on student attendance numbers and tax collections.
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations.
- Amendments during the year for unexpected occurrences.

The District made the following amendments to budgeted revenue:

- Approximately \$10,400,000 increase in local tax revenue due to increased property values.
- Approximately \$3,400,000 decrease in state revenue due to increased property values.
- Approximate \$140,000 increase in local revenue due to insurance proceeds for property damage to District facilities.

Following is a summary of amendments made to appropriations:

- Approximately \$6,000,000 increase in State Recapture due to increased property tax revenue.
- Approximately \$700,000 due to restructuring of grade levels at various District school buildings.

GRANBURY INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS

	Governmental Activities	
	2009	2008
Land	\$ 1,523,587	\$ 1,523,587
Buildings and improvements	61,477,114	64,848,876
Furniture and equipment	<u>2,193,962</u>	<u>2,627,927</u>
Total capital assets	<u>\$ 65,194,663</u>	<u>\$ 69,000,390</u>

Additional information on the District's capital assets can be found in Note C on pages 35 – 36 of this report.

Long-term debt. As of August 31, 2009, the District had total general obligation bonded debt outstanding of \$53,589,951, a decrease of \$3,527,780 over the prior year. Accretion on capital appreciation bonds was \$1,065,547 for fiscal year 2009, resulting in an ending balance of \$9,397,449. There was a loss on refunding of \$1,914,735, a decrease of \$91,177 over the prior year.

The "AAA" long-term rating on the District's Texas bonds reflects the Texas Permanent School Fund guarantee. The "A2" Moody's underlying rating on the District's unenhanced debt reflects the District's growing economic base, manageable debt position and strong financial operations. Source: Moody's Investor Services Global Credit Research Publication 31-May-2002.

Additional information on the District's long-term debt can be found in Note E on pages 37 – 38 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District's student attendance rate remains stable at 95.8%.
- The District's enrollment has experienced minimal decrease and ADA growth is expected at 0%.
- The District's taxable valuation has increased by 18% and is projected to continue to increase as a result of the oil and gas exploration associated with the Barnett Shale but not necessarily at the same rate as in the past due to the down turn of the real estate market and slowing of natural gas productivity.
- The District lowered the total tax rate to \$1.155 (\$1.04 for maintenance and operations and \$0.115 for debt service). Ability to do this is a result of higher tax base, District management's efficient use of resources, and state funding changes. The District has fully utilized the additional \$0.04 available as a result of HB1.

- The District has appropriated maintenance and operations revenues and expenditures in the 2009-2010 budget of \$60,474,360 and \$63,571,782, respectively. Expenditures include an additional \$1,870,000 for salary/wage increases which is over 100% of total increase. Other expenditures were reduced to allow this to occur. Normal lapse in budget is 2-5% in expenditures. If the 2009-10 fiscal year is normal, the \$3,097,422 deficit budget will be an actual deficit of \$2,000,000 to \$2,500,000, which will reduce the fund balance, but still maintain a healthy balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances 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 Granbury Independent School District Business office.

BASIC FINANCIAL STATEMENTS

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2009

Data Control Codes			
	1	2	3
	Primary Government		
	Governmental	Business	
	Activities	Type	Total
		Activities	
ASSETS			
1110 Cash and Cash Equivalents	\$ 1,655,568	\$ 9,172	\$ 1,664,740
1120 Current Investments	29,602,383	-	29,602,383
1220 Property Taxes Receivable (Delinquent)	2,438,774	-	2,438,774
1230 Allowance for Uncollectible Taxes	(48,775)	-	(48,775)
1240 Due from Other Governments	993,829	-	993,829
1260 Internal Balances	54,901	(54,901)	-
1267 Due from Fiduciary Funds	15,018	-	15,018
1290 Other Receivables, net	30,488	-	30,488
1300 Inventories	140,234	-	140,234
1420 Capitalized Bond and Other Debt Issuance Costs	370,406	-	370,406
Capital Assets:			
1510 Land	1,523,587	-	1,523,587
1520 Buildings, Net	61,477,114	-	61,477,114
1530 Furniture and Equipment, Net	2,193,962	-	2,193,962
1000 Total Assets	100,447,489	(45,729)	100,401,760
LIABILITIES			
2110 Accounts Payable	676,950	3,289	680,239
2140 Interest Payable	141,146	-	141,146
2150 Payroll Deductions & Withholdings	423,610	-	423,610
2160 Accrued Wages Payable	1,978,635	9,928	1,988,563
2177 Due to Fiduciary Funds	951	-	951
2180 Due to Other Governments	11,996,851	-	11,996,851
2300 Deferred Revenues	124,878	-	124,878
Noncurrent Liabilities			
2501 Due Within One Year	3,543,362	-	3,543,362
2502 Due in More Than One Year	57,357,526	-	57,357,526
2000 Total Liabilities	76,243,909	13,217	76,257,126
NET ASSETS			
3200 Invested in Capital Assets, Net of Related Debt	4,529,604	-	4,529,604
Restricted for:			
3820 Restricted for Federal and State Programs	351,257	-	351,257
3850 Restricted for Debt Service	617,828	-	617,828
3900 Unrestricted Net Assets	16,897,718	(58,946)	16,838,772
3000 Total Net Assets	\$ 22,396,407	\$ (58,946)	\$ 22,337,461

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 39,488,178	\$ 231,327	\$ 5,428,246
12 Instructional Resources and Media Services	1,459,345	-	349,014
13 Curriculum and Instructional Staff Development	1,389,306	-	535,141
21 Instructional Leadership	750,473	-	107,148
23 School Leadership	3,820,605	-	183,878
31 Guidance, Counseling and Evaluation Services	2,447,458	-	148,092
32 Social Work Services	50,156	-	50,156
33 Health Services	383,346	-	22,714
34 Student (Pupil) Transportation	2,873,396	-	118,373
35 Food Services	3,328,040	1,611,785	1,543,898
36 Extracurricular Activities	1,943,646	163,415	55,290
41 General Administration	1,999,625	-	75,519
51 Plant Maintenance and Operations	6,601,783	-	187,235
52 Security and Monitoring Services	371,238	-	4,617
53 Data Processing Services	963,147	-	38,911
61 Community Services	244,840	-	29,137
72 Debt Service - Interest on Long Term Debt	3,196,560	-	-
73 Debt Service - Bond Issuance Cost and Fees	18,820	-	-
91 Contracted Instructional Services Between Schools	6,093,552	-	-
93 Payments to Fiscal Agent/Member Districts of SSA	210,980	-	210,980
99 Other Intergovernmental Charges	710,300	-	-
[TG] Total Governmental Activities:	78,344,794	2,006,527	9,088,349
BUSINESS-TYPE ACTIVITIES:			
01 Extended Day Program	282,454	291,443	-
[TB] Total Business-Type Activities:	282,454	291,443	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 78,627,248	\$ 2,297,970	\$ 9,088,349
Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous Local and Intermediate Revenue		
TR	Total General Revenues		
CN	Change in Net Assets		
NB	Net Assets--Beginning		
NE	Net Assets--Ending		

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

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (33,828,605)	\$ -	\$ (33,828,605)
(1,110,331)	-	(1,110,331)
(854,165)	-	(854,165)
(643,325)	-	(643,325)
(3,636,727)	-	(3,636,727)
(2,299,366)	-	(2,299,366)
-	-	-
(360,632)	-	(360,632)
(2,755,023)	-	(2,755,023)
(172,357)	-	(172,357)
(1,724,941)	-	(1,724,941)
(1,924,106)	-	(1,924,106)
(6,414,548)	-	(6,414,548)
(366,621)	-	(366,621)
(924,236)	-	(924,236)
(215,703)	-	(215,703)
(3,196,560)	-	(3,196,560)
(18,820)	-	(18,820)
(6,093,552)	-	(6,093,552)
-	-	-
(710,300)	-	(710,300)
(67,249,918)	-	(67,249,918)
-	8,989	8,989
-	8,989	8,989
(67,249,918)	8,989	(67,240,929)
44,944,209	-	44,944,209
5,617,207	-	5,617,207
12,969,155	-	12,969,155
382,136	-	382,136
649,917	-	649,917
64,562,624	-	64,562,624
(2,687,294)	8,989	(2,678,305)
26,890,874	(67,935)	26,822,939
\$ 24,203,580	\$ (58,946)	\$ 24,144,634

GRANBURY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2009

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 1,298,961	\$ 160,449	\$ 1,459,410
1120 Investments - Current	28,519,983	531,287	29,051,270
1220 Property Taxes - Delinquent	2,103,007	335,767	2,438,774
1230 Allowance for Uncollectible Taxes (Credit)	(42,060)	(6,715)	(48,775)
1240 Due from Other Governments	256,955	736,874	993,829
1260 Due from Other Funds	1,304,885	593,786	1,898,671
1290 Other Receivables	28,913	1,575	30,488
1300 Inventories	-	140,234	140,234
1000 Total Assets	<u>\$ 33,470,644</u>	<u>\$ 2,493,257</u>	<u>\$ 35,963,901</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 270,977	\$ 145,029	\$ 416,006
2150 Payroll Deductions and Withholdings Payable	423,610	-	423,610
2160 Accrued Wages Payable	1,803,071	175,564	1,978,635
2170 Due to Other Funds	395,629	1,166,609	1,562,238
2180 Due to Other Governments	11,996,851	-	11,996,851
2300 Deferred Revenues	1,883,497	323,450	2,206,947
2000 Total Liabilities	<u>16,773,635</u>	<u>1,810,652</u>	<u>18,584,287</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	-	140,234	140,234
3420 Retirement of Long Term Debt	-	324,779	324,779
3450 Food Service	-	49,989	49,989
Unreserved Designated For:			
3510 Construction	174,264	-	174,264
Unreserved and Undesignated:			
3600 Reported in the General Fund	16,522,745	-	16,522,745
3610 Reported in Special Revenue Funds	-	161,034	161,034
3620 Reported in Capital Projects Funds	-	6,569	6,569
3000 Total Fund Balances	<u>16,697,009</u>	<u>682,605</u>	<u>17,379,614</u>
4000 Total Liabilities and Fund Balances	<u>\$ 33,470,644</u>	<u>\$ 2,493,257</u>	<u>\$ 35,963,901</u>

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AUGUST 31, 2009

Total Fund Balances - Governmental Funds	\$ 17,379,614
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets.	200,709
2 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 \$119,066,884 and the accumulated depreciation was \$50,066,494. In addition, long-term liabilities, including bonds payable, 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 increase net assets.	5,522,383
3 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 2009 capital outlays and debt principal payments is to increase net assets.	4,469,569
4 The 2009 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(4,321,934)
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 deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.	953,239
19 Net Assets of Governmental Activities	\$ 24,203,580

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 46,630,484	\$ 7,324,851	\$ 53,955,335
5800 State Program Revenues	14,818,387	1,090,775	15,909,162
5900 Federal Program Revenues	678,033	5,470,309	6,148,342
5020 Total Revenues	62,126,904	13,885,935	76,012,839
EXPENDITURES:			
Current:			
0011 Instruction	32,772,503	3,888,115	36,660,618
0012 Instructional Resources and Media Services	1,022,387	303,387	1,325,774
0013 Curriculum and Instructional Staff Development	882,653	501,418	1,384,071
0021 Instructional Leadership	670,590	79,883	750,473
0023 School Leadership	3,670,882	20,124	3,691,006
0031 Guidance, Counseling and Evaluation Services	2,401,083	54,319	2,455,402
0032 Social Work Services	-	50,156	50,156
0033 Health Services	375,022	-	375,022
0034 Student (Pupil) Transportation	2,840,986	2,138	2,843,124
0035 Food Services	-	3,154,452	3,154,452
0036 Extracurricular Activities	1,742,375	-	1,742,375
0041 General Administration	2,000,734	2,221	2,002,955
0051 Facilities Maintenance and Operations	6,523,774	35,090	6,558,864
0052 Security and Monitoring Services	344,829	-	344,829
0053 Data Processing Services	884,808	-	884,808
0061 Community Services	237,651	7,189	244,840
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	-	3,597,157	3,597,157
0072 Debt Service - Interest on Long Term Debt	-	2,186,489	2,186,489
0073 Debt Service - Bond Issuance Cost and Fees	-	300	300
Capital Outlay:			
0081 Facilities Acquisition and Construction	38,683	-	38,683
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	6,093,552	-	6,093,552
0093 Payments to Fiscal Agent/Member Districts of SSA	-	210,980	210,980
0099 Other Intergovernmental Charges	710,300	-	710,300
6030 Total Expenditures	63,212,812	14,093,418	77,306,230
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,085,908)	(207,483)	(1,293,391)
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	17,128	-	17,128
7080 Total Other Financing Sources (Uses)	17,128	-	17,128
1200 Net Change in Fund Balances	(1,068,780)	(207,483)	(1,276,263)
0100 Fund Balance - September 1 (Beginning)	17,765,789	890,088	18,655,877
3000 Fund Balance - August 31 (Ending)	\$ 16,697,009	\$ 682,605	\$ 17,379,614

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

GRANBURY 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, 2009

Total Net Change in Fund Balances - Governmental Funds	\$ (1,276,263)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net assets.	198,597
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 2009 capital outlays and debt principal payments is to increase net assets.	4,469,569
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 assets.	(4,321,934)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net assets.	(1,757,263)
Change in Net Assets of Governmental Activities	<u><u>\$ (2,687,294)</u></u>

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2009

	Business-Type Activities -	Governmental Activities -
	Extended Day Program	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 9,172	\$ 196,158
Investments - Current	-	551,113
Due from Other Funds	-	21,288
Total Assets	<u>9,172</u>	<u>768,559</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,289	260,944
Accrued Wages Payable	9,928	-
Due to Other Funds	54,901	288,753
Deferred Revenues	-	18,153
Total Liabilities	<u>68,118</u>	<u>567,850</u>
NET ASSETS		
Unrestricted Net Assets	<u>(58,946)</u>	<u>200,709</u>
Total Net Assets	<u><u>\$ (58,946)</u></u>	<u><u>\$ 200,709</u></u>

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Business-Type Activities -	Governmental Activities -
	Extended Day Program	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 281,465	\$ 660,555
State Program Revenues	9,978	-
Total Operating Revenues	<u>291,443</u>	<u>660,555</u>
OPERATING EXPENSES:		
Payroll Costs	265,163	-
Professional and Contracted Services	180	-
Supplies and Materials	16,649	-
Other Operating Costs	462	461,958
Total Operating Expenses	<u>282,454</u>	<u>461,958</u>
Operating Income	8,989	198,597
Total Net Assets - September 1 (Beginning)	<u>(67,935)</u>	<u>2,112</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ (58,946)</u></u>	<u><u>\$ 200,709</u></u>

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Extended Day Program	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$ 281,465	\$ -
Cash Received for Charges to Other Funds	-	840,880
Cash Payments to Employees for Services	(258,266)	-
Cash Payments for Insurance Claims	-	(474,819)
Cash Payments for Suppliers	(14,027)	-
Net Cash Provided by Operating Activities	9,172	366,061
Net Increase in Cash and Cash Equivalents	9,172	366,061
Cash and Cash Equivalents at Beginning of the Year:	-	381,210
Cash and Cash Equivalents at the End of the Year:	\$ 9,172	\$ 747,271
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income:	\$ 8,989	\$ 198,597
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Interfund Receivables	5,378	(2,809)
Increase (decrease) in Accounts Payable	3,264	(1,046)
Increase (decrease) in Payroll Deductions	(54)	-
Increase (decrease) in Accrued Wages Payable	1,372	-
Increase (decrease) in Interfund Payables	(9,777)	182,557
Increase (decrease) in Claims Payable	-	(11,815)
Increase (decrease) in Deferred Revenue	-	577
Net Cash Provided by Operating Activities	\$ 9,172	\$ 366,061

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2009

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 88,937	\$ 165,695
Due from Other Funds	951	2,030
Total Assets	<u>89,888</u>	<u>\$ 167,725</u>
LIABILITIES		
Accounts Payable	-	\$ 603
Due to Other Funds	2,044	15,004
Due to Student Groups	-	152,118
Total Liabilities	<u>2,044</u>	<u>\$ 167,725</u>
NET ASSETS		
Restricted for Scholarships	<u>87,844</u>	
Total Net Assets	<u>\$ 87,844</u>	

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

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Private Purpose Trust Funds
ADDITIONS:	
Local and Intermediate Sources	\$ 18,365
Total Additions	<u>18,365</u>
DEDUCTIONS:	
Other Operating Costs	<u>20,986</u>
Total Deductions	<u>20,986</u>
Change in Net Assets	(2,621)
 Total Net Assets - September 1 (Beginning)	 <u>90,465</u>
 Total Net Assets - August 31 (Ending)	 <u><u>\$ 87,844</u></u>

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

GRANBURY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Granbury Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board of Trustees (the "Board") a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No. 39, and there are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, state foundation funds, grants and other intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses in the statement of activities. *Program revenues* include fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and Enterprise Funds, each displayed in a separate column. All remaining governmental and Enterprise Funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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., revenue and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenue in the accounting period in which it becomes 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 revenue available if it is collectible within 60 days after year-end.

Revenue from local sources consists primarily of property taxes. Property tax revenue and revenue received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenue is recorded as revenue when received in cash because it is generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Proprietary fund types are accounted for on a flow of *economic* resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenue in the accounting period in which it is earned and becomes measurable, and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB standards.

The District reports the following major governmental fund:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

The District reports the following major Enterprise Fund:

Extended Day Program – The Extended Day Program accounts for the operations of the after school day care.

Additionally, the District reports the following fund types:

Internal Service Funds – These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District’s governmental activities, this fund type is included in the governmental activities column of the government-wide financial statements.

Agency Funds – These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary Funds – These funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

2. Property Taxes

Property taxes are levied as of October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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 following year in which 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 fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon 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.

3. Inventories

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

4. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	9 - 30
Land improvements	12 - 25
Equipment	5 - 15

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

5. *Interfund Activity*

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single “transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “internal balances” line of the government-wide statement of net assets.

6. *Long-term Obligations*

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between this method and the interest method is immaterial. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Reserves are indicated on the balance sheet.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

8. *Net Assets*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

9. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue and recapture cost for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue and recapture cost estimates as of August 31, 2009, will change.

10. *Data Control Codes*

Data control codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

II. COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations

For the year ended August 31, 2009, expenditures exceeded appropriations in various functions of the General Fund. The General Fund budget to actual is presented as Exhibit G-1 on page 44. These over expenditures were funded by positive variances in other functions.

B. Deficit Fund Balance or Fund Net Assets

Following are funds having deficit fund balances or fund net assets at year-end, if any, along with remarks which address such deficits:

<u>Violation</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Extended Day School Program	\$ 58,946	The District is currently attempting to reduce this deficit.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits

As of August 31, 2009, the District had deposits in the amount of \$3,615,310. These deposits were entirely covered by FDIC insurance or by pledged collateral held by the District's bank in the District's name. In addition, the District's highest deposit balance occurred on October 28, 2008, and was not entirely covered by FDIC insurance or by securities held by the pledging financial institution in the District's name. The highest deposit balance was under collateralized by \$4,000,138.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

The Public Funds Investment Act (the “Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U. S. Treasury, U. S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds; 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District’s investments at August 31, 2009, are shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC LGIP	\$ 14,515,289	57
Lone Star - LGIP	78,143	52
TexPool - LGIP	971,118	44
Texas Term - LGIP	<u>14,037,831</u>	57.3
Total Investments	<u>\$ 29,602,381</u>	

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At August 31, 2009, the District’s investments are rated as to credit quality as follows:

LOGIC LGIP	AAAm
Lone Star - LGIP	AAAm
TexPool - LGIP	AAAm
Texas Term - LGIP	AAAm

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year-end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk. This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year-end, the District was not exposed to concentration of credit risk.

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to interest rate risk.

Foreign Currency Risk. This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term, "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the Pool’s underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

B. Receivables

Receivables as of year-end for the District’s individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:			
Taxes	\$ 2,103,007	\$ 335,767	\$ 2,438,774
Intergovernmental - Medicaid	244,187	-	244,187
Intergovernmental - Federal and State Programs	12,768	736,874	749,642
Other	15,047	-	15,047
Other - Penalty and Interest on Property taxes	<u>13,866</u>	<u>1,575</u>	<u>15,441</u>
Gross receivables	2,388,875	1,074,216	3,463,091
Less: allowance for uncollectibles	<u>(42,060)</u>	<u>(6,715)</u>	<u>(48,775)</u>
Net total receivables	<u>\$ 2,346,815</u>	<u>\$ 1,067,501</u>	<u>\$ 3,414,316</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 1,807,173	\$ -
Delinquent property taxes receivable (Debt Service Fund)	293,049	-
Extracurricular activities	-	5,078
Coca Cola funds	-	71,246
Grants drawn down prior to meeting all eligibility requirements	<u>-</u>	<u>30,401</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 2,100,222</u>	<u>\$ 106,725</u>

C. Capital Assets

Capital assets activity for the year ended August 31, 2009, was as follows:

	<u>Beginning Balance 09/01/08</u>	<u>Increases</u>	<u>Reclassifications/ Decreases</u>	<u>Ending Balance 08/31/09</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,523,587	\$ -	\$ -	\$ 1,523,587
Total capital assets, not being depreciated	<u>1,523,587</u>	<u>-</u>	<u>-</u>	<u>1,523,587</u>
Capital assets, being depreciated:				
Buildings	98,221,099	-	-	98,221,099
Furniture and equipment	10,034,578	479,288	(104,699)	10,409,167
Improvements other than buildings	<u>9,287,620</u>	<u>36,919</u>	<u>-</u>	<u>9,324,539</u>
Total capital assets, being depreciated	<u>117,543,297</u>	<u>516,207</u>	<u>(104,699)</u>	<u>117,954,805</u>
Less accumulated depreciation for:				
Buildings	(37,676,471)	(3,005,492)	-	(40,681,963)
Furniture and equipment	(7,406,651)	(913,253)	104,699	(8,215,205)
Improvements other than buildings	<u>(4,983,372)</u>	<u>(403,189)</u>	<u>-</u>	<u>(5,386,561)</u>
Total accumulated depreciation	<u>(50,066,494)</u>	<u>(4,321,934)</u>	<u>104,699</u>	<u>(54,283,729)</u>
Total capital assets, being depreciated, net	<u>67,476,803</u>	<u>(3,805,727)</u>	<u>-</u>	<u>63,671,076</u>
Governmental activities capital assets, net	<u>\$ 69,000,390</u>	<u>\$ (3,805,727)</u>	<u>\$ -</u>	<u>\$ 65,194,663</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

Instruction	\$ 3,041,240
Instructional resources and media services	137,543
Curriculum and instructional staff development	9,207
School leadership	137,543
Health services	10,310
Student (pupil) transportation	380,096
Food services	189,623
Extracurricular activities	204,946
General administration	4,614
Facilities maintenance and operations	97,348
Security and monitoring services	26,409
Data processing services	<u>83,055</u>

Total depreciation expense - governmental activities \$ 4,321,934

D. Interfund Balances

Due to and from Other Funds

Balances due to and due from other funds at August 31, 2009, consisted of the following:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General	Other governmental funds	\$ 946,378
	Extended day program	54,901
	Internal service	288,753
	Fiduciary funds	14,853
Other governmental funds	General	390,868
	Other governmental funds	200,750
	Fiduciary funds	2,168
Internal service	General	1,780
	Other governmental funds	19,481
	Fiduciary funds	27
Fiduciary funds	General	<u>2,981</u>
		\$ <u><u>1,922,940</u></u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2009, are as follows:

Description	Amount Original Issue	Interest Current Year	Amount Outstanding 09/01/08	Additions	Reductions	Amount Outstanding 08/31/09	Amount Due in One Year
Unlimited Tax CAP, School Building and Refunding Bonds, Series 1999	\$ 57,241,974	\$ 149,125	\$ 17,764,951	\$ -	\$ 522,157	\$ 17,242,794	\$ 1,434,575
Unlimited Tax 2002 Refunding Bonds	12,865,000	157,000	3,925,000	-	2,990,000	935,000	935,000
Unlimited Tax CAP Refunding Bonds, Series 2005	32,170,000	<u>1,547,521</u>	31,900,000	-	85,000	31,815,000	90,000
Accreted interest on Capital appreciation Bonds, Series 1999			9,249,473	1,322,906	332,843	10,239,536	1,060,425
Accreted interest on Capital appreciation Bonds, Series 2005			147,976	53,338	-	201,314	-
Premium on issuance of bonds			2,405,342	-	114,541	2,290,801	114,540
Deferred amounts Loss on refunding			(1,914,735)	-	(91,178)	(1,823,557)	(91,178)
Totals		\$ <u>1,853,646</u>	\$ <u>63,478,007</u>	\$ <u>1,376,244</u>	\$ <u>3,953,363</u>	\$ <u>60,900,888</u>	\$ <u>3,543,362</u>

The interest rates on the Unlimited Tax School Building and Refunding bonds Series 1999 range from 3.50% to 5.60% and mature on August 1, 2029.

The interest rates on the Unlimited Tax Refunding Bonds Series 2002 range from 2.20% to 4.00% and mature on August 1, 2029.

The interest rates on the Unlimited Tax School Refunding Bonds Series 2005 range from 3.00% to 5.00% and mature on August 1, 2029.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2009, are as follows:

Year Ending August 31,	Governmental Activities		Total
	Principal	Interest	
2010	\$ 3,529,000	\$ 1,731,390	\$ 5,260,390
2011	3,215,000	1,691,065	4,906,065
2012	3,220,000	1,687,915	4,907,915
2013	3,220,000	1,684,471	4,904,471
2014	3,225,000	1,680,909	4,905,909
2015 - 2019	16,190,000	8,341,781	24,531,781
2020 - 2024	16,955,000	7,578,296	24,533,296
2025 - 2029	21,220,000	3,313,725	24,533,725
Total	70,774,000	\$ 27,709,552	\$ 98,483,552
Less: Accretion on CABs	20,781,206		
Par Value of Bonds	\$ 49,992,794		

Accretion of Premium Capital Appreciation Bonds

A portion of the bonds sold in the Unlimited Tax Refunding and School Building Bonds Series 1999 and 2005 was premium capital appreciation bonds. These obligations have par values of \$14,963,794 and maturity values of \$35,745,000. The interest on these obligations will be paid upon maturity in the fiscal years ending August 31, 2010-2021. The accreted values of these bonds at August 31, 2009, are approximately \$10,440,850, which has been allocated to the governmental activities.

Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2009, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

Bond Issue	Amount
Series 1994	\$ 975,000
Series 1999	32,170,000
Total	\$ 33,145,000

F. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2009, as follows:

2010	\$ 250,746
2011	87,586
2012	26,151
Total minimum lease payments	\$ 364,483

IV. OTHER INFORMATION

A. Property Casualty Program

During the year ended August 31, 2009, Granbury ISD participated in the Texas Association of Public Schools Property and Liability Fund (the Fund) with coverage in Auto Liability, Auto Physical Damage, Crime, Equipment Breakdown, General Liability, Manuscript Special, Property, Sexual Misconduct Endorsement, and Special Legal Liability. The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2009, the Fund anticipates Granbury ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in November or December of the current year. The Fund's audited financial statements as of August 31, 2008, are available at the TAPS offices.

B. Pension Plan

Plan Description. Granbury Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

(continued)

IV. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal year 2009, 2008 and 2007, and a state contribution rate of 6.58% for fiscal years 2009 and 2008 and 6.0% for fiscal year 2007. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal years 2009 and 2008 and 6.00% for fiscal year 2007. State contributions to TRS made on behalf of Granbury Independent School District's employees for the years ended August 31, 2009, 2008 and 2007 were \$2,010,743, \$1,529,593, and \$1,483,976, respectively. Granbury Independent School District paid additional state contributions for the years ended August 31, 2009, 2008, and 2007 in the amount of \$586,162, \$496,437, and \$365,058, respectively, on the portion of the employees' salaries that exceeded the statutory minimum. These contributions equaled the required contributions each year, respectively.

C. Health Care Coverage

During the year ended August 31, 2009, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$350 per month, per full-time employee, and \$254 per month, per part-time employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. 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 insurer are available for the year ended December 31, 2008, and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

(continued)

IV. OTHER INFORMATION (Continued)

D. Retiree Health Plan

Plan Description. The Granbury Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2009, 2008, and 2007. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2009, 2008, and 2007, the State's contributions to TRS-Care were \$420,417, \$398,420, and \$362,710, respectively, the active member contributions were \$273,271, \$258,973, and \$235,762, respectively, and the school district's contributions were \$231,229, \$219,131, and \$199,491, respectively, which equaled the required contributions each year.

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 retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$96,105 and \$90,902 were recognized for the years ended August 31, 2009 and 2008, respectively, as equal revenues and expenditures.

(continued)

IV. OTHER INFORMATION (Continued)

E. Workers' Compensation

Beginning in 1991, the District established a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. The liability of the workers' compensation self-insurance plan includes \$147,759 of incurred but not reported claims. These liabilities reported in the funds at August 31, 2009, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the workers' compensation claims liability amounts are presented below:

	<u>Beginning Liability</u>	<u>Current Year Claims and Change in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2007	\$ 16,220	\$ 74,341	\$ 49,544	\$ 41,017
2008	41,017	292,669	77,812	255,874
2009	255,874	95,082	126,803	224,153

F. Commitments and Contingencies

The District participates in 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, refunds of any money received may be required and the collectibility of any related receivable 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 basic financial statements for such contingencies.

No reportable litigation was pending against the District at August 31, 2009.

(continued)

IV. OTHER INFORMATION (Continued)

G. Joint Venture Shared Service Arrangements

The District participates in a shared services arrangement (“SSA”) for a federal program with the following school districts:

Dublin ISD
Glen Rose ISD

Gorman ISD
Hamilton ISD
Mineral Wells ISD

Stephenville ISD
Weatherford ISD

The District does not account for revenue or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Brazos River Regional Day School Program for the Deaf, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

REQUIRED SUPPLEMENTARY INFORMATION

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2009

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	\$ 36,883,340	\$ 46,616,680	\$ 46,630,484	\$ 13,804
5800	State Program Revenues	19,418,513	16,103,109	14,818,387	(1,284,722)
5900	Federal Program Revenues	360,000	360,000	678,033	318,033
5020	Total Revenues	56,661,853	63,079,789	62,126,904	(952,885)
EXPENDITURES:					
Current:					
0011	Instruction	33,228,108	33,301,406	32,772,503	528,903
0012	Instructional Resources and Media Services	980,948	1,366,365	1,022,387	343,978
0013	Curriculum and Instructional Staff Development	999,517	954,529	882,653	71,876
0021	Instructional Leadership	545,999	647,871	670,590	(22,719)
0023	School Leadership	3,676,414	3,664,950	3,670,882	(5,932)
0031	Guidance, Counseling and Evaluation Services	2,231,768	2,332,994	2,401,083	(68,089)
0033	Health Services	388,263	391,020	375,022	15,998
0034	Student (Pupil) Transportation	3,498,485	3,321,124	2,840,986	480,138
0036	Extracurricular Activities	1,826,627	1,859,406	1,742,375	117,031
0041	General Administration	2,885,682	2,205,566	2,000,734	204,832
0051	Facilities Maintenance and Operations	6,235,339	6,919,329	6,523,774	395,555
0052	Security and Monitoring Services	379,924	427,820	344,829	82,991
0053	Data Processing Services	1,024,784	976,059	884,808	91,251
0061	Community Services	175,116	185,303	237,651	(52,348)
Capital Outlay:					
0081	Facilities Acquisition and Construction	250,000	469,287	38,683	430,604
Intergovernmental:					
0091	Contracted Instructional Services Between Schools	-	5,993,108	6,093,552	(100,444)
0099	Other Intergovernmental Charges	-	725,640	710,300	15,340
6030	Total Expenditures	58,326,974	65,741,777	63,212,812	2,528,965
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,665,121)	(2,661,988)	(1,085,908)	1,576,080
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	17,128	17,128
7080	Total Other Financing Sources (Uses)	-	-	17,128	17,128
1200	Net Change in Fund Balances	(1,665,121)	(2,661,988)	(1,068,780)	1,593,208
0100	Fund Balance - September 1 (Beginning)	17,765,789	17,765,789	17,765,789	-
3000	Fund Balance - August 31 (Ending)	\$ 16,100,668	\$ 15,103,801	\$ 16,697,009	\$ 1,593,208

GRANBURY INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2009

Budgetary Information

The Board of Trustees adopts an “appropriated budget” for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds, and compares the final amended budget to actual revenue and expenditures. The District presented the General Fund budgetary comparison schedule as required supplementary information, and the National School Breakfast and Lunch and Debt Service Funds budgetary comparison schedules are presented as required TEA schedules.

The following procedures are followed in establishing the budgetary data reflected in the 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 10 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 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.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year’s budget. The District had no outstanding end-of-year encumbrances.

(continued)

GRANBURY INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(Continued)

AUGUST 31, 2009

Excess of Expenditures over Appropriations

The District exceeded appropriations in the General Fund in the following functions:

<u>Function</u>	<u>Amount</u>
Instructional leadership	\$ 22,719
School leadership	5,932
Guidance, counseling and evaluation services	68,089
Community services	52,348
Contracted instructional services between schools	<u>100,444</u>
	<u>\$ 249,532</u>

These overruns were funded by unexpected revenues and by positive variances in other functions.

COMBINING STATEMENTS

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2009

Data Control Codes		204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Due from Other Governments	-	98,851	94,658
1260	Due from Other Funds	6,716	41	4,177
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1000	Total Assets	<u>\$ 6,716</u>	<u>\$ 98,892</u>	<u>\$ 98,835</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110	Accounts Payable	\$ -	\$ -	\$ 4,945
2160	Accrued Wages Payable	-	35,638	54,726
2170	Due to Other Funds	6,716	63,254	39,164
2300	Deferred Revenues	-	-	-
2000	Total Liabilities	<u>6,716</u>	<u>98,892</u>	<u>98,835</u>
Fund Balances:				
Reserved For:				
3410	Investments in Inventory	-	-	-
3420	Retirement of Long Term Debt	-	-	-
3450	Food Service	-	-	-
Unreserved and Undesignated:				
3610	Reported in Special Revenue Funds	-	-	-
3620	Reported in Capital Projects Funds	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 6,716</u>	<u>\$ 98,892</u>	<u>\$ 98,835</u>

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	240 National Breakfast and Lunch Program	244 Vocational Ed Basic Grant	253 IDEA Part C Deaf - Early Intervention	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ 89,569	\$ -	\$ -	\$ -
-	-	-	-	298,312	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,252	43,589	-	-	49,690	10,032	-	76,947
-	39,218	16,236	3,123	18,259	-	356	17,560
-	-	-	-	-	-	-	-
-	-	-	-	140,234	-	-	-
<u>\$ 2,252</u>	<u>\$ 82,807</u>	<u>\$ 16,236</u>	<u>\$ 3,123</u>	<u>\$ 596,064</u>	<u>\$ 10,032</u>	<u>\$ 356</u>	<u>\$ 94,507</u>
\$ -	\$ -	\$ -	\$ -	\$ 115,030	\$ -	\$ -	\$ 17,001
1,080	-	-	-	43,052	-	-	8,735
1,172	82,807	16,236	3,123	247,759	10,032	356	68,771
-	-	-	-	-	-	-	-
<u>2,252</u>	<u>82,807</u>	<u>16,236</u>	<u>3,123</u>	<u>405,841</u>	<u>10,032</u>	<u>356</u>	<u>94,507</u>
-	-	-	-	140,234	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	49,989	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,252</u>	<u>\$ 82,807</u>	<u>\$ 16,236</u>	<u>\$ 3,123</u>	<u>\$ 596,064</u>	<u>\$ 10,032</u>	<u>\$ 356</u>	<u>\$ 94,507</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2009

Data Control Codes		262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization	270 ESEA VI, Pt B Rural & Low Income
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	6,497	286,494	-
1260	Due from Other Funds	-	-	-	5,450
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ 286,494</u>	<u>\$ 5,450</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 5,000
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	6,497	286,494	450
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>6,497</u>	<u>286,494</u>	<u>5,450</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3620	Reported in Capital Projects Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ 286,494</u>	<u>\$ 5,450</u>

289 Summer School LEP	385 Visually Impaired	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	428 High School Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	67,864	-	-	-
-	-	148,447	30,332	-	-	-	185,830
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,447</u>	<u>\$ 30,332</u>	<u>\$ 67,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,830</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,752	\$ -	\$ -	\$ -
-	-	9,628	-	-	-	-	22,705
-	-	138,819	-	65,112	-	-	2,091
-	-	-	30,332	-	-	-	-
<u>-</u>	<u>-</u>	<u>148,447</u>	<u>30,332</u>	<u>67,864</u>	<u>-</u>	<u>-</u>	<u>24,796</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	161,034
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,034</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,447</u>	<u>\$ 30,332</u>	<u>\$ 67,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,830</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2009

Data Control Codes		429 Read to Succeed License Plate	459 Regional Day School for the Deaf	Total Nonmajor Special Revenue Funds	599 Debt Service
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 89,569	\$ 57,321
1120	Investments - Current	-	-	298,312	231,935
1220	Property Taxes - Delinquent	-	-	-	335,767
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	(6,715)
1240	Due from Other Governments	-	-	736,874	-
1260	Due from Other Funds	69	117,972	593,786	-
1290	Other Receivables	-	-	-	1,575
1300	Inventories	-	-	140,234	-
1000	Total Assets	<u>\$ 69</u>	<u>\$ 117,972</u>	<u>\$ 1,858,775</u>	<u>\$ 619,883</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ 144,728	\$ 301
2160	Accrued Wages Payable	-	-	175,564	-
2170	Due to Other Funds	-	117,972	1,156,825	1,754
2300	Deferred Revenues	69	-	30,401	293,049
2000	Total Liabilities	<u>69</u>	<u>117,972</u>	<u>1,507,518</u>	<u>295,104</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	140,234	-
3420	Retirement of Long Term Debt	-	-	-	324,779
3450	Food Service	-	-	49,989	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	161,034	-
3620	Reported in Capital Projects Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>351,257</u>	<u>324,779</u>
4000	Total Liabilities and Fund Balances	<u>\$ 69</u>	<u>\$ 117,972</u>	<u>\$ 1,858,775</u>	<u>\$ 619,883</u>

699 Capital Projects		Total Nonmajor Governmental Funds	
\$	13,559	\$	160,449
	1,040		531,287
	-		335,767
	-		(6,715)
	-		736,874
	-		593,786
	-		1,575
	-		140,234
\$	14,599	\$	2,493,257

\$	-	\$	145,029
	-		175,564
	8,030		1,166,609
	-		323,450
	8,030		1,810,652

	-		140,234
	-		324,779
	-		49,989
	-		161,034
	6,569		6,569
	6,569		682,605
\$	14,599	\$	2,493,257

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes		204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
REVENUES:				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	18,568	1,349,016	1,291,688
5020	Total Revenues	18,568	1,349,016	1,291,688
EXPENDITURES:				
Current:				
0011	Instruction	7,533	1,164,365	1,022,196
0012	Instructional Resources and Media Services	-	10,456	-
0013	Curriculum and Instructional Staff Development	-	89,858	-
0021	Instructional Leadership	-	36,281	3,908
0023	School Leadership	1,701	45	-
0031	Guidance, Counseling and Evaluation Services	-	-	53,131
0032	Social Work Services	9,334	40,822	-
0034	Student (Pupil) Transportation	-	-	1,473
0035	Food Services	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	-	-
0061	Community Services	-	7,189	-
Debt Service:				
0071	Debt Service - Principal on Long Term Debt	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	210,980
6030	Total Expenditures	18,568	1,349,016	1,291,688
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	240 National Breakfast and Lunch Program	244 Vocational Ed Basic Grant	253 IDEA Part C Deaf - Early Intervention	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ 1,616,621	\$ -	\$ -	\$ -
-	-	-	-	16,589	-	-	-
25,805	207,672	8,274	2,271	1,527,309	88,742	179	339,011
25,805	207,672	8,274	2,271	3,160,519	88,742	179	339,011
25,805	207,672	8,274	2,271	-	87,282	179	185,426
-	-	-	-	-	-	-	-
-	-	-	-	-	1,460	-	151,364
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,154,452	-	-	-
-	-	-	-	-	-	-	2,221
-	-	-	-	35,090	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,805	207,672	8,274	2,271	3,189,542	88,742	179	339,011
-	-	-	-	(29,023)	-	-	-
-	-	-	-	219,246	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 190,223	\$ -	\$ -	\$ -

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes		262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization	270 ESEA VI, Pt B Rural & Low Income
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	11,519	47,928	286,494	138,271
5020	Total Revenues	11,519	47,928	286,494	138,271
EXPENDITURES:					
Current:					
0011	Instruction	6,213	4,211	-	321
0012	Instructional Resources and Media Services	-	-	286,494	-
0013	Curriculum and Instructional Staff Development	5,306	4,023	-	137,950
0021	Instructional Leadership	-	39,694	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0061	Community Services	-	-	-	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	-	-	-	-
6030	Total Expenditures	11,519	47,928	286,494	138,271
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

289 Summer School LEP	385 Visually Impaired	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	428 High School Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,080	154,292	9,642	180,651	-	187,398	538,123
9,590	-	-	-	-	-	-	-
9,590	4,080	154,292	9,642	180,651	-	187,398	538,123
9,590	4,080	154,292	-	180,651	-	187,398	512,384
-	-	-	-	-	-	-	6,437
-	-	-	9,642	-	-	-	101,815
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,378
-	-	-	-	-	-	-	1,188
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	665
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,590	4,080	154,292	9,642	180,651	-	187,398	640,867
-	-	-	-	-	-	-	(102,744)
-	-	-	-	-	-	-	263,778
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,034

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes		429 Read to Succeed License Plate	459 Regional Day School for the Deaf	Total Nonmajor Special Revenue Funds	599 Debt Service
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ 1,616,621	\$ 5,708,168
5800	State Program Revenues	-	-	1,090,775	-
5900	Federal Program Revenues	-	117,972	5,470,309	-
5020	Total Revenues	-	117,972	8,177,705	5,708,168
EXPENDITURES:					
Current:					
0011	Instruction	-	117,972	3,888,115	-
0012	Instructional Resources and Media Services	-	-	303,387	-
0013	Curriculum and Instructional Staff Development	-	-	501,418	-
0021	Instructional Leadership	-	-	79,883	-
0023	School Leadership	-	-	20,124	-
0031	Guidance, Counseling and Evaluation Services	-	-	54,319	-
0032	Social Work Services	-	-	50,156	-
0034	Student (Pupil) Transportation	-	-	2,138	-
0035	Food Services	-	-	3,154,452	-
0041	General Administration	-	-	2,221	-
0051	Facilities Maintenance and Operations	-	-	35,090	-
0061	Community Services	-	-	7,189	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	3,597,157
0072	Debt Service - Interest on Long Term Debt	-	-	-	2,186,489
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	300
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	-	-	210,980	-
6030	Total Expenditures	-	117,972	8,309,472	5,783,946
1200	Net Change in Fund Balance	-	-	(131,767)	(75,778)
0100	Fund Balance - September 1 (Beginning)	-	-	483,024	400,557
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 351,257	\$ 324,779

699 Capital Projects		Total Nonmajor Governmental Funds	
\$	62	\$	7,324,851
	-		1,090,775
	-		5,470,309
	62		13,885,935
	-		3,888,115
	-		303,387
	-		501,418
	-		79,883
	-		20,124
	-		54,319
	-		50,156
	-		2,138
	-		3,154,452
	-		2,221
	-		35,090
	-		7,189
	-		3,597,157
	-		2,186,489
	-		300
	-		210,980
	-		14,093,418
	62		(207,483)
	6,507		890,088
\$	6,569	\$	682,605

GRANBURY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2009

	753 Worker's Compensation Insurance	770 Dental Insurance	771 Health Insurance	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 133,282	\$ 62,876	\$ -	\$ 196,158
Investments - Current	451,104	100,009	-	551,113
Due from Other Funds	-	19,506	1,782	21,288
Total Assets	584,386	182,391	1,782	768,559
LIABILITIES				
Current Liabilities:				
Accounts Payable	244,059	16,885	-	260,944
Due to Other Funds	231,496	57,257	-	288,753
Deferred Revenues	-	18,153	-	18,153
Total Liabilities	475,555	92,295	-	567,850
NET ASSETS				
Unrestricted Net Assets	108,831	90,096	1,782	200,709
Total Net Assets	\$ 108,831	\$ 90,096	\$ 1,782	\$ 200,709

GRANBURY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	753 Worker's Compensation Insurance	770 Dental Insurance	771 Health Insurance	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 431,915	\$ 228,640	\$ -	\$ 660,555
Total Operating Revenues	<u>431,915</u>	<u>228,640</u>	<u>-</u>	<u>660,555</u>
OPERATING EXPENSES:				
Other Operating Costs	<u>247,898</u>	<u>214,060</u>	<u>-</u>	<u>461,958</u>
Total Operating Expenses	<u>247,898</u>	<u>214,060</u>	<u>-</u>	<u>461,958</u>
Operating Income	184,017	14,580	-	198,597
Total Net Assets - September 1 (Beginning)	<u>(75,186)</u>	<u>75,516</u>	<u>1,782</u>	<u>2,112</u>
Total Net Assets - August 31 (Ending)	<u>\$ 108,831</u>	<u>\$ 90,096</u>	<u>\$ 1,782</u>	<u>\$ 200,709</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	753 Worker's Compensation Insurance	770 Dental Insurance	771 Health Insurance	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received for Charges to Other Funds	\$ 601,553	\$ 239,327	\$ -	\$ 840,880
Cash Payments for Insurance Claims	(259,713)	(215,106)	-	(474,819)
Net Cash Provided by Operating Activities	341,840	24,221	-	366,061
Net Increase in Cash and Cash Equivalents	341,840	24,221	-	366,061
Cash and Cash Equivalents at Beginning of the Year:	242,546	138,664	-	381,210
Cash and Cash Equivalents at the End of the Year:	<u>\$ 584,386</u>	<u>\$ 162,885</u>	<u>\$ -</u>	<u>\$ 747,271</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>				
Operating Income:	\$ 184,017	\$ 14,580	\$ -	\$ 198,597
Effect of Increases and Decreases in Current Assets and Liabilities:				
Decrease (increase) in Interfund Receivables	16,697	(19,506)	-	(2,809)
Increase (decrease) in Accounts Payable	-	(1,046)	-	(1,046)
Increase (decrease) in Interfund Payables	152,941	29,616	-	182,557
Increase (decrease) in Claims Payable	(11,815)	-	-	(11,815)
Increase (decrease) in Deferred Revenue	-	577	-	577
Net Cash Provided by Operating Activities	<u>\$ 341,840</u>	<u>\$ 24,221</u>	<u>\$ -</u>	<u>\$ 366,061</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2009

	490 Scholarship Fund	491 James Wann Scholarship	492 West Scholarship	493 Doyle Holmes Scholarship
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 6,863	\$ 2,616	\$ 3,894	\$ 25,524
Due from Other Funds	-	-	-	-
Total Assets	<u>6,863</u>	<u>2,616</u>	<u>3,894</u>	<u>25,524</u>
LIABILITIES				
Current Liabilities:				
Due to Other Funds	<u>1,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Restricted for Scholarships	<u>5,067</u>	<u>2,616</u>	<u>3,894</u>	<u>25,524</u>
Total Net Assets	<u><u>\$ 5,067</u></u>	<u><u>\$ 2,616</u></u>	<u><u>\$ 3,894</u></u>	<u><u>\$ 25,524</u></u>

494 BRAG Scholarship	495 Scholarship Fund	Total Private Purpose Trust Funds
\$ 7,527 951	\$ 42,513 -	\$ 88,937 951
8,478	42,513	89,888
-	248	2,044
-	248	2,044
8,478	42,265	87,844
<u>\$ 8,478</u>	<u>\$ 42,265</u>	<u>\$ 87,844</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	490 Scholarship Fund	491 James Wann Scholarship	492 West Scholarship	493 Doyle Holmes Scholarship
ADDITIONS:				
Local and Intermediate Sources	\$ -	\$ 62	\$ 17	\$ 208
Total Additions	-	62	17	208
DEDUCTIONS:				
Other Operating Costs	-	500	500	3,000
Total Deductions	-	500	500	3,000
Change in Net Assets	-	(438)	(483)	(2,792)
Total Net Assets - September 1 (Beginning)	5,067	3,054	4,377	28,316
Total Net Assets - August 31 (Ending)	<u>\$ 5,067</u>	<u>\$ 2,616</u>	<u>\$ 3,894</u>	<u>\$ 25,524</u>

494 BRAG Scholarship	495 Scholarship Fund	Total Private Purpose Trust Funds
\$ 147	\$ 17,931	\$ 18,365
147	17,931	18,365
-	16,986	20,986
-	16,986	20,986
147	945	(2,621)
8,331	41,320	90,465
<u>\$ 8,478</u>	<u>\$ 42,265</u>	<u>\$ 87,844</u>

REQUIRED TEA SCHEDULES

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2008

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2000 and prior years	Various	Various	\$ Various
2001	1.350000	0.340000	1,682,783,750
2002	1.430000	0.300000	1,829,558,961
2003	1.480000	0.250000	2,043,095,090
2004	1.500000	0.200000	2,420,426,044
2005	1.425000	0.245000	2,567,206,467
2006	1.450000	0.220000	2,729,083,015
2007	1.286000	0.154000	3,149,532,655
2008	1.006150	0.165000	3,477,564,151
2009 (School year under audit)	1.040000	0.130000	4,265,084,002
1000 TOTALS			

(10) Beginning Balance 9/1/2008	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2009
\$ 309,984	\$ -	\$ 10,241	\$ 3,061	\$ (16,899)	\$ 279,783
81,601	-	3,849	808	(3,615)	73,329
99,388	-	7,044	1,190	(4,397)	86,757
132,855	-	13,165	2,224	(4,435)	113,031
166,435	-	27,298	3,640	(7,357)	128,140
207,466	-	45,505	7,824	5,338	159,475
361,023	-	154,761	23,481	7,983	190,764
452,098	-	205,651	24,627	10,964	232,784
934,988	-	561,733	92,119	20	281,156
-	47,318,228	43,578,602	5,447,325	2,601,254	893,555
<u>\$ 2,745,838</u>	<u>\$ 47,318,228</u>	<u>\$ 44,607,849</u>	<u>\$ 5,606,299</u>	<u>\$ 2,588,856</u>	<u>\$ 2,438,774</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2010-2011
GENERAL AND SPECIAL REVENUE FUNDS
AUGUST 31, 2009

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 15,236	\$ -	\$ 297,868	\$ 1,940,860	\$ -	\$ -	\$ 2,253,964
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	31,697	-	-	-	-	-	31,697
6212	Audit Services	-	-	-	34,000	-	-	34,000
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	808,701	-	-	-	-	808,701
621X	Other Professional Services	10,831	-	3,274	27,535	-	-	41,640
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	100	-	50	5,261	1,202	-	6,613
6240	Contr. Maint. and Repair	-	-	-	-	11,718	-	11,718
6250	Utilities	-	-	-	-	142	-	142
6260	Rentals	-	-	-	31,439	-	-	31,439
6290	Miscellaneous Contr.	-	-	46	124,823	3,855	-	128,724
6320	Textbooks and Reading	-	-	28	651	-	-	679
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	2,726	-	8,662	64,936	-	-	76,324
6410	Travel, Subsistence, Stipends	9,290	-	7,813	29,814	-	-	46,917
6420	Ins. and Bonding Costs	-	-	-	24,843	-	-	24,843
6430	Election Costs	6,479	-	-	-	-	-	6,479
6490	Miscellaneous Operating	15,369	-	4,304	47,022	19,658	-	86,353
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 91,728	\$ 808,701	\$ 322,045	\$ 2,331,184	\$ 36,575	\$ -	\$ 3,590,233

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 71,522,282

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10) \$ 516,207
Total Debt & Lease(6500)	(11) -
Plant Maintenance (Function 51, 6100-6400)	(12) 6,524,294
Food (Function 35, 6341 and 6499)	(13) 1,375,328
Stipends (6413)	(14) -
Column 4 (above) - Total Indirect Cost	2,331,184

SubTotal: 10,747,013

Net Allowed Direct Cost \$ 60,775,268

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15) \$ 98,222,970
Historical Cost of Building over 50 years old	(16) \$ 570,454
Amount of Federal Money in Building Cost (Net of #16)	(17) \$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18) \$ 10,656,304
Historical Cost of Furniture & Equipment over 16 years old	(19) \$ 532,975
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20) \$ -

(8) NOTE A: \$876,978 in Function 53 expenditures are included in this report on administrative costs.

\$710,300 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

GRANBURY INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2009

UNAUDITED

1	Total General Fund Balance as of 8/31/09 (Exhibit C-1 object 3000 for the General Fund Only)	\$ 16,697,009
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ -
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	174,264
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	11,735,146
5	Estimate of one month's average cash disbursements during the regular school session (9/1/09-5/31/10).	5,723,855
6	Estimate of delayed payments from state sources (58xx) including August payment delays	-
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-
8	Estimate of delayed payments from federal sources (59xx)	-
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-
10	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	<u>17,633,265</u>
11	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 10)	<u><u>\$ (936,256)</u></u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NATIONAL BREAKFAST AND LUNCH PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2009

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	\$ 1,609,370	\$ 1,726,127	\$ 1,616,621	\$ (109,506)
5800 State Program Revenues	17,500	17,500	16,589	(911)
5900 Federal Program Revenues	1,346,940	1,521,940	1,527,309	5,369
5020 Total Revenues	2,973,810	3,265,567	3,160,519	(105,048)
EXPENDITURES:				
0035 Food Services	2,929,863	3,222,288	3,154,452	67,836
0051 Facilities Maintenance and Operations	36,584	36,166	35,090	1,076
6030 Total Expenditures	2,966,447	3,258,454	3,189,542	68,912
1200 Net Change in Fund Balances	7,363	7,113	(29,023)	(36,136)
0100 Fund Balance - September 1 (Beginning)	219,246	219,246	219,246	-
3000 Fund Balance - August 31 (Ending)	\$ 226,609	\$ 226,359	\$ 190,223	\$ (36,136)

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2009

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	\$ 5,120,000	\$ 5,420,000	\$ 5,708,168	\$ 288,168
5020 Total Revenues	5,120,000	5,420,000	5,708,168	288,168
EXPENDITURES:				
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	3,597,157	3,597,157	3,597,157	-
0072 Debt Service - Interest on Long Term Debt	2,186,489	2,186,489	2,186,489	-
0073 Debt Service - Bond Issuance Cost and Fees	6,000	6,000	300	5,700
6030 Total Expenditures	5,789,646	5,789,646	5,783,946	5,700
1200 Net Change in Fund Balances	(669,646)	(369,646)	(75,778)	293,868
0100 Fund Balance - September 1 (Beginning)	400,557	400,557	400,557	-
3000 Fund Balance - August 31 (Ending)	\$ (269,089)	\$ 30,911	\$ 324,779	\$ 293,868

FEDERAL AWARDS SECTION

**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**

Board of Trustees
Granbury Independent School District
Granbury, Texas

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Granbury Independent School District as of and for the year ended August 31, 2009, which collectively comprise Granbury Independent School District's basic financial statements and have issued our report thereon dated December 4, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Granbury Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Granbury Independent School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Granbury Independent School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Granbury Independent School District's financial statements are free of 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*.

This report is intended solely for the information and use management, Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

December 4, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Granbury Independent School District
Granbury, Texas

Members of the Board:

Compliance

We have audited the compliance of Granbury Independent School District (the “District”), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. The District’s major federal programs are identified in the summary of auditors’ results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District’s compliance with those requirements.

In our opinion, Granbury Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

Internal Control Over Compliance

The management of Granbury Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control of the significant deficiencies in internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

December 4, 2009

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
JROTC	12.000	111-901	\$ 53,156
Total Direct Programs			\$ 53,156
TOTAL DEPARTMENT OF DEFENSE			\$ 53,156
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Parker County Co-op</u>			
IDEA B - Deaf Ed Coop	84.027	111-901	\$ 12,621
IDEA B - Deaf Ed Coop	84.027	111-901	8,274
Total CFDA Number 84.027			20,895
IDEA B - Preschool Deaf Ed Coop	84.173	111-901	2,271
Deaf Ed Flow Through	84.215	111-901	117,972
Total Passed Through Parker County Co-op			\$ 141,138
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	09610101111901	\$ 1,326,075
ESEA, Title I, Part A - Improving Basic Programs	84.010A	10610101111901	53,588
Total CFDA Number 84.010A			1,379,663
IDEA - Part B, Formula	84.027	096600061119016600	1,260,975
IDEA - Part B, Formula	84.027	106600061119016600	59,727
IDEA - Part B, Discretionary	84.027	096600011119016680	195,051
Total CFDA Number 84.027			1,515,753
Career and Technical - Basic Grant	84.048	09420006111901	87,456
Career and Technical - Basic Grant	84.048	10420006111901	1,286
Total CFDA Number 84.048			88,742
IDEA - Part B, Preschool	84.173	096610011119016610	26,376
Summer School LEP	84.369A	69550802	9,590
IDEA, Part C - Early Intervention (Deaf)	84.181A	111-901	179
ESEA Title IV - Safe and Drug-Free Schools	84.186A	08691001111901	18,997
Title II, Part D -Enhancing Ed. Through Technology	84.318X	08630001111901	11,785
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	09696001111901	141,467
Title III, Part A - English Language Acquisition	84.365A	09671001111901	42,526
Title III, Part A - English Language Acquisition	84.365A	10671001111901	6,497
Total CFDA Number 84.365A			49,023
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	09694501111901	276,601
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	10694501111901	68,864
Total CFDA Number 84.367A			345,465
Title XIV, State Fiscal Stabilization Fund - ARRA	84.394	NA	286,494
Total Passed Through State Department of Education			\$ 3,873,534
TOTAL DEPARTMENT OF EDUCATION			\$ 4,014,672
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	111-901	\$ 30,530
Total Passed Through Texas Health and Human Services			\$ 30,530
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 30,530

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through Texas Department of Agriculture</u>			
Commodity Supplemental Food Program	10.565	111-901	\$ 136,747
Total Passed Through Texas Department of Agriculture			\$ 136,747
<u>Passed Through the State Department of Education</u>			
National School Breakfast Program	10.553	714005	\$ 326,851
National School Lunch Program	10.555	713005	1,063,711
Total Passed Through the State Department of Education			\$ 1,390,562
TOTAL DEPARTMENT OF AGRICULTURE			\$ 1,527,309
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,625,667

GRANBURY INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUGUST 31, 2009

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Granbury Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note I of the financial statements.

3. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 6,148,342
School health and related services revenue	(522,675)
Federal expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	\$ <u>5,625,667</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2009

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133	None
Dollar threshold considered between Type A and Type B federal programs	\$300,000
Low risk auditee statement	The District was classified as a low-risk auditee in the context of OMB Circular A-133
Major federal programs	Title I, Part A, CFDA #84.010A IDEA-B, CFDA #84.027 and 84.173 Title II, Part A, CFDA #84.367A Title XIV, ARRA - Stabilization, CFDA #84.394

Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

GRANBURY INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2009

Findings and Questioned Costs for Federal Awards

<u>Item 2008-1:</u>	Title I, Part A, Federal CFDA #84.010A
<u>Compliance Requirement:</u>	Allowable Costs
<u>Criteria:</u>	According to OMB Circular A-87, "An employee who works on multiple activities or cost objectives must maintain time and effort distribution records."
<u>Condition:</u>	As part of this program, the District has two employees who are split-funded between Title I, Part A and another cost objective. The District failed to maintain any time and effort distribution records documenting the actual split of these employees' time. The amount of questioned costs is \$20,000.
<u>Effect:</u>	The cost is subject to disallowance and is, therefore, considered a questioned cost.
<u>Cause:</u>	District personnel were unaware that time and effort distribution records were required to be maintained.
<u>Recommendation:</u>	Management should emphasize the importance of being knowledgeable about the compliance requirements of the program. Personnel should be adequately trained on time and effort documentation requirements of the program to ensure federal funds are expended only for allowable costs.
<u>Current Status:</u>	This matter has been resolved.

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: December 14, 2009
For: Approval

TO: Mr. Ron Mayfield, Superintendent

FROM: Sharay Boynton

DATE: December 9, 2009

RE: TEA Expedited Waiver for Textbook
Proclamation 2001 and 2002

SUMMARY:

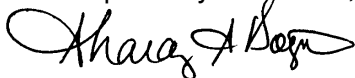
American Sign Language is offered at GHS. The State did not adopt a standard textbook for this class during the 2001 and 2002 Proclamation for Languages Other than English. GISD can apply for a waiver that would allow a purchase be made for a textbook and be reimbursed by the State up to \$28.50/student book.

The attached waiver was presented to the GHS Site-Based Decision Making Committee and approved as required. The following is their recommendation.

RECOMMENDATION:

It is recommended that the Board approve the waiver attached and authorize GISD staff to submit to TEA for the purpose described above.

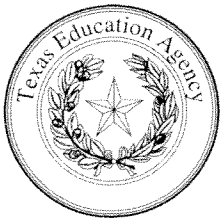
Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay S. Boynton
Donna Jefferies

Date Submitted: December 9, 2009



APPLICATION FOR EXPEDITED AND GENERAL STATE WAIVERS

General Instructions. For Expedited Waivers, please complete Sections 1, 2, 3, and 4. For General State Waivers, please complete Sections 1, 2, 3, 5, and 6. **Bolded** items in Section 2 and Section 3 must be completed. Please direct questions to the State Waiver Unit at (512) 463-9630 or www.tea.state.tx.us/waivers.

SECTION 1. PLEASE COMPLETE THIS SECTION FOR ALL WAIVERS.

District Name: Granbury ISD County/District No. 111 - 901
Address: 600 W. Pearl St. Telephone No. (817) - 408 - 4015
City, State, Zip: Granbury, Tx 76048 Fax No. (817) - 408 - 4033
Contact Person: Sharay Boynton Telephone No. (817) - 408 - 4022
Email: sharay.boynton@granburyisd.org

SECTION 2. PLEASE COMPLETE THIS SECTION FOR ALL WAIVERS.

Superintendent: Ron Mayfield _____ Signature
☐ Dr. ☐ xMr. Typed Name
☐ Mrs. ☐ Ms.
Board President: Dr. Barbara Herrington _____ Signature
Typed Name
Date Board Approval: 12/14/2009
Board Vote – For _____ Against _____ Abstain _____ Absent _____

SECTION 3. PLEASE COMPLETE THIS SECTION FOR ALL WAIVERS.

Comments of appropriate Site-Based Decision Making Committee:

This waiver will allow GAS to order the much-needed textbooks for this new class offering. The was not a budgeted item for 2009-2010.

SBDM Committee Chairperson Signature

Paul Brown

SECTION 4. EXPEDITED WAIVERS. PLEASE CHECK ALL THAT APPLY.

☐ **Staff Development Waiver**, pursuant to Texas Education Code (TEC) §25.081. This waiver allows the district or charter school to train staff on various educational strategies designed to improve student performance in lieu of a maximum of three days of student instruction. Please state the number of days requested: _____

Please check the years requested: ☐ 2009-2010 ☐ 2010-2011 ☐ 2011-2012

☐ **Reading/English Language Arts; Mathematics; Science; and/or Social Studies Staff Development Waiver**, pursuant to TEC §25.081. This waiver allows the district or charter school to conduct additional staff training for reading/english language arts, mathematics, science, or social studies strategies aligned with the Texas Essential Knowledge and Skills in lieu of a maximum of two days of student instruction.

Please check no more than two subject areas for only one day each:

☐ Reading/English Language Arts ☐ Mathematics ☐ Science ☐ Social Studies

Please check the years requested: ☐ 2009-2010 ☐ 2010-2011 ☐ 2011-2012

☐ **Staff Development through Participation in Eligible Conferences Waiver**, pursuant to TEC §25.081. This waiver allows the district or charter school to send staff to eligible conferences for staff development to improve student performance in lieu of one day of student instruction.

Please check the years requested: ☐ 2009-2010 ☐ 2010-2011 ☐ 2011-2012

☐ **Early Release Waiver**, pursuant to TEC §25.082(a). This waiver allows the district or charter school to conduct school for less than seven (7) hours for a total of six (6) days of student instruction to provide additional training in educational methodologies and/or to provide time to meet the needs of students and local communities. Please state the number of days requested: _____

Please check the years requested: ☐ 2009-2010 ☐ 2010-2011 ☐ 2011-2012

☐ **Modified Schedule/TAKS Testing Days Waiver**, pursuant to TEC §25.082(a). This waiver allows the district or charter school to modify the schedule of classes on TAKS testing days during the current school year to reduce interruptions during testing periods.

Please check the years requested: ☐ 2009-2010 ☐ 2010-2011 ☐ 2011-2012

SECTION 4. EXPEDITED WAIVERS

TEXTBOOK WAIVERS: Pursuant to TEC §7.056. This waiver allows school districts and open enrollment charter schools the opportunity to purchase instructional materials and obtain reimbursement up to the state maximum cost called for in a proclamation, for which no textbook was offered for consideration by publishers. These courses include, but are not limited to:

☐ **Proclamation 1997: Remedial Reading Grade 6:**

☐ 2009-2010

☐ 2010-2011

☐ 2011-2012

☐ **Proclamation 1999: Photojournalism, Astronomy; AP Environmental Science; IB Environmental Systems; and AP Human Geography:**

☐ 2009-2010

☐ 2010-2011

☐ 2011-2012

☒ **Proclamations 2001 and 2002: Business Education; Technology Education/Industrial Technology Education; Trade and Industrial Education; Languages Other Than English; and Fine Arts:**

☒ 2009-2010

☒ 2010-2011

☒ 2011-2012

☐ **Proclamation 2004: IB Mathematical Studies Subsidiary Level; IB Mathematical Higher Level; and IB Advanced Mathematics Subsidiary Level.**

☐ 2009-2010

☐ 2010-2011

☐ 2011-2012

A complete list of subjects eligible for waivers and the maximum costs allowed may be viewed at:

<http://www.tea.state.tx.us/textbooks/waivers/subjectsnobids.pdf>

☐ **Foreign Exchange Student Waiver**, pursuant to TEC §25.001(e). This expedited waiver allows the district to limit the number of foreign exchange students to a number that is not less than five per high school. An application to limit the number to less than five per high school must be submitted as a general waiver. The number requested by the district for an expedited waiver is ____ (state number of students) per high school. The waiver is subject to the provisions in the attached guidelines and FAQ <http://www.tea.state.tx.us/waivers/ForeignExchangeGuidelines.doc> <http://www.tea.state.tx.us/waivers/ForeignExchangeFAQ.doc>. The waiver will be issued if it is determined that admission of more than this number indicated will (check all that apply):

☐ (1) create a financial or staffing hardship for the district;

☐ (2) diminish the district's ability to provide high quality educational services for the district's domestic students; or

☐ (3) require domestic students to compete with foreign exchange students for educational resources.

Please check the years requested:

☐ 2009-2010

☐ 2010-2011

☐ 2011-2012

SECTION 5. PLEASE COMPLETE THIS SECTION & SECTION 6 FOR GENERAL WAIVERS

☐ Course Requirement

☐ Pregnancy Related Services On-Campus CEHI

☐ Study of Electronic Courses

☐ Other Specify _____

☐ For foreign exchange student waiver, description must address the circumstances applicable to the district under TEC § Section 25.001(e) (1), (2), or (3). Please submit local policy with application.

<http://www.tea.state.tx.us/waivers/ForeignExchangeGuidelines.doc>

<http://www.tea.state.tx.us/waivers/ForeignExchangeFAQ.doc>

☐ **Disciplinary Alternative Education Programs**, pursuant to TEC 37.008(g). This waiver allows the district to use more than 18% of the district's SCE allotment to provide supplemental services for disciplinary alternative education programs established under Section 37.008. The school district is required to state the reason for needing to exceed the 18% limit and to report the number of students in each grade level, by demographic subgroup, not making satisfactory progress under the state's assessment system. The district is also required to submit a copy of their district/campus improvement plan which provides a description of their disciplinary alternative education program for TEA review. The district/campus improvement plan must conform to the requirements in TEC Section 11.252 and 11.253 and the Financial Accountability Resource Guide, 9.2.3. This waiver is granted for one year and the waiver must be resubmitted in writing by July 20 through the Texas Education Agency waiver office for each subsequent year, in accordance with TEA policies and deadlines for filing. Please state the total

percentage of the district's SCE allotment that is being requested to provide supplemental services at the DAEP. _____

SECTION 6. COMPLETE THIS SECTION FOR ALL WAIVERS OTHER THAN EXPEDITED WAIVERS.

PLEASE USE SEPARATE PAGE.

1. Give a brief narrative description of the requested waiver.

2. Does the district or campus plan reflect the need for this waiver? If yes, what is the specific objective impacted by the waiver?

3. Cite the Texas Education Code or the Texas Administration Code that the district or campus wishes to waive?

4. Describe the plan to be implemented, if the waiver is granted.

5. How will granting this waiver help achieve the district's or campus' objective?

6. Please explain how the school district or campus will evaluate the impact of the waiver towards meeting the district's or campus' goal.

7. Please specify the school years for which the waiver is requested, to a maximum of three years.

☐ 2009-2010

☐ 2010-2011

☐ 2011-2012

Granbury High School
SBDM Meeting
November 3, 2009

1. Call to order at 5:37 pm.
2. People present—Terry Adkins, John Hohnstreiter, Donna Jefferies, Linda Eikenberry, Patti Sanderson, Connie Barnett, Roger Arbabi, Victor Saucedo, Jana Reid, Beth Richardson
3. Elected Members—
4. Jana Reid/teacher
John Hohnstreiter/teacher
Roger Arbabi/teacher
Terry Adkins/teacher
Paul Galvan/non teaching professional
Donna Jefferies/chairperson/ principal
Judy Genty/district member
Beth Richardson/Recorder of Minutes
Linda Eikenberry, Victor Saucedo, Patti Sanderson/ non voting administrators
5. Appointed Members—Gather names and contact information, contact the person and send their names to Mrs. Jefferies. 3 Parent, 2 Business and 2 Community members. Please let them know you are nominating them and the SBDM elected members will make the appointments next month. We will contact those appointed to let them know the dates of the SBDM meeting dates.
6. By Laws—draft, system for term limits (see section 1). Arbabi, Hohnstreiter volunteered for the 2 year terms. Adkins and Reid volunteered for the 3 year terms. Bring changes to next meeting. 2nd reading next month, final reading on the 3rd SBDM meeting.
7. Next Agenda—
 - A. vote for new appointed members
 - B. second reading of by laws
 - C. board policy and roles and responsibilities of each member
8. Meeting adjourned at 5:52.
9. Emailed item and addendum to meeting – Expedited Waiver possible for partial Reimbursement of ASL Textbooks: approved by all members by email.

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Action

To: Board of Trustees	From: Ron Mayfield
	Date: December 14, 2009
	Re: Consider the District Improvement Plan

SUMMARY:

I did not include the Correlates of Effective Schools in the District Improvement Plan. I am a firm believer that the Correlates of Effective Schools should be the driving force in everything we do.

RECOMMENDATION:

I recommend that we officially include these in our District Improvement plan as presented.

Respectfully submitted,



Ron Mayfield
Superintendent

District Improvement Plan 2009-2010

Mission Statement

The mission of Granbury ISD is a commitment to pursue excellence in education through utilizing all community resources and providing our students with the opportunities to be productive community members.

Goal 1

Develop and implement an effective plan to improve student performance, including subgroups in all academic areas.

- **Clear and Focused Mission**
 - Everyone in the district should understand, know and be able to quote the District Mission Statement.
- **Climate of High Expectations for Success**
 - Teachers and staff convey the expectation that all students are to obtain at least minimum mastery.
 - Target high expectations for all students for academic improvement.
 - Focus on high school enrollment in the “Distinguished Plan.”
 - Focus on high school enrollment in “Recommended Plan.”
 - Focus on College Readiness and Post-Secondary Readiness.
 - Focus on increasing the number of students receiving “Commended Performance”
 - Focus on dual credit courses and opportunities for students.
 - Consider open-enrollment for Pre-AP classes in middle school.
 - Focus on Advanced Placement Classes.
 - Provide for materials to reach instructional goals.
- **Opportunity to Learn/Student Time on Task**
 - Instructional time is a priority.
- **Frequent Monitoring of Student Progress**
 - Reward success in the classroom.
 - Use test results to improve the instructional program.
 - Teachers “effectively” use test results to direct instruction in their classroom.
 - District and Campus Performance
 - Target all subgroups for academic improvement.
 - Target specific students for academic performance.
 - Focus on completion rate at all campuses.
 - Target all subgroups for improving completion rate.
 - Target all students for improving completion rate.
 - Focus on instructional snapshots or common assessments.
 - Focus on vertical and horizontal alignment in our curriculum.
 - Make instructional time a priority.
- Focus on CTE Programs and Courses
 - Raise standards and student competency in all CTE programs.
 - Utilize coherent course sequence for CTE.

- Maintain a quality technology plan.
 - Focus on technology instruction for students.
- Consider courses for high school credit for eighth grade.
- Focus on Response to Intervention.

Goal 2

Develop and implement procedures to enhance a positive school climate.

- **Safe and Orderly Environment**
 - Character Education Programs
 - Target specific students for behavior.
 - Maintain supportive discipline on all campuses.
- **Positive Home-School Relations**
 - Improve parental involvement.
- Student Morale
- Teacher Morale
- Parent Morale
- Community Morale
- Focus on consistent application of employee attendance.
- Focus on consistent application of student attendance.
- Focus on communication.

Goal 3

Develop a fiscal plan that focuses on instruction while maintaining a viable fund balance.

- Appropriate Staffing
 - TASB Staffing Review
- Maintain appropriate and efficient expenditures.
- Include all instructional functions.
- Maintain appropriate funding for classrooms.
- Focus on actual instruction.
- Maintain continual monitoring of all expenditures for all campuses and departments.
- Justify purchases.

Goal 4

Recruit, develop and retain a well-qualified staff.

- Maintain top quality instructional leadership.
- Maintain a top quality staff.
- Recruit and maintain a “Highly Qualified” staff.
- Human Resources will develop a plan of action.

Goal 5

Develop and implement an effective plan to ensure that all district departments and campuses follow the principles of servant leadership.

- **Strong Instructional Leadership**
 - Effective discipline is in place on each campus.
 - Handle discipline matter in a manner that is fair, firm and consistent.
 - Good communication between the administration and staff.
- Central Office will model Servant Leadership.
- All departments will be supportive of student activities.
- Campus Leadership Teams
 - Incorporate plans to be user friendly in the campus improvement plan.
- Responsive Human Resources Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Finance Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Curriculum Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Technology Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Special Education Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Career and Technology Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Athletic Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Facilities and Maintenance Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Transportation Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.
- Responsive Support Services Department
 - Develop a plan to be “User Friendly” to incorporate in the District Improvement Plan.

Goal 6

Develop and implement an effective facilities improvement plan to address instructional needs in the district.

- Initiate and maintain a Facilities Improvement Plan.
- Keep facilities in the forefront.
- Focus on upgrades, not new buildings.
- Consider restructure of Brawner and Emma Roberson to K-5.

Goal 7

Provide leadership/oversight to ensure the district meets all legal and regulatory requirements.

- Follow Board Policy.
- Keep abreast of state and federal guidelines.
- Continually monitor and revise handbooks and current practices to match Board Policy and the Texas Education Code.

Goal 8

Focus on student participation in extra-curricular activities.

- Recruit students for participation in all programs.
- Encourage students to participate in all programs.
 - Teachers should encourage students to participate in programs.
 - Administration should continually encourage students to participate in programs.
 - Counselors need to be aware of all programs available and encourage students to participate in programs.

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Action

To: Board of Trustees	From: Ron Mayfield
	Date: December 14, 2009
	Re: Consider Secondary Course Additions for 2010-2011

SUMMARY:

Ms. Howard, secondary principals, curriculum, special education, technology and career and technology have spent countless hours planning and discussing the numerous changes in courses coming through CTE and what we want to offer students.

I did not anticipate that we would be ready to put these course recommendations on the agenda until January; however, I learned Thursday afternoon it would be beneficial for several reasons, primarily for our students that we present these to you in December. We will have a complete presentation and explanation for you on Monday night to identify the rationale for the consensus recommendation.

I will try to provide you a list in a separate email on Friday.

RECOMMENDATION:

I recommend approval of the courses.

Respectfully submitted,

Ron Mayfield
Superintendent

Staff Persons Responsible:

Secondary Course Considerations

Eighth Grade Courses for High School Credit

Algebra 1

English 1

Spanish 1

Gateway to Technology (Project Lead the Way)

Physical Education (Drill Team, Athletics)

Fine Arts Level 1 (Art, Theater Arts, Dance, Music, Band, Choir)

Ninth Grade Center

English II

Pre AP English II

We will offer a wider variety of CTE introductory courses to determine our students' interests. Final course offerings will be determined by student selections.

Principles of Agriculture

Principles of Hospitality and Management

Principles of Arts, AV Technology and Communication

Principles of Business, Marketing and Finance

Principles of Education

Principles of Human Services

Principles of Health

Medical Terminology

Intro to Engineering Design (PLTW course)

Granbury High School

We will offer a wider variety of AP courses to determine our students' interests. Final course offerings will be determined by student selections. (These are new AP courses that we wish to offer in addition to our current AP courses.)

AP Environmental Science

AP Micro Economics

AP Statistics

AP World History

Additionally, we will offer a variety of CTE courses to determine our students' interests. Final course offerings will be determined by student selections.

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Action

To: Board of Trustees	From: Ron Mayfield
	Date: December 14, 2009
	Re: Consider Approval of Use of the Agriculture Barn for Baseball and Softball

SUMMARY:

I received a request from Mitch Galvan, president of the Baseball Booster Club to clean out the front section of the old Ag. Barn and install batting cages for the baseball and softball programs. He reports the following information.

They are currently using the metal building behind Crossland, which allows room for two cages.

The Ag. Barn would allow a minimum of four and a maximum of eight cages.

Booster Club vice president, Alan Hickey met with Mr. Butler and Mr. Leach. Both stated they thought it would be an excellent use of the building. Mr. Hickey contacted Mr. Newton.

The proposal is that representatives from the booster club will remove the pipe for Mr. Newton to use in future projects.

I contacted Mr. Butler, Mr. Leach and Mr. Newton to make sure all are in agreement with the proposal. Apparently, all are in agreement.

RECOMMENDATION:

Respectfully submitted,



**Ron Mayfield
Superintendent**

Staff Persons Responsible:

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Action

To:	Board of Trustees
------------	--------------------------

From:	Ron Mayfield
--------------	---------------------

Date:	December 14, 2009
--------------	--------------------------

Re:	Consider Standardized Logo
------------	-----------------------------------

SUMMARY:

I was asked to place this on the agenda.

Some thoughts behind the official logo are as follows:

- Only authorized companies will be allowed to use the official logo which can help protect our parents and business people from the fly-by-night firms that make everyone think they have been approved including calendars and items for the cheerleaders to throw out.
- It helps ensure that we don't have five different types of Pirates on a single campus. Through the years, it seems some coaches and booster clubs want their own design instead of what is best for the school.
- It may help economic disadvantaged families from feeling pressure to buy the new hat, jacket, etc. when the logo changes every few years or between sports.

RECOMMENDATION:

N/A

Respectfully submitted,



Ron Mayfield
Superintendent

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: December 14, 2009
For: Information

TO: Mr. Ron Mayfield, Superintendent

FROM: Sharay Boynton

DATE: December 7, 2009

RE: 10/31/09 Financial Statements

SUMMARY:

Attached are the financial statements for the period ended October 31, 2009 for the general operating fund.

The statements for the period ended October 31, 2009 include only those transactions that occurred between the period of September 1, 2009 and October 31, 2009. Revenue collected to date equal 3.33% of the budgeted amount compared to 29.48% last year. Expenditures to date represent 17.07% of the budget compared to 17.80% last year.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton
Emmett Whitefield

Date Submitted: December 7, 2009

GRANBURY INDEPENDENT SCHOOL DISTRICT
GENERAL OPERATING FUND
INTERIM STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDED OCTOBER 31, 2009

	ANNUAL BUDGET	YTD ACTUAL	REMAINING BALANCE	YTD PERCENT	
<u>REVENUES</u>					
5700 LOCAL SOURCES	49,895,711	779,483	49,116,228	1.56%	
5800 STATE SOURCES	8,211,821	1,192,626	7,019,195	14.52%	
5900 FEDERAL SOURCES	2,393,430	40,100	2,353,330	1.68%	
TOTAL REVENUES	60,500,962	2,012,209	58,488,753	3.33%	
<u>EXPENDITURES</u>					
6100 PAYROLL COSTS	49,774,114	8,193,953	41,580,161	16.46%	
6200 PROFESSIONAL & CONTRACTED SERVICES	7,801,120	1,271,436	6,529,684	16.30%	111
6300 SUPPLIES/MATERIALS	2,655,866	548,084	2,107,783	20.64%	
6400 OTHER OPERATING	1,247,263	476,765	770,498	38.22%	
6500 DEBT SERVICE	0	0	0	#DIV/0!	
6600 CAPITAL OUTLAY	2,120,021	364,158	1,755,863	17.18%	
TOTAL EXPENDITURES	63,598,384	10,854,396	52,743,988	17.07%	
<u>OTHER SOURCES AND USES</u>					
7900 OTHER RESOURCES	0	0	0	0.00%	
8900 OTHER USES	0	0	0	0.00%	
OTHER SOURCES(USES)	0	0	0	0.00%	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,097,422)	(8,842,187)	5,744,765		

GRANBURY INDEPENDENT SCHOOL DISTRICT
GENERAL OPERATING FUND - SORTED BY FUNCTION CODE
INTERIM STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDED OCTOBER 31, 2009

	ANNUAL BUDGET	YTD ACTUAL	REMAINING BALANCE	YTD PERCENT	PRIOR YTD PERCENT
REVENUES					
5700 LOCAL					
PROPERTY TAXES	48,835,000	580,271	48,254,729	1.19%	4.52%
INVESTMENT INCOME	450,000	14,466	435,534	3.21%	9.42%
OTHER LOCAL INCOME	610,711	184,747	425,964	30.25%	20.35%
5800 STATE					
STATE FUNDING	8,211,821	1,192,626	7,019,195	14.52%	77.75%
5900 FEDERAL					
FEDERAL PROJECTS	2,393,430	40,100	2,353,330	1.68%	4.20%
TOTAL REVENUES	60,500,962	2,012,209	58,488,752	3.33%	29.48%
EXPENDITURES					
11 INSTRUCTION	34,688,879	6,095,590	28,593,288	17.57%	16.85%
12 INSTRUCTIONAL RESOURCES & MEDIA	962,478	204,973	757,505	21.30%	17.61%
13 CURRICULUM & STAFF DEVELOPMENT	1,008,443	161,704	846,739	16.04%	17.37%
21 INSTRUCTIONAL LEADERSHIP	627,591	100,942	526,649	16.08%	17.72%
23 SCHOOL LEADERSHIP	3,876,751	717,532	3,159,219	18.51%	17.94%
31 GUIDANCE/COUNSELING	2,568,600	457,218	2,111,382	17.80%	18.73%
33 HEALTH SERVICES	361,106	64,453	296,653	17.85%	17.11%
34 TRANSPORTATION	3,437,173	541,783	2,895,390	15.76%	18.15%
35 FOOD SERVICE	0	0	0	#DIV/0!	0.00%
36 CO-CURRICULAR/EXTRACURRICULAR	1,841,872	337,444	1,504,428	18.32%	20.47%
41 GENERAL ADMINISTRATION	2,295,187	428,208	1,866,979	18.66%	12.30%
51 PLANT MAINTENANCE	6,359,500	1,297,134	5,062,366	20.40%	25.86%
52 SECURITY & MONITORING SERVICES	450,370	98,972	351,398	21.98%	20.58%
53 DATA PROCESSING	963,241	246,073	717,168	25.55%	20.85%
61 COMMUNITY EDUCATION	258,474	29,437	229,037	11.39%	17.67%
71 DEBT SERVICE	0	0	0	#DIV/0!	0.00%
81 FACILITIES CONSTRUCTION & ACQUISITION	250,000	65,713	184,287	26.29%	-4.43%
91 CONTR INSTRUCTIONAL SERVICES	2,923,079	0	2,923,079	0.00%	0.00%
93 PAYMENTS TO FISCAL AGENT					0.00%
99 OTHER INTER GOV CHARGES	725,640	7,220	718,420	1.00%	0.00%
TOTAL EXPENDITURES	63,598,384	10,854,396	52,743,988	17.07%	17.80%
OTHER SOURCES (USES)	0	0	0	0.00%	0.00%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,097,422)	(8,842,187)	5,744,765		

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Information

To: Board of Trustees

From: Ron Mayfield

Date: December 14, 2009

Re: Project Lead the Way

SUMMARY:

Project Lead the Way is one of the Career and Technology programs that we want to roll out this coming year. I have asked Jud Griffith to give you a brief report of what the program will look like. I think you will be pleased with Mr. Griffith and the ability he demonstrates to lead the program.

RECOMMENDATION:

Respectfully submitted,



**Ron Mayfield
Superintendent**

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Information

To:	Board of Trustees
From:	Ron Mayfield
Date:	December 14, 2009
Re:	Monitoring Update

SUMMARY:

I want to make sure that we keep all of you informed about the different areas in which we are being monitored by TEA. This takes an unbelievable amount of time. I think you will see the reason that I brought Ms. Howard to Granbury.

RECOMMENDATION:

Respectfully submitted,



Ron Mayfield
Superintendent

Staff Persons Responsible:

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Information

To: Board of Trustees	From: Ron Mayfield
	Date: December 14, 2009
	Re: School Board Members Continuing Education Record

SUMMARY:

This is a routine item that must be reported annually.

RECOMMENDATION:

Respectfully submitted,



Ron Mayfield
Superintendent

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	December 14, 2009
Action:	Discussion/Information

To: Board of Trustees	From: Ron Mayfield
	Date: December 14, 2009
	Re: Determine January Meeting Date for Long-Term Strategic Planning

SUMMARY:

I hope all of you will take a little time to look at your calendars for January so that we can determine a date that everyone can be present.

RECOMMENDATION:

Respectfully submitted,



**Ron Mayfield
Superintendent**