

Regular

Monday, January 19, 2015 6:00 PM

Granbury ISD Board Room, 600 West Pearl St., Granbury, TX 76048, W Pearl St, Granbury, TX 76048

1. **Call to order - 5:00 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, Discussion of Employee Evaluation, Reassignment Duties, Discipline, or Dismissal.
 1. Consider Staff Appointments
 2. Consider Superintendent Formative Evaluation
 - b. Chapter 551.072 - Purchase, exchange, lease or value of real property
 1. Consider Interlocal Agreement with City of Granbury Regarding Utility Lift Station on James Road.
 - c. Texas Government Code Section 551.071, consultation with District's attorney regarding pending, threatened, or possible litigation, *Student v. Granbury ISD*, TEA Docket No. 015-DM-1114.
 - d. Texas Government Code 551.0821, including discussion of matters regarding a student or that would reveal personally identifiable information of a student.
3. **Reconvene in open session - 6:00 PM**
4. **Moment of Silence/Invocation**
5. **Pledges - U.S. Flag & Texas Flag**
6. **Achievement Spotlight**
 - a. School Board Recognition Month
 - b. All-State Choir: Kiersten Mathis and Zach Zagrocki GHS
 - c. Texas Reading Bee: Gavin Gutierrez Emma Roberson
 - d. Emma Roberson Elementary School - Imagine Learning Top Performing School
7. **Public comments/audience participation**
8. **Discussion/Action**
 - a. Consider Consent Agenda Items
 1. Minutes of the December 15, 2014 Regular Meeting
 2. Consider Budget Amendments
 3. Consider Proposal for Wide Area Network Services CSP #2015-05
 4. Consider Bond Technology Purchases
 - b. Consider Waivers for Early Release and Staff Development
 - c. Consider Approval of Annual Financial Audit Report
 - d. Consider TASB Policy Update 101
 - e. Consider and possible action regarding pending, threatened, or possible litigation, *Student v. Granbury ISD*, TEA Docket No. 015-DM-1114.
9. **Reports**
 - a. Superintendent's Report
 1. Facilities Report
 2. Legislature Update
 - b. Financial Statements for November 30, 2014
 - c. Cash Flow and Investment Report for Period Ending November 30, 2014
 - d. Bond Expenditures Monthly Update for Period Ending December 31, 2014
10. **Consider action on items discussed in closed session**
 - a. Consider Staff Appointments
 - b. Consider purchase, exchange, lease or value of real property

1. Consider Interlocal Agreement with City of Granbury Regarding Utility Lift Station on James Rd.
- c. Consider Superintendent Formative Evaluation
11. **Adjourn**



City of Granbury
Attn: Public Works Department
116 West Bridge Street
Granbury, TX 76048

January 16, 2015

Re: Formal Request for Dedication of Lift Station at James Road

Dear Sir:

The Board of Trustees for the Granbury Independent School District granted authorization for the superintendent to make a formal request to dedicate to the City of Granbury and for the public use in perpetuity that certain lift station located at James Road and within the territorial limits of the City of Granbury as well any and all associated appurtenances, including but not limited to a four-inch (4") force main. Please accept this letter as our formal written request that said lift station be formally dedicated to the City of Granbury for public use.

It is the understanding of the Granbury Independent School District that, upon final acceptance of this lift station by the City of Granbury, the utility account for the electricity powering said lift station shall be transferred into the name of the City of Granbury. Furthermore, it is our understanding that the City of Granbury, upon final acceptance of this dedication, shall operate and maintain the lift station and any and all associated appurtenances thereto as part of its collective water system and for the public use.

Should you have any further questions, please feel free to contact our office.

Best Regards,

Mark A. Jackson
Granbury ISD Board President

MEMORANDUM



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TO: Brooks Baca, PE – Dunaway Associates

CC: Scott Sopchak, Larry Abrigg & Alva Cox – City of Granbury

FROM: Justin Oswald, P.E, CFM

SUBJECT: YMCA Water-Sewer PIA Review

DATE: January 15, 2015

We have reviewed the construction plans (public and private) and the associated Water and Sewer Study for the proposed utilities to serve the YMCA on James Rd submitted by Dunaway Associates, Inc. The plans were submitted on December 30, 2014. The Water and Sewer Study was submitted on January 13, 2015. The submittals were made in preparation for a Public Improvements Agreement (PIA) with the City of Granbury for the construction of the public utilities necessary to support the development of the site.

The applicant proposes to extend the 8" water line along James Road to the site. The engineer proposes to extend a public 8" sewer line along the drainage ditch to the existing lift station.

The engineer has provided a report stating that the existing lift station has 175 gpm capacity which exceeds the expected peak demand of 156.9 gpm domestic flows. The report states that the lift station capacity is compliant with current TCEQ standards.

The proposed site will include two pools with sand filter backwash systems. The engineer states that the YMCA will only backwash during off-peak times (11pm to 5am) and that flow will be regulated to between 50 gpm and 75 gpm from the backwash system. This system will include equalization tanks and high water level failsafe measures and the proper use of the system will be demonstrated in the operations manuals for the system. The intent of these measures is to maintain flow below the capacity of the existing lift station.

The following improvements have been proposed for the lift station: implementation of SCADA to City standards, addition of a transfer switch for use of a portable generator in case of a power outage, and improvements to the site access and fencing.

The engineer's estimates for the water and sewer improvements is \$249,389 and \$230,394 respectively.

Per my review, the submitted engineering plans and study are acceptable. We have no further comments on the proposed plans, report, or cost estimate as it relates to the PIA.

January 12, 2015

Mr. Brooks Baca, PE
Dunaway Associates, L.P.

**Re: Hood County YMCA – Granbury, Texas
Swimming Pool Filter Backwash**

Brooks,

The swimming pools in the Hood County YMCA have each been designed with a high-rate sand filter system. Periodically, these filters must be backwashed in order to clean the filter sand and ensure proper operation of the filters. The following is a brief explanation of the anticipated backwash cycle and associated operation and controls:

Each of the four filters in the equipment room (two for the outdoor activity pool and two for the indoor lap pool) can be backwashed separately. Two 1,500 gallon holding tanks, that are plumbed together (total capacity of 3000 gal), have been provided in the design and the water from the backwash cycle of each filter will discharge into those tanks. The tanks will be used to detain the backwash water so it can be slowly released into the sanitary sewer and therefore prevent overloading the sewer line(s) or downstream lift station. The tanks are semi-transparent polyethylene agricultural tanks (much like the ones you can find at Tractor Supply Company or a similar agricultural supplier).

The backwash cycle for each filter will occur every 3-4 days and each filter will be backwashed for 6-8 minutes. The worst case flow rate for the largest pump/filter combination is approximately 270 gpm. Therefore, at worst case the backwash cycle for the largest filter should produce between 2,000 and 2,500 gallons of backwash water that needs to be stored at one time in the tanks.

My recommendation is that the YMCA backwash one filter at a time (preferably late at night or early in the morning during "off-peak" hours). The tanks will have a valve on their outlet pipe so that they discharge somewhere between 50 and 75 gpm into the sewer. At this rate, it will take the tanks somewhere between 30 and 50 minutes to drain. I suggest that once the tanks have drained completely – and only after the tanks have completely drained – we backwash the next filter. Then, we'll let the tanks drain the backwash water from the second filter, and continue this process until all filters have been successfully backwashed and the holding tanks drained.

The pool operator is responsible for initiating the backwash cycle for a filter. Once the backwash cycle has begun and run its course, the operator is also responsible for terminating the backwash cycle and putting the filters back in normal filtration mode. We will also install a failsafe on the backwash system in the event that the pool operator forgets to switch the filters from backwash mode back to normal filtration mode and causes backwash water to overflow the backwash holding tanks. The failsafe will consist of a "high water level" float, switch or sensor that will throw the circuit breaker on the pool pump when it senses a high water condition in the tank. This way failure to put the pool filters back in normal filtration mode will not overfill the backwash holding tanks.

The pool engineer (Aqueous Engineering) or pool contractor (Sunbelt Pools) will also type the information above and include it in an operations manual so the pool operator backwashes according to our recommendations. Plastic signs may also be posted near the filters that list the backwash procedure so that we help ensure the sewer is never overloaded.

If there are any questions related to the items listed above please feel free to contact me (903-266-9089 or bz@aqueousengineering.com).



Bryan Ziegler, PE
Aqueous Engineering

Granbury ISD
Board of Trustees
Minutes of Regular Meeting
December 15, 2014

A Regular of the Board of Trustees of Granbury ISD was held Monday, December 15, 2014, beginning at 4:00 PM in the Granbury ISD Board Room, 600 West Pearl St., Granbury, TX 76048.

Presiding Officer Mark A. Jackson, President

Board Members Present

Nancy Alana
Barbara Herrington
Micky Shearon
Chris Tackett
B.J. Wallace left at 6:25

Board Members Absent

Joe Jones

School Officials Present

Dr. James M. Largent, Superintendent
Carol Howard, Assistant Superintendent for Administrative Services
Dobie Williams, Assistant Superintendent for Finance & Operations
Tom Howard, Director of Human Resources
Amy Wood, Technology Director
Jeff Meador, Public Information Officer
Sandy Bruner, Recording Secretary

Others Present

School Employees
Media
Community Members

Meeting Called to Order

Mark A. Jackson, President, called the workshop/meeting to order at 4:03 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.

Texas Association of School Boards (TASB) Consultants, Cindy Clegg and Matthew Levitt led the workshop on Pay Systems Review.

Convened in Closed Session

The Board of Trustees convened in closed session at 5:06 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 of Trustees reconvened in open session at 5:42 p.m. and went into recess until 6:00 p.m.

Moment of Silence/Invocation

Micky Shearon led the invocation.

Pledge - U.S. Flag and Texas Flag

Parker Bradley, Brawner Elementary student led the Pledges.

Achievement Spotlight

Todd Gibson, GHS Sponsor presented the Affinity F1 Team, Hayden Coppenbarger, Christina Hager, Tyler Johnson, Ian McMasters, Chloe Scroggins, Cade Timmons, Daniel Valdez, and Tommy Wallace, to the board.

Tammy Clark, GHS presented the All-State Volleyball Players, Aubrey Ezell and Amber Strange to the board.

Krista Alccorn Holman and Mark Weeks, GHS Sponsors presented the Thespian Festival National Qualifiers, Baylee Davis, Kiersten Mathis, Dakota Medlin, and Kimbria Younkin to the board.

Shyller McGuire, GHS Sponsor presented the State Congress Qualifier, Lauren Berry to the board.

Public comments/audience participation

None

Discussion/Action

Consider Consent Agenda Items

Minutes of the November 17, 2014, Regular Meeting; 2. Consider Budget Amendments; 3. Consider Renewal of Charter Bus Services CSP #2014-07; 4. Consider Purchase of 77-Passenger Buses - Buy Board Quote; 5. Consider Renewal of Printing & Copying Services #CSP 2013-07; 6. Consider Purchase of Building Permits; 7. Consider Purchase of Geotechnical Engineering Services as presented.

A Motion was made by Micky Shearon and seconded by Nancy Alana to approve consent items as presented.

Motion Carried: 5 Yes – 0 No

Policy Review Session recommendations and instructions regarding (LOCAL) policies; [see attached list].

A Motion was made by Barbara Herrington and seconded by Micky Shearon to approve Policy Review Session recommendations and instructions regarding (LOCAL) policies as presented. Motion Carried: 5 Yes – 0 No

Consider Technology Plan

A Motion was made by Micky Shearon and seconded by Nancy Alana to approve the Technology Plan. Motion Carried: 5 Yes – 0 No

Consider Lease Agreement with the Boys & Girls Club of Hood County

A Motion was made by Barbara Herrington and seconded by Nancy Alana to approve the Memorandum of Understanding (MOU) Lease Agreement with the Boys & Girls Club of Hood County.

Motion Carried: 5 Yes – 0 No

Consider New Proposal for Copy Paper CSP #2015-03

A Motion was made by Micky Shearon and seconded by Nancy Alana to approve the New Proposal for Copy Paper CSP #2015-03. After casting of lots the Board determined Western BRW Paper is awarded the bid for color paper other than red. Motion Carried: 5 Yes – 0 No

Reports

Superintendent's Report

Facilities Report

Dr. James M. Largent, Superintendent updated on the facility construction at GHS and how well it was going. The Oak Woods School project would be completed over the Christmas Break.

Facilities and Maintenance

Randy Leach, Director of Facilities & Maintenance, presented the Facilities and Maintenance report to the board.

Texas Academic Performance Report (TAPR)

Carol Howard, Assistant Superintendent, presented the Texas Academic Performance Report to the board.

Financial Statements for Period Ending for September 30, 2014 and October 31, 2014

Dobie Williams, Assistant Superintendent, presented the Financial Statements for Period Ending for September 30, 2014 and October 31, 2014 to the board.

Cash Flow and Investment Reports for Period Ending September 30, 2014 and October 31, 2014

Dobie Williams, Assistant Superintendent, presented the Cash Flow and Investment Reports for Period Ending September 30, 2014 and October 31, 2014 to the board.

Bond Expenditures Monthly Update for Period Ending November 30, 2014

Dobie Williams, Assistant Superintendent, presented the Bond Expenditures Monthly Update for Period Ending November 30, 2014 to the board.

Policy Update 101

Dr. James M. Largent, Superintendent, stated that this is the first reading and would be on the January 19, 2015 Board Meeting.

Course Catalog 2015-2016

Amy Wood, Director of Technology, presented the Course Catalog to the board pointing out that our students designed the covers.

Consider action on items discussed in closed session

Consider Staff Appointments

Dr. Largent recommended accepting the staff appointments as presented and adding Mary Allison Allen for employment.

A Motion was made by Nancy Alana and seconded by Barbara Herrington to approve staff appointments as presented. Motion Carried: 5 Yes – 0 No

Consider purchase, exchange, lease or value of real property

Adjournment

There being no further business, the meeting was adjourned at 7:20 p.m.

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: January 19, 2015
For: Approval

TO: Dr. James Largent, Superintendent

FROM: Dobie Williams

Asst. Supt. for Finance and Operations

DATE: January 12, 2015

RE: Budget Amendments

SUMMARY:

Attached are the monthly budget amendments for Board approval.

RECOMMENDATION:

I recommend the Board approve the amendments as presented.

Respectfully submitted,



Dobie Williams

Assistant Superintendent for Finance and Operations

Staff Person Responsible: Dobie Williams

Date Submitted: January 12, 2015

Budget Amendments for Board Approval – January 12, 2015

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Revenue & Expense

Fund 199, Mr. Jimmy Dawson, Originator

This amendment is to recognize funds in the amount of \$2,781 revenue and \$2,781 expense allocated to fund 199, function 11 (Instruction). These funds are the result of a donation from the AMS Yearbook Student Activity Group to purchase a television for announcements and presentations.

Fund 199, Mr. Dwight Butler, Originator

This amendment is to recognize funds in the amount of \$514.42 revenue and \$514.42 expense allocated to fund 181, function 36 (Extracurricular Activities). These funds are the result of a donation from the GHS Lady Pirates Basketball Booster Club for hotel charges at the Bryan-College Station basketball tournament.

Fund 199, Mr. Dwight Butler, Originator

This amendment is to recognize funds in the amount of \$546.00 revenue and \$546.00 expense allocated to fund 181, function 36 (Extracurricular Activities). These funds are the result of a donation from the GHS Girls Golf Booster Club for girls golf travel.

Fund 199, Mr. Dobie Williams, Originator

This amendment is to recognize funds in the amount of \$962.15 revenue in fund 199 and \$962.15 expense allocated to fund 181, function 36 (Extracurricular Activities). These funds are the result of a reimbursement from the USMC for a trip taken by JROTC.

Fund 199, Mr. Dobie Williams, Originator

This amendment is to recognize funds in the amount of \$3,600 revenue and \$3,600 expense allocated to fund 199, function 51 (Facilities Maintenance and Operations). These funds are the result of a donation from the Granbury Education Foundation for the installation of a handicap ramp at the AMS Outdoor Learning Center.

Fund 199, Mr. Dobie Williams, Originator

This amendment is to recognize funds in the amount of \$48,229.25 revenue and \$48,229.25 expense allocated to fund 199, function 11 (Instruction). These funds are the result of grant awards from the Granbury Education Foundation. See separate attachment, Fall 2014 Grants, for details and amounts awarded for each project.

Budget Amendments for Board Approval – January 12, 2015

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Revenue & Expense Continued

Fund 199, Ms. Dana Goode, Originator

This amendment recognizes funds in the amount of \$1,823.44 allocated to function 12 (Instructional Resources and Media Services). These funds were collected from the book fair at Mambrino and will be used to pay for a visiting author and purchase library books.

Function to Function

Fund 199, Ms. Diane Fullerton, Originator

This amendment recognizes funds in the amount of \$408 from function 11 (Instruction) to function 52 (Security and Monitoring Services) for the purchase of portable radios for Sped classroom at Emma.

Fund 199, Mr. Ron Holmgreen, Originator

This amendment recognizes funds in the amount of \$60 from function 11 (Instruction) to function 23 (School Leadership) to correct account balance in the campus fund at Crossland.

Fund 199, Mr. Ron Holmgreen, Originator

This amendment recognizes funds in the amount of \$720 from function 11 (Instruction) to function 13 (Curriculum Development and Instructional Staff Development) to provide funding for a Crossland teacher to attend an English workshop.

Fund 199, Mr. Jimmy Dawson, Originator

This amendment recognizes funds in the amount of \$1,133 from function 11 (Instruction) to function 51 (Facilities Maintenance and Operations) to provide funds for the purchase a bike rack and trash cans for the AMS campus.

Fund 199, Mr. Ron Holmgren, Originator

This amendment recognizes funds in the amount of \$819 from function 11 (Instruction) to function 13 (Curriculum Development and Instructional Staff Development) to provide funds for Foreign Language travel of Crossland staff.

Fund 199, Ms. Sharon Williams, Originator

This amendment recognizes funds in the amount of \$342 from function 11 (Instruction) to function 31 (Guidance, Counseling and Evaluation Services) to correct negative balances due to CBEs.

Budget Amendments for Board Approval – January 12, 2015

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Function to Function Continued

Fund 199, Ms. Sharon Williams, Originator

This amendment recognizes funds in the amount of \$840 from function 13 (Curriculum Development and Instructional Staff Development) to function 11 (Instruction) to correct negative balances in CS funds.

Fund 199, Ms. Pat Yelverton, Originator

This amendment recognizes funds in the amount of \$1,000 from function 13 (Curriculum Development and Instructional Staff Development) to function 11 (Instruction) to increase the budget for student supplies for reading at GMS.

Fund 199, Mr. Jimmy Dawon, Originator

This amendment recognizes funds in the amount of \$2,500 from Fund 877, function 41 (General Administration) to Fund 199, function 11 (Instruction) to transfer fundraiser funds from the Student Activity account to the computer equipment and supplies accounts to purchase technology items for the AMS band.

Fund 199, Mr. Dobie Williams, Originator

This amendment recognizes funds in the amount of \$23,600 from function 99 (Other Intergovernmental Charges) to function 41 (General Administration) to increase budget for trustee election costs.

Fall 2014 Grants

Name of Grant	Campus	Teachers	Abstract	\$ Amount
Classrooms without Walls	Acton Elementary	Karla Willmeth Anna Roe	Outdoor classrooms are powerful vehicles to achieve educational goals. They naturally motivate students to learn through the "sense of wonder." Through direct experience within natural settings, outdoor education spaces allow students to explore all areas of the elementary curriculum in an alternate environment that enhances the information previously learned in the indoor classroom. Outdoor classrooms are not only applicable when teaching science, but can also be used to provide space for hands-on learning in English, math, fine arts, social studies, and physical education. Students will gain knowledge, while enjoying opportunities to learn outside the normal classroom setting.	\$1,916.26
U.S. Veteran Archive Project	STARS Accelerated High School	Rhonda Naylor	The US Veterans Museum Archive Project in Granbury will be a partnership with the social studies classes. The students will video veterans' interviews to document their service history. These recordings and other artifacts will be properly preserved with the help of Tom Green at the Granbury US Veterans Museum. Then they will be submitted to The Vietnam Archive at Texas Tech University and/or the U.S. Library of Congress to be archived. These hands on experiences will teach our students video and editing skills while creating interpersonal relationships and connections with veterans thus strengthening community awareness.	\$754.57
The Four C's & Me	Acton Elementary	Deborah Sullivan Jenn Egdorf	The Four C's known as 21 st Century Competencies (Critical Thinking, Creativity, Collaboration, & Communication) are key factors for success both in the classroom and beyond. Programming robots to accomplish specific tasks requires students to use skills across the curriculum (math, science, reading, and technology) to effectively build, program, test, and revise robots. Students frequently have trouble connecting learning to real world scenarios. The question of, "why do we have to learn this?" answers itself as students use the tools they are learning throughout the curriculum in the PBL based project to understand basic programming issues.	\$2,677.24

Name of Grant	Campus	Teachers	Abstract	\$ Amount
Sing to Read with Dr. Mike	Emma Roberson	Kim Cheyne Evelyn McWilliams Sara Galvan Tata Gastinel Candie Atkinson Margaret Banks	Sing with Dr. Mike was a training our team attended during summer conference. It was such an engaging and relevant training that we would like to have access to his materials on a daily basis. His material promotes phonemic awareness, gross motor coordination and cross lateral movement. Most importantly his material helps the students develop a genuine love for reading.	\$1,625.00
Guitar Playing: A Better Foundation for Learning	Acton Elementary	Stephanie Gravley Kristina Haber Connie Oelschig Carrie Sonderer	Music is a powerful part of our personal lives and yet when in the school atmosphere, many times, we turn it off. Music is one of the best parts of life. Brain research shows that learning to read and play music stimulates learning; therefore, it can lead to accelerated rates of learning and comprehension in math, science and reading. Learning to play an instrument also has many other great benefits. Some of the other benefits are having the ability to focus, learning patience, gaining self-confidence, and hand coordination. Giving students an opportunity to learn how to play a guitar would be a wonderful hands-on tool to help students achieve this goal.	\$2,863.09
Duck (and Chick) Dynasty	Emma Roberson	Pam Adams Sue Anderson Tania Hillock Teddie Hillock Tracy Porter Debbie Ransleben Karen Scott Susan Sutton	In order for our students to have a robust vocabulary, they must have real-life experiences. These experiences help build vocabulary and background knowledge across the curriculum empowering students to achieve academic success.	\$2,964.68
Let Our People Chrome David & Chanda Smith	Granbury High School	Mike Tabor Teresa Lively Kayla Bennett	We want to purchase Chromebooks to allow our art students to have technology on-hand at all times. Students will be able to combine art and technology by taking virtual tours of art museums, researching famous artists' works, creating QR codes for art shows, and providing virtual lesson plans for other Art 1 students in the district	\$3,000.00
Make Every Minute Count!	Acton Elementary	Katie Agor Rachael Bufkin Sandra Elrod Reagan Garrison Katy Grimes Ruth Matheny Natalee Sommerfeld	Interactive, challenging, engaging, and fun are words that should describe the learning communities within the modern classroom. Our instructional team would like to continue to inspire this type of learning in the classroom by providing wireless headphones for the students to use while engaged in differentiated learning activities with an interactive whiteboard. We would also like to provide each first grade teacher on our team with a license for a digital resource that gives our young writers a high-tech boost and celebrates the magic and fun of writing.	\$1,574.20

Name of Grant	Campus	Teachers	Abstract	\$ Amount
Publishing in 2nd Grade Biographies of Our Special Friends	Baccus Elementary	Lori Williams Dana Reinke George Robinson Suzanne Back	Have you ever wanted to see your writing in a color, hard bound, published book? This is the chance of a lifetime for our students. We will use this activity as a culminating experience to a year's worth of writing, editing, grammar, friendship building and spelling. Each student will interview a fellow friend, organize, pre-write, edit, write, edit again, and illustrate their writing. When our books return we will hold an "Author's Reception" where parents and fellow students in our school can come and look at our accomplishments. This project will enhance self-esteem, writing qualities and over all academic success.	\$1,755.60
Creative Expression	Oak Woods School	Sheri Doucet	Development of thinking skills and positive social skills, including the 21st century skill of collaboration are benefits of learning about the Visual Arts. These ideas support our campus goals of improvement in student performance. Students will participate in an art class taught by a professional art teacher. We would like to partner up with Michael Arts and Crafts to provide a day of instruction to all Third Grade students. Students will use creative expression to express ideas through original artwork using a variety of media with appropriate skill. Students will create artwork based on their personal observations and experiences.	\$500.00
Thinking Inside the Box!	Brawner Intermediate	Jayne Duckett Stacie Brown Kelley Phillips	In an effort to provide hands-on experiences for our diverse learners and to improve vocabulary, the "Science in a box" project will provide ready-made science experiments that can be checked out by students and taken home or by teachers to use on campus and in classrooms. These ready-made kits are already prepared with all the materials and directions students will need to conduct science experiments in the areas of life science, earth science, and physical science that relate to the Texas Essential Knowledge and Skills objectives.	\$1,500.00

Name of Grant	Campus	Teachers	Abstract	\$ Amount
The Wings of Flight Project Based Learning	Granbury Middle School	Rebecca Strain Heather Garcia	Students will participate in PBL unit on The Wings of Flight that includes working with experts in the field of aviation. They will go on a field trip to iFLY Indoor Skydiving, which has a wind tunnel that is a wonder of math, science, and engineering. It will connect what students learn in school to what can be achieved in real life. On the field trip to iFLY Dallas, Gifted and Talented Math Counts Advisory students and Gateway to Technology students will conduct experiments using aircraft instruments, receive flying and safety training, fly in the wind tunnel, and hear a physics lecture from an accredited educator about the math and science behind a vertical wind tunnel. https://dallas.iflyworld.com/education They will further their studies when they return to campus and present what they learned to staff, students, experts and community members.	\$1,535.00
LED Fiber Optic Hand Carpet	Emma Roberson	Laura Osinga Amy Aramburu Shelly Roop	The hands on LED Fiber Optic Carpet would be mounted on the wall in the motor lab room (no technology support needed). This carpet is an innovative way to provide students with the opportunity to develop the motor skills, cause and effect skills, gross motor skills, self-calming techniques, and can provide support to student's IEP's (Individualized Education Program) and/or BIP's (Behavior Intervention Plan). This Fiber Optic Hand Carpet can be implemented by and not limited to administrators, teachers, school LSSP, Occupational Therapists, Physical Therapists, and Speech Therapists. This can be accessed by any student on the Emma Roberson campus.	\$3,200.00
Just a Swingin'	Crossland 9th Grade Center	Mark Kirk Becky Evert	Students will be assigned to work in teams of four to research, design, draw blueprints, create brochure, put together a material list and build a two person swing in a stand-alone frame. The teams will be competing against each other to see who will put together the nicest finished product.	\$2,200.00
Practical Applications of One-Dimensional Kinematics	Granbury High School	Jason Heath Kit Langdon Janel Morris Heather Wallis Emerson White Erica Woodyard	One-dimensional kinematics is the first unit of physics, where students are introduced to the fundamentals of Newtonian mechanics. It is beneficial for students to observe demonstrations of true physics law that disprove commonly held misconceptions; for example, the incorrect belief that heavier objects fall faster than lighter ones. The requested materials will assist teachers in correcting these notions and preparing students for success on common assessments, the ACT, and AP Physics exams.	\$3,000.00

Name of Grant	Campus	Teachers	Abstract	\$ Amount
Technological Innovation in Music Education	Granbury High School	Tahlequah Kirk	The MalletKate is a great innovative tool allowing our students to create true realistic sounds of (though in a virtual and/or synthesized form) instruments we do not physically have available to us (steel drums, Taiko Drums from Japan, and Indian Sitars, and many others). This allows our ensembles to explore literature we would otherwise not be able to, thus giving our students a broader, more cultured overall experience. The MalletKat is applicable in all facets within our band program 6-12 including middle school bands, marching band, drumline, concert bands, percussion ensembles, and jazz ensembles. This equipment increases the number of creative tools/sound pallets our students available during instructional classes and/or performances. Lastly, it introduces our students to a new tool while composing or arranging their own music.	\$3,018.00
PBL with 21st Century Tech	Crossland 9th Grade Center	Heather Fuller Rocky Helton Ron Holmgreen Rene Jackson	GISD is alive with the energy of Project Based Learning that catapults our students into the 21 st century with skills that will enable them to think on a college level, transition into a collaborative work place, and encourage involvement in their local community. Granbury Education Foundation can facilitate this process by empowering problem-solving students with highly flexible Microsoft Surface Pro tablets. These tools will allow students to seamlessly transition between Google apps and Windows programs while working collaboratively with their peers on carefully planned World Geography classroom projects.	\$2,670.78
An Adventure 65 Million Years In The Making	Baccus Elementary	Kim Hare Tammy Kelley Patti Collier	An Adventure 65 Million Years in the Making! Help Pre-K students have one of the happiest experiences of their lives. Over 150 life size dinosaurs are waiting to be discovered at Dinosaur World in Glen Rose. This grant would allow Pre-K pirates a learning experience to leave Granbury and understand how big dinosaurs really were. Dinosaur World has thousands of artifacts, specimens and items on display. The park is a unique and fun filled learning experience like no other.	\$753.00

Name of Grant	Campus	Teachers	Abstract	\$ Amount
Tablets- Tools Not Toys	Baccus Elementary	Lori Williams Suzanne Back Dana Reinke George Robinson	After seeing significant gains in the automaticity of students using tablets in mathematics, the Second-Grade Teachers of Nettie Baccus Elementary are looking to both A: implement the use of tablets in their classroom mathematics classes, and B: conduct classroom research into the usage of tablets to improve reading fluency. We are seeking the purchase of 20 tablets to be used 5 per classroom in small groups for math and reading.	\$2,939.80
Outdoor Adventure at Fossil Rim	Emma Roberson	Teri Call Hanna Hardaway Leah McWilliams Shelly Roop	We would like to take our Pre-K students on a field trip to Fossil Rim Wildlife Center. Students would ride in their open aired ssafari vehicles, attend a hands-on educational workshop, and visit the petting zoo.	\$2,575.00
Transforming Fitness and Wellness with Pedometers	Acton Middle School	Sherri Nichols Landry Mullins	Inactive lifestyle behaviors are rising in our preteens, teens, and young adults. A pedometer program could be used as an intervention strategy in our Fitness and Wellness classes to increase the awareness of, and motivate students to achieve at least the daily minimum recommended amount of physical activity. Pedometers would provide an instrument that would calculate if our students are actually reaching the activity level needed to improve or maintain physical fitness instead of a perceived estimation. Motivating students to move by using this simple type of technology would become an easier task and improving physical fitness would be more individualized with immediate feedback.	\$2,997.93
Blown Away by Data	Granbury High School Crossland 9th Grade Center	Todd Gibson Brad Eppler Greg Belleau	The engineering department is requesting a wind tunnel that will allow engineering students to test and analyze various designs and prototypes of projects in a variety of classes from 9th -12th grades. With this machine, students will be able to see first-hand how their designs react in motion and how they can be affected by the outside environment. Students will be able to see how air moves around an object which is important with structure in civil engineering, airfoils in aerospace engineering, and fluid dynamics in electronic devices. In addition to these disciplines, students will be able to use collected data to defend their designs in extracurricular competitions as this machine will also give quantitative data on drag coefficient as well as graphical data.	\$2,209.10
	Total:			\$48,229.25

GRANBURY ISD
TECHNOLOGY DEPARTMENT

TO: Dr. James Largent, Superintendent

FROM: Amy Wood

DATE: January 12, 2015

RE: Wide Area Network Services
CSP #2015-05

SUMMARY:

A request for competitive sealed proposal was let for qualified telecommunication service providers to provide up to 10 Gbps fiber optic ethernet wide area network access for the period of July 1, 2015 to June 30, 2020 with the option to renew for five additional one-year terms. The current award will expire on June 30, 2015.

A summation of the process and outcome is attached for your review.

I have reviewed the responses and the following is my recommendation.

RECOMMENDATION:

It is recommended that award be to Charter Business for up to 10GB per campus for the period of July 1, 2015 through June 30, 2020 with the option to renew for five additional one-year terms.

Respectfully submitted,



Amy Wood
Director of Technology

BID FOR BOARD APPROVAL

Board Meeting Date: January 19, 2015

Bid Number: CSP #2015-05

1. **Item, material or service (specific or classification):** Wide Area Network
2. **Brief description:** A request for competitive sealed proposal was let for qualified telecommunication service providers to provide up to 10 Gbps fiber optic ethernet wide area network access. for the period of July 1, 2015 to June 30, 2020 with the option to renew for five additional one-year terms.
3. **Period of time bid covers:** July 1, 2015 for a five-year (5) agreement between the District and the provider with five (5) successive one (1) year voluntary extensions based on the long-range needs of the District and mutual consent of both parties not to exceed ten (10) years total.
4. **Person and title responsible for the expenditure:**
Amy Wood – Technology Director
5. **Number of bids sent to vendors:** the request for proposal was posted on the district website and advertised in the Hood County News
6. **Number of bids received from vendors:** 2
7. **Listing of recommended vendor, term and total price**
Charter Fiberlink TX-CCO, LLC (Charter Business)
12405 Powerscourt Dr.
St. Louis, California 63131

A five-year (5) agreement with five (5) successive one (1) year voluntary extensions

\$8,702.13/month for 1,000mbps including taxes, fees, surcharges, and construction costs

Or

\$19,634.40/month for 5,000mbps including taxes, fees, surcharges, and construction costs

Or

\$23,058.19/month for 10,000mbps including taxes, fees, surcharges, and construction costs

Or

Any combination necessary to meet the needs of the students in Granbury ISD

Rates are eligible for eRate savings. Total cost will probably be less than amount above as long as GISD is eligible for eRate process.

8. **Explanation of other than low recommendations:**
Charter Business was the low bid.
9. **Last bid date (bid of comparable nature within last 5 years):**
February 2010

10. Percentage increase or decrease from last bid:
10% decrease

11. Budget information: Expenditures for wide area network access will be from the following budget codes.

199 e 11 6219 00 xxx 0 11 990



Amy Wood
Director of Technology

GRANBURY ISD
TECHNOLOGY DEPARTMENT

TO: Dr. James Largent, Superintendent

FROM: Amy Wood

DATE: January 12, 2015

RE: Technology Purchases

SUMMARY:

Board Policy CH(LOCAL) requires board approval on purchases in excess of \$50,000. The policy states "The Board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place".

Technology purchases are all purchased using DIR and TCPN contracts or other interlocal agreements the District has entered into. DIR and TCPN award contracts via an approved purchasing method. GISD is able to purchase directly from their contracts without going through the formal bid process. GISD uses these resources to gather quotes for purchasing decisions at the time of the purchase. All purchases listed below are with bond funds.

Summary of Items:

Infrastructure upgrades for PK-8 campuses including cabling, installation, access points, switches and switch components, wireless components including training and support, core switch with supervisor, blades, optics, maintenance and other necessary components, racks, rack supplies, fiber trays, fiber, fuser, UPS, and other items as needed.

Access points and switches for new ninth grade wing at GHS.

699 E 81 6639 00 999 0 99 000 - \$1,500,000.00

RECOMMENDATION:

It is recommended that the above purchases be made with appropriate vendors in the best interest of the District.

Respectfully submitted,



Amy Wood
Director of Technology

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

CURRICULUM AND INSTRUCTION

TO: Dr. James Largent, Superintendent

FROM: Sharon Williams

DATE: January 9, 2015

RE: State Expedited Waivers

SUMMARY:

A school district may apply to the Commissioner of Education for a waiver regarding staff development and early release days. The strategic planning process has defined a need to provide staff time for collaboration. The Early Release Waiver will fill that need. Professional development is critical due to state curriculum changes and the pedagogical shifts with Project Based Learning (PBL). A general staff development waiver and a subject based staff development waiver will be beneficial to address those needs. One day of the subject based staff development waiver will address English Language Arts and then one day will address Math for a total of two days with that waiver.

RECOMMENDATION:

It is recommended that an Early Release Waiver of 7 days, a Staff Development Waiver of 3 days, and a Staff Development Waiver – Subject Based of 2 days be approved.

Respectfully submitted,

Sharon Williams
Director of Curriculum and Instruction

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees Date: January 19, 2015 For: Approval
--

TO: Dr. James Largent, Superintendent

FROM: Dobie Williams

DATE: January 12, 2015

RE: Annual Financial Report
– Year ended 8/31/2014

SUMMARY:

The annual audit has been completed. A representative from Snow, Garrett & Company, 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, 2014 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 the representative from Snow, Garrett & Company so that he/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, 2014 as presented.

Respectfully submitted,



Dobie Williams

Assistant Superintendent for Finance and Operations

Staff Person Responsible: Dobie Williams

Date Submitted: January 12, 2015



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

January 14, 2015

Granbury Independent School District
600 West Pearl Street
Granbury, Texas 76048

In connection with our audit of the financial statements of Granbury Independent School District for the year ended August 31, 2014, we have made a review of the accounting procedures and internal controls. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for management's consideration, suggestions for changes in procedures, which, in our opinion, would strengthen internal control or contribute to the improvement of operating efficiency.

The comments in this letter are based upon observations made in the course of such a review. The review was not designed for the purpose of expressing an opinion on internal controls, and it would not necessarily disclose all weaknesses in the system. The matters discussed herein were considered during our audit of the above-mentioned financial statements, and they did not modify the opinion expressed in our report on those financial statements. However, we offer for your review the comments and recommendations as noted on the following pages.

We have discussed the following comments in detail with the appropriate staff of the District to ensure understanding of the comments and implementation of recommendations. If you have any questions regarding these or any other matters, please feel free to contact us.

This letter is intended solely for the information and use of the Board of Trustees, management, and others within the District and is not intended to be used and should not be used by anyone other than these specified parties.

Finally, we take this opportunity to thank you and your staff for your courtesy and cooperation during our audit. Thank you for your business.

Sincerely yours,

Snow Garrett Williams
Certified Public Accountants

Optimum Fund Balance

As noted in Exhibit C-2, the District increased the General Fund's fund balance in the amount of \$1,443,688 resulting in an ending fund balance of \$15,265,942. As reflected on Exhibit J-2, the District's optimum fund balance should be approximately \$18,505,495. The Board should continue to review construction, equipment expenditures, and other improvements and determine the amount of additional reserves, if any, that should be assigned or committed for future needs. The District currently has committed \$1,800,000 for construction, capital expenditures for equipment, and other purposes.

Bank Reconciliations

In our review of bank reconciliations, we noted that bank reconciliations were not being reviewed by a person independent of the bank reconciliation process. We recommend a second person review the bank reconciliations monthly and sign to indicate approval.

Journal Entries

In our examination of journal entries, we noted not all journal entries were reviewed and approved by a second person. We recommend a second person review and approval all manual journal entries and sign to indicate approval.

Student Activity Funds

In an email sent to the District on August 26, 2014, we provided the District a list of items to consider related to fraud prevention in student activity funds. We recommend that the District review and implement these suggestions, where possible, to help maintain or improve controls related to student activity funds.

OBJECTIVE OF INTERNAL CONTROL

The objective of internal control is to provide reasonable, but not absolute, assurance that the District's assets will be safeguarded against loss from unauthorized use or disposition, and that the reliability of financial records for preparing financial statements and maintaining accountability for assets will be preserved. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal control. In the performance of most control procedures, mistakes of judgment, carelessness, or other personal factors may occur. Control procedures whose effectiveness depends upon segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

GRANBURY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2014

Introductory Section

Granbury Independent School District
Annual Financial Report
For The Year Ended August 31, 2014

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Granbury Independent School District
Annual Financial Report
For The Year Ended August 31, 2014

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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, 2014, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

Financial Section



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees
Granbury Independent School District
600 W. Bridge Street
Granbury, Texas 76048

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Granbury Independent School District as of August 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Granbury Independent School District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

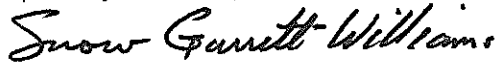
The other supplementary information, except for Exhibit J-2, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the the schedule of expenditures of federal awards are fairly in all material respects in related to the basic financial statements as a whole.

The introductory section and Exhibit J-2 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Granbury Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams

January 14, 2015

Management's Discussion and Analysis (Unaudited)

As management of the 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, 2014. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent period by \$14,848,362 (*net position*). Of this amount, \$17,181,914 (*unrestricted net position*) 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 \$90,976,559. Approximately 14 percent of this total amount, \$13,465,942, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,465,942 or 23 percent 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 position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 12-14 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 15-18 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 after school programs. 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 19-21 of this report.
- **Fiduciary funds.** *Fiduciary funds* 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 position that can be found on pages 22-23.
- **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 24-38 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 39-41 of this report.

Government-wide Financial Analysis

As noted earlier, net position 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 \$14,683,180 as of August 31, 2014.

The District's Net Position-Governmental Activities

	August 31, 2014	August 31, 2013
Current assets	\$ 99,167,333	\$ 22,281,246
Capital assets	60,837,194	56,113,982
Total assets	<u>160,004,527</u>	<u>78,395,228</u>
Deferred outflows or resources		
Deferred loss on refunding	1,109,447	-
Total deferred outflows	<u>1,109,447</u>	<u>-</u>
Current liabilities	6,914,132	5,639,911
Long-term liabilities outstanding	139,446,984	56,190,817
Total liabilities	<u>146,361,116</u>	<u>61,830,728</u>
Deferred inflows or resources		
Unearned revenue	69,678	-
Total deferred inflows	<u>69,678</u>	<u>-</u>
Net position:		
Net investment in capital assets	(78,080,400)	(2,339)
Restricted	75,786,848	1,096,039
Unrestricted	16,976,732	15,470,800
Total net position	<u>\$ 14,683,180</u>	<u>\$ 16,564,500</u>

Investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) is negative \$78,080,400. The District issued building bonds during the year that have not been fully reinvested in capital assets resulting in a negative investment in capital assets. 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 position (\$75,786,848) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$16,976,732) 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.

The District's Net Position-Business-Type Activities

	August 31, 2014	August 31, 2013
Current assets	\$ 179,858	\$ 121,189
Total assets	<u>179,858</u>	<u>121,189</u>
Current liabilities	14,676	11,708
Total liabilities	<u>14,676</u>	<u>11,708</u>
Net position:		
Unrestricted	165,182	109,481
Total net position	<u>\$ 165,182</u>	<u>\$ 109,481</u>

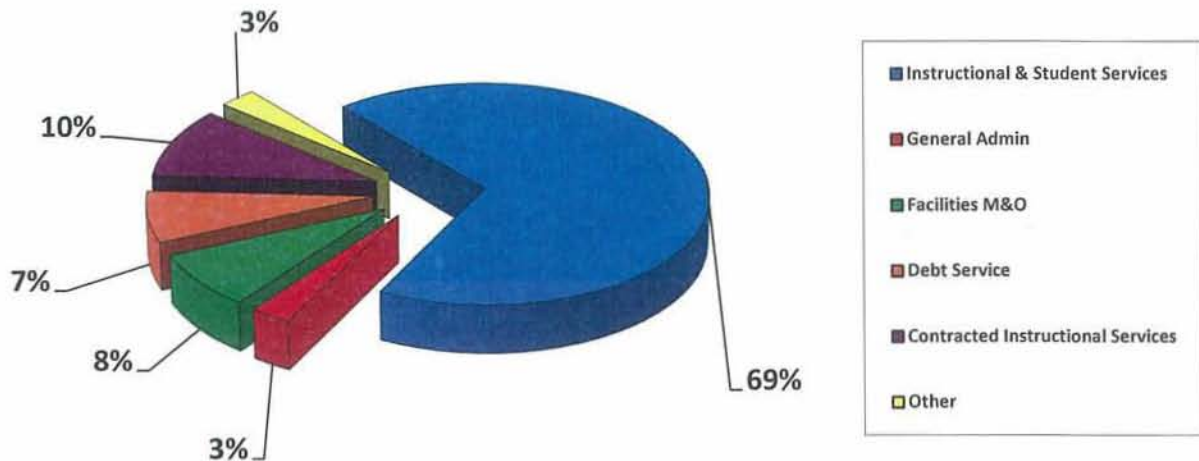
The above surplus is not an indication the District has significant assets that are available to meet financial obligations next year, but rather the result of having currently available resources that exceed *long-term* commitments.

Governmental activities. The District's total governmental activities net position decreased \$1,532,134. The total cost of all *governmental activities* this year was \$74,105,886. The amount that our taxpayers paid for these activities through property taxes was \$53,448,489 or 72%.

Changes in the District's Net Position

	Fiscal Year August 31, 2014	Fiscal Year August 31, 2013
Revenues:		
Program revenues		
Charges for services	\$ 1,462,608	\$ 1,573,508
Operating grants and contributions	8,671,375	7,888,781
General revenues		
Property taxes	53,448,489	54,381,287
State grants	8,426,322	7,339,116
Other	564,958	503,703
Total revenues	<u>72,573,752</u>	<u>71,686,395</u>
Expenses:		
Instruction	33,808,366	34,124,867
Instruction resources and media services	796,998	843,120
Curriculum and staff development	938,627	979,143
Instructional leadership	602,739	640,613
School leadership	3,607,286	3,657,206
Guidance, counseling & evaluation services	2,608,565	2,408,943
Social work services	62,485	58,054
Health services	413,785	408,188
Student transportation	2,825,527	2,696,201
Food service	3,307,519	3,289,507
Cocurricular/extracurricular activities	1,894,823	1,814,435
General administration	2,082,748	2,015,740
Facilities maintenance and operations	5,993,066	7,518,331
Security and monitoring services	186,785	135,998
Data processing services	985,073	953,707
Community services	50,209	59,674
Interest on long-term debt	4,780,085	2,821,646
Bond issuance costs and fees	716,308	54,697
Capital outlay	2,690	-
Contracted instructional services between schools	7,572,561	9,413,649
Payments related to shared services arrangements	125,159	-
Other intergovernmental charges	744,482	759,011
Total expenses	<u>74,105,886</u>	<u>74,652,730</u>
Special and extraordinary items		
Special item outflow - contract buy out	<u>-</u>	<u>(10,000)</u>
Increase (decrease) in net position	(1,532,134)	(2,976,335)
Net position - beginning	16,564,500	-
Prior period adjustment	(349,186)	-
Net position - beginning, as restated	16,215,314	19,540,835
Net position - ending	<u>\$ 14,683,180</u>	<u>\$ 16,564,500</u>

Expenditures by Function



Business-type activities. The District's business-type activities net position increased \$55,701. The total cost of all *business-type activities* this year was \$258,586.

Changes in the District's Net Position

	Fiscal Year August 31, 2014	Fiscal Year August 31, 2013
Revenues:		
Program revenues		
Charges for services	\$ 304,745	\$ 295,269
Grants and Contributions	9,542	7,687
Total revenues	<u>314,287</u>	<u>302,956</u>
Expenses:		
Extended School Day Program	258,586	261,625
Total expenses	<u>258,586</u>	<u>261,625</u>
Increase (decrease) in net position	55,701	41,331
Beginning net position	109,481	68,150
Ending net position	<u>\$ 165,182</u>	<u>\$ 109,481</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, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$90,976,559, an increase of \$76,171,136. Approximately 14 percent of this total amount (\$13,465,942) constitutes *unassigned fund balance*. The remainder of fund balance is *restricted or committed* to indicate that it is not available for new spending because it has already been *restricted* to pay (1) debt service (\$602,730), (2) for federal/state funds grant restrictions (\$327,131), (3) capital acquisitions and contractual obligations (\$74,724,144), and (4) for other (\$212); *committed* for (1) construction (\$1,200,000), (2) capital expenditures for equipment (\$400,000), and (3) for other (\$200,000); and assigned for other (\$1,751). Additionally, \$54,649 of total fund balance is for inventories and nonspendable.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13,465,942, out of a total fund balance of \$15,265,942. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 22 percent of the total general fund expenditures. Total general fund balance represents 25 percent of the total general fund expenditures.

The fund balance of the District's general fund increased \$1,443,688 during the current fiscal year.

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.

Extended Day Program info. Unrestricted net position for the Enterprise fund at August 31, 2014 amounted to \$165,182, an increase of \$55,701 over the prior year.

Internal Service Fund info. Total net position for the Internal Service fund at August 31, 2014 amounted to \$394,180, an increase of \$87,263 over the prior year. The Internal Service fund consists of the employee's workers' compensation and dental insurance contributions, premiums, and payments.

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:

- Granbury Education Foundation grant donations
- Miscellaneous general donations
- Insurance recovery proceeds
- Field trip fees collected from students
- Testing fees collected from students
- Photography commissions for athletics
- Library fines
- Book fair profit donations
- Equipment replacement fees collected from students
- Foundation Awards
- AP testing rebates
- Fundraiser donations

The following are significant variations between the final budget and actual amounts for the general fund:

- Actual revenues were higher than budgeted by \$422,776, primarily related to an upsurge in local and intermediate revenue sources and federal revenue programs; and
- Actual expenditures were lower than budgeted by \$3,408,538, primarily due to instruction, school leadership, student (pupil) transportation, plant maintenance and operations, principle on long term debt, and capital outlay.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of August 31, 2014, amounts to \$60,837,194 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and construction in progress.

Major capital asset events during the year included completion of the energy conservation project, technology upgrades such as smart boards in the classroom, the purchase of 13 International school buses, and the construction in progress afforded to all campuses through the issuance of a bond.

District's Capital Assets
(net of depreciation)

	August 31, 2014	August 31, 2013
Land	\$ 1,864,569	\$ 1,892,108
Buildings and improvements	48,772,734	48,135,143
Furniture and equipment	4,404,346	2,181,245
Construction In Progress	5,795,545	3,905,486
Totals at historical cost	<u>\$ 60,837,194</u>	<u>\$ 56,113,982</u>

Additional information on the District's capital assets can be found in Note C on page 31 of this report.

Long-term Debt. As of August 31, 2014, the District had total general obligation bonded debt outstanding of \$122,134,269, an increase of \$79,438,939 over the prior year. The District issued Unlimited Tax Building Bonds, Series 2014, for a par amount of \$78,170,000, and a premium of \$6,372,946. Premium on bonds increased \$6,299,065 from the prior year resulting in an ending balance of \$7,481,091. The District's loss on refunding decreased \$76,520 from the prior year resulting in an ending balance of \$(1,109,447). Accretion on CAB's decreased \$664,804 for fiscal year 2014 resulting in an ending balance of \$9,831,624. The District's tax notes were refunded by the issuance of the Unlimited Tax School Refunding Bonds, Series 2013, for a par amount of \$3,003,000 resulting in ending tax notes payable of \$0.

Moody's Aaa and Standard & Poor's AAA long-term ratings on the District's Texas' bonds reflects the Texas Permanent School Fund guarantee. Standard & Poor's A+ underlying rating and Moody's Aa3 underlying rating on the District's unenhanced debt reflects the District's: (1) participation in the strong and growing Dallas/Fort Worth area economy, (2) strong administrative management, and (3) continued satisfactory financial performance.

The District's bonds are rated Aaa and AAA, respectively, by Moody's Investor Services, Inc. (Moody's) and Standard & Poor's Rating Services (S&P) by virtue of the guarantee of the Permanent School Fund of the State of Texas. The uninsured tax supported debt of the District is rated Aa3 by Moody's and A+ by S&P.

State statutes limit the amount of general obligation debt a government entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the District is \$464,032,830, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note E on pages 33-34 of this report.

Economic Factors and Next Year's Budgets and Rates

- The District's tax rate increased from \$1.145 to \$1.265 (\$0.00 for maintenance and operations and \$0.12 for debt service). This is a result of the lower property values and the amount needed for debt service on existing bonds and the new bonds approved by voters in the November 2013 election. The District has fully utilized the additional \$0.04 available as a result of HB1. Future increases in the Maintenance and Operations tax will have to be approved by the voters.
- The District has appropriated maintenance and operations revenues and expenditures in the 2014-15 budgets of \$59,253,159 and \$59,873,327, respectively, in its general fund. Essentially a balanced budget when a projected lapse of approximately 1% in expenditures is taken into consideration.

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 ISD Business Office at 600 W. Pearl Street, Granbury, Texas 76048.

Basic Financial Statements

GRANBURY INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION**

AUGUST 31, 2014

Data Control Codes	1 Governmental Activities	2 Business-type Activities	3 Total
ASSETS:			
1110 Cash and Cash Equivalents	\$ 1,385,489	\$ 194,412	\$ 1,579,901
1120 Current Investments	92,550,240	--	92,550,240
1225 Property Taxes Receivable (Net)	1,392,841	--	1,392,841
1240 Due from Other Governments	2,899,898	--	2,899,898
1250 Accrued Interest	28,002	--	28,002
1260 Internal Balances	16,769	(16,769)	--
1267 Due from Fiduciary	752,858	2,215	755,073
1290 Other Receivables (Net)	81,886	--	81,886
1300 Inventories	59,350	--	59,350
Capital Assets:			
1510 Land	1,864,569	--	1,864,569
1520 Buildings and Improvements, Net	48,772,734	--	48,772,734
1530 Furniture and Equipment, Net	4,404,346	--	4,404,346
1580 Construction in Progress	5,795,545	--	5,795,545
1000 Total Assets	<u>160,004,527</u>	<u>179,858</u>	<u>160,184,385</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Refunding	1,109,447	--	1,109,447
1700 Total Deferred Outflows of Resources	<u>1,109,447</u>	<u>--</u>	<u>1,109,447</u>
LIABILITIES:			
2110 Accounts Payable	3,804,704	1,837	3,806,541
2140 Interest Payable	580,057	--	580,057
2165 Accrued Liabilities	2,108,047	12,839	2,120,886
2177 Due to Fiduciary	69,303	--	69,303
2180 Due to Other Governments	352,021	--	352,021
Noncurrent Liabilities:			
2501 Due Within One Year	2,924,484	--	2,924,484
2502 Due in More Than One Year	136,522,500	--	136,522,500
2000 Total Liabilities	<u>146,361,116</u>	<u>14,676</u>	<u>146,375,792</u>
DEFERRED INFLOWS OF RESOURCES:			
Unearned Revenue	69,678	--	69,678
2600 Total Deferred Inflows of Resources	<u>69,678</u>	<u>--</u>	<u>69,678</u>
NET POSITION:			
3200 Net Investment in Capital Assets	(78,080,400)	--	(78,080,400)
Restricted For:			
3820 Federal and State Programs	327,131	--	327,131
3850 Debt Service	735,361	--	735,361
3860 Capital Projects	74,724,144	--	74,724,144
3890 Other Purposes	212	--	212
3900 Unrestricted	16,976,732	165,182	17,141,914
3000 Total Net Position	<u>\$ 14,683,180</u>	<u>\$ 165,182</u>	<u>\$ 14,848,362</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2014

		1	3	4
			Program Revenues	
Data Control Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 33,808,366	\$ 97,149	\$ 4,209,671
12	Instructional Resources and Media Services	796,998	773	61,510
13	Curriculum and Staff Development	938,627	647	305,846
21	Instructional Leadership	602,739	553	74,777
23	School Leadership	3,607,286	3,595	194,565
31	Guidance, Counseling, & Evaluation Services	2,608,565	2,316	391,072
32	Social Work Services	62,485	63	3,117
33	Health Services	413,785	414	20,639
34	Student Transportation	2,825,527	3,344	361,695
35	Food Service	3,307,519	1,230,544	1,966,705
36	Cocurricular/Extracurricular Activities	1,894,823	105,803	73,848
41	General Administration	2,082,748	2,085	103,886
51	Facilities Maintenance and Operations	5,993,066	5,937	295,823
52	Security and Monitoring Services	186,785	84	7,213
53	Data Processing Services	985,073	1,092	54,384
61	Community Services	50,209	3	9,301
72	Interest on Long-term Debt	4,780,085	--	--
73	Bond Issuance Costs and Fees	716,308	--	--
81	Capital Outlay	2,690	95	4,730
91	Contracted Instructional Services between Schools	7,572,561	8,111	404,133
93	Payments Related to Shared Services Arrangements	125,159	--	125,159
99	Other Intergovernmental Charges	744,482	--	--
TG	Total Governmental Activities	<u>74,105,886</u>	<u>1,462,608</u>	<u>8,671,375</u>
	Business-type Activities:			
01	After School Care Program	258,586	304,745	9,542
TP	Total Primary Government	<u>\$ 74,364,472</u>	<u>\$ 1,767,353</u>	<u>\$ 8,680,917</u>
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
IE	Investment Earnings			
GC	Grants and Contributions Not Restricted to Specific Programs			
MI	Miscellaneous			
TR	Total General Revenues			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	Prior Period Adjustment			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (29,501,546)		\$ (29,501,546)
(734,715)		(734,715)
(632,134)		(632,134)
(527,409)		(527,409)
(3,409,126)		(3,409,126)
(2,215,177)		(2,215,177)
(59,305)		(59,305)
(392,732)		(392,732)
(2,460,488)		(2,460,488)
(110,270)		(110,270)
(1,715,172)		(1,715,172)
(1,976,777)		(1,976,777)
(5,691,306)		(5,691,306)
(179,488)		(179,488)
(929,597)		(929,597)
(40,905)		(40,905)
(4,780,085)		(4,780,085)
(716,308)		(716,308)
2,135		2,135
(7,160,317)		(7,160,317)
--		--
(744,482)		(744,482)
<u>(63,971,903)</u>		<u>(63,971,903)</u>
--	\$ 55,701	55,701
<u>(63,971,903)</u>	<u>55,701</u>	<u>(63,916,202)</u>
48,547,696	--	48,547,696
4,900,793	--	4,900,793
105,488	--	105,488
8,426,322	--	8,426,322
459,470	--	459,470
<u>62,439,769</u>	<u>--</u>	<u>62,439,769</u>
(1,532,134)	55,701	(1,476,433)
16,564,500	109,481	16,673,981
(349,186)	--	(349,186)
16,215,314	109,481	16,324,795
<u>\$ 14,683,180</u>	<u>\$ 165,182</u>	<u>\$ 14,848,362</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS**

AUGUST 31, 2014

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 618,682	\$ 79,748	\$ 62,883	\$ 761,313
1120 Current Investments	13,655,617	77,578,460	828,268	92,062,345
1225 Taxes Receivable	2,037,102	--	240,421	2,277,523
1230 Allowance for Uncollectible Taxes (Credit)	(776,892)	--	(107,790)	(884,682)
1240 Due from Other Governments	2,096,581	--	803,317	2,899,898
1250 Accrued Interest	--	27,757	245	28,002
1260 Due from Other Funds	1,599,402	--	133,452	1,732,854
1290 Other Receivables	44,523	--	4,539	49,062
1300 Inventories	--	--	59,350	59,350
1000 Total Assets	<u>19,275,015</u>	<u>77,685,965</u>	<u>2,024,685</u>	<u>98,985,665</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 333,194	\$ 2,961,821	\$ 76,832	\$ 3,371,847
2150 Payroll Deductions & Withholdings	--	--	435	435
2160 Accrued Wages Payable	1,930,747	--	176,865	2,107,612
2170 Due to Other Funds	83,556	--	631,116	714,672
2180 Due to Other Governments	352,021	--	--	352,021
2000 Total Liabilities	<u>2,699,518</u>	<u>2,961,821</u>	<u>885,248</u>	<u>6,546,587</u>
DEFERRED INFLOWS OF RESOURCES:				
Unearned Revenue	1,309,555	--	152,964	1,462,519
2600 Total Deferred Inflows of Resources	<u>1,309,555</u>	<u>--</u>	<u>152,964</u>	<u>1,462,519</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	54,649	54,649
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	327,131	327,131
3470 Capital Acquisitions & Contractual Obligations	--	74,724,144	--	74,724,144
3480 Retirement of Long-Term Debt	--	--	602,730	602,730
3490 Other Restrictions of Fund Balance	--	--	212	212
Committed Fund Balances:				
3510 Construction	1,200,000	--	--	1,200,000
3530 Capital Expenditures for Equipment	400,000	--	--	400,000
3545 Other Committed Fund Balance	200,000	--	--	200,000
Assigned Fund Balances:				
3590 Other Assigned Fund Balance	--	--	1,751	1,751
3600 Unassigned	13,465,942	--	--	13,465,942
3000 Total Fund Balances	<u>15,265,942</u>	<u>74,724,144</u>	<u>986,473</u>	<u>90,976,559</u>
Total Liabilities, Deferred Inflow				
4000 of Resources and Fund Balances	<u>\$ 19,275,015</u>	<u>\$ 77,685,965</u>	<u>\$ 2,024,685</u>	<u>\$ 98,985,665</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014

Total fund balances - governmental funds balance sheet	\$ 90,976,559
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	60,837,194
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,392,841
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	394,180
Payables for bond principal which are not due in the current period are not reported in the funds.	(122,134,269)
Payables for bond interest which are not due in the current period are not reported in the funds.	(580,057)
Premiums on bonds which are not due and payable in the current period are not reported in the funds.	(7,481,091)
Accumulated accretion on capital appreciation bonds is not reported in the funds.	(9,831,624)
Deferred loss on refunding bonds is not reported in the funds.	1,109,447
Net position of governmental activities - Statement of Net Position	\$ <u>14,683,180</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 49,252,171	\$ 77,290	\$ 6,143,198	\$ 55,472,659
5800 <i>State Program Revenues</i>	10,745,540	--	598,834	11,344,374
5900 <i>Federal Program Revenues</i>	712,526	--	4,942,010	5,654,536
5020 <i>Total Revenues</i>	<u>60,710,237</u>	<u>77,290</u>	<u>11,684,042</u>	<u>72,471,569</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	29,309,948	131,120	2,578,588	32,019,656
0012 <i>Instructional Resources and Media Services</i>	721,910	--	22,983	744,893
0013 <i>Curriculum and Staff Development</i>	603,632	--	273,631	877,263
0021 <i>Instructional Leadership</i>	516,100	--	47,234	563,334
0023 <i>School Leadership</i>	3,355,992	--	15,462	3,371,454
0031 <i>Guidance, Counseling, & Evaluation Services</i>	2,162,355	--	275,671	2,438,026
0032 <i>Social Work Services</i>	58,400	--	--	58,400
0033 <i>Health Services</i>	386,733	--	--	386,733
0034 <i>Student Transportation</i>	3,121,527	468,190	195,105	3,784,822
0035 <i>Food Service</i>	1,271	--	3,095,612	3,096,883
0036 <i>Cocurricular/Extracurricular Activities</i>	1,782,055	--	1,527	1,783,582
0041 <i>General Administration</i>	1,946,585	--	--	1,946,585
0051 <i>Facilities Maintenance and Operations</i>	5,583,037	--	54,514	5,637,551
0052 <i>Security and Monitoring Services</i>	174,573	--	--	174,573
0053 <i>Data Processing Services</i>	1,019,035	--	--	1,019,035
0061 <i>Community Services</i>	38,898	--	8,028	46,926
0071 <i>Principal on Long-term Debt</i>	--	--	1,734,062	1,734,062
0072 <i>Interest on Long-term Debt</i>	35,722	--	5,027,280	5,063,002
0073 <i>Bond Issuance Costs and Fees</i>	--	723,450	66,738	790,188
0081 <i>Capital Outlay</i>	148,113	6,907,476	--	7,055,589
0091 <i>Contracted Instructional Services</i>				
0091 <i>Between Public Schools</i>	7,572,561	--	--	7,572,561
0093 <i>Payments to Shared Service Arrangements</i>	--	--	125,159	125,159
0099 <i>Other Intergovernmental Charges</i>	744,482	--	--	744,482
6030 <i>Total Expenditures</i>	<u>59,282,929</u>	<u>8,230,236</u>	<u>13,521,594</u>	<u>81,034,759</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	<u>1,427,308</u>	<u>(8,152,946)</u>	<u>(1,837,552)</u>	<u>(8,563,190)</u>
Other Financing Sources and (Uses):				
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	76,322,504	1,847,496	78,170,000
7911 <i>Debt Issued- Refunding Bonds</i>	--	--	3,003,000	3,003,000
7912 <i>Sale of Real or Personal Property</i>	16,380	175,000	--	191,380
7915 <i>Transfers In</i>	3,003,000	--	--	3,003,000
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	6,372,946	--	6,372,946
8911 <i>Transfers Out</i>	--	--	(3,003,000)	(3,003,000)
8949 <i>Other Uses-Defeasance of Tax Notes</i>	(3,003,000)	--	--	(3,003,000)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>16,380</u>	<u>82,870,450</u>	<u>1,847,496</u>	<u>84,734,326</u>
1200 <i>Net Change in Fund Balances</i>	<u>1,443,688</u>	<u>74,717,504</u>	<u>9,944</u>	<u>76,171,136</u>
0100 <i>Fund Balances - Beginning</i>	13,822,254	6,640	976,529	14,805,423
3000 <i>Fund Balances - Ending</i>	<u>\$ 15,265,942</u>	<u>\$ 74,724,144</u>	<u>\$ 986,473</u>	<u>\$ 90,976,559</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

Net change in fund balances - total governmental funds	\$ 76,171,136
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	8,797,305
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,046,554)
The gain or loss on the sale of capital assets is not reported in the funds.	163,846
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(191,380)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(61,658)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,734,062
The accretion of interest on capital appreciation bonds is not reported in the funds.	664,804
(Increase) decrease in accrued interest from beginning of period to end of period.	(305,367)
The net revenue (expense) of internal service funds is reported with governmental activities.	87,263
Bond premiums are amortized in the SOA but not in the funds.	73,876
Deferred loss on refunding is amortized in the SOA but not in the funds.	(76,520)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(81,173,000)
Bond premiums are reported in the funds but not in the SOA.	(6,372,946)
Defeasance of tax notes is reported in the funds but not in the SOA.	3,003,000
Change in net position of governmental activities - Statement of Activities	\$ <u>(1,532,134)</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION****PROPRIETARY FUNDS****AUGUST 31, 2014**

Data Control Codes		Nonmajor Enterprise Fund	Internal Service Funds
		Extended Day Program	
ASSETS:			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 194,412	\$ 624,176
1120	Investments	--	487,895
Receivables:			
1260	Due from Other Funds	2,215	--
1290	Other Receivables (net)	--	32,824
	Total Current Assets	196,627	1,144,895
1000	Total Assets	196,627	1,144,895
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ 1,837	\$ 432,857
2160	Accrued Wages Payable	12,839	--
2170	Due to Other Funds	16,769	317,858
	Total Current Liabilities	31,445	750,715
2000	Total Liabilities	31,445	750,715
NET POSITION:			
3900	Unrestricted	165,182	394,180
3000	Total Net Position	\$ 165,182	\$ 394,180

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes		Nonmajor Enterprise Fund		Internal Service Funds
		Extended Day Program		
OPERATING REVENUES:				
5700	Local and Intermediate Sources	\$ 304,745		\$ 620,961
5800	State Program Revenues	9,542		--
5020	Total Revenues	<u>314,287</u>		<u>620,961</u>
OPERATING EXPENSES:				
6100	Payroll Costs	234,432		--
6300	Supplies and Materials	12,598		--
6400	Other Operating Costs	11,556		533,698
6030	Total Expenses	<u>258,586</u>		<u>533,698</u>
1300	Change in Net Position	55,701		87,263
0100	Total Net Position - Beginning	109,481		306,917
3300	Total Net Position - Ending	<u>\$ 165,182</u>		<u>\$ 394,180</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE YEAR ENDED AUGUST 31, 2014**

	Nonmajor Enterprise Fund Extended Care Program	Internal Service Funds
Cash Flows from Operating Activities:		
<i>Cash Received from Customers</i>	\$ 304,737	\$ --
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	--	681,030
<i>Cash Payments to Employees for Services</i>	(223,469)	--
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(11,048)	(451,625)
<i>Other Operating Cash Receipts (Payments)</i>	(11,556)	--
Net Cash Provided (Used) by Operating Activities	<u>58,663</u>	<u>229,405</u>
Cash Flows from Investing Activities:		
<i>Increase in Investments</i>	--	(450)
Net Cash Provided (Used) for Investing Activities	<u>--</u>	<u>(450)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	58,663	228,955
Cash and Cash Equivalents at Beginning of Year	135,749	395,221
Cash and Cash Equivalents at End of Year	<u>\$ 194,412</u>	<u>\$ 624,176</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 55,701	\$ 87,263
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Interfund Receivables</i>	(6)	
<i>Decrease (Increase) in Receivables</i>	--	73,358
<i>Decrease (Increase) in Prepaid Expenses</i>	--	14,406
<i>Increase (Decrease) in Accounts Payable</i>	1,548	67,675
<i>Increase (Decrease) in Accrued Wages Payable</i>	1,420	--
<i>Increase (Decrease) in Interfund Payables</i>	--	(8)
<i>Increase (Decrease) in Unearned Revenue</i>	--	(13,289)
Total Adjustments	<u>2,962</u>	<u>142,142</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 58,663</u>	<u>\$ 229,405</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****AUGUST 31, 2014**

Data Control Codes		Private-purpose Trust Funds	Agency Funds
ASSETS:			
1110	Cash and Cash Equivalents	\$ 101,005	\$ 1,015,383
1260	Due from Other Funds	9,033	60,269
1000	Total Assets	<u>110,038</u>	<u>1,075,652</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ 17,235
2150	Payroll Deduction & Withholdings	--	94,116
2170	Due to Other Funds	9,127	745,947
2190	Due to Student Groups	--	218,335
2000	Total Liabilities	<u>9,127</u>	<u>1,075,633</u>
NET POSITION:			
3800	Held in Trust	100,911	--
3000	Total Net Position	<u>\$ 100,911</u>	<u>\$ 19</u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 203
Gifts and Bequests	7,500
Total Additions	<u>7,703</u>
Deductions:	
Scholarship Awards	11,965
Administrative Expenses	1,122
Total Deductions	<u>13,087</u>
Change in Net Position	(5,384)
Net Position-Beginning of the Year	106,295
Net Position-End of the Year	<u><u>\$ 100,911</u></u>

The accompanying notes are an integral part of this statement.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. 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 ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("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 and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) 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.

Fund Financial Statements: 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.

The District reports the following major governmental funds:

General Fund: This 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.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

Capital Projects Fund: This fund is used to account for all financial resources restricted, committed or assigned to expenditures for the acquisition or construction of capital assets.

The District reports the following non-major enterprise funds:

Extended Day Program Fund: This fund accounts for all resources and expenditures of the after school program.

In addition, 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.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

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 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.

b. **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

3. Financial Statement Amounts

a. 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.

b. Property Taxes

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

c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. 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>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15-30
Land Improvements	10-25
Equipment	3-30

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide and proprietary Statements of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. 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 positions.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. 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.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. The District authorizes the Superintendent to assign fund balance.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The District established a minimum fund balance policy requiring assigned, committed and unassigned fund balances in the General Fund to equal or exceed 20% of total annual operating expenditures. The District was in compliance with this policy at August 31, 2014.

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

B. 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.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

1. Cash Deposits:

At August 31, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,696,287 and the bank balance was \$4,032,112. The District's cash deposits at August 31, 2014 and during the year ended August 31, 2014, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("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 and 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, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool- LGIP	48 days	\$ 2,162,770
Logic- LGIP	58 days	5,938,040
LoneStar- LGIP	49 days	2,481,603
Texas Term (Texas Daily)	Daily	9,201,557
Texas Term (Texas CD Program)	90-365 days	496,000
BOKF-CDARS Program	Various	72,270,270
Total Investments		<u>\$ 92,550,240</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. 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 year end, the District was not significantly exposed to credit risk.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

At August 31, 2014, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

TexPool- LGIP	AAAm
Logic- LGIP	AAA
Lone Star- LGIP	AAAm
Texas Term (Texas Daily)	AAAm
Texas Term (Texas CD Program)	FDIC insured
BOKF- CDARS	FDIC insured

b. 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.

c. 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.

d. 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.

e. 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.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

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 AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in 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.

C. Capital Assets

Capital asset activity for the year ended August 31, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,892,108	\$ --	\$ 27,539	\$ 1,864,569
Construction in progress	3,905,486	5,795,545	3,905,486	5,795,545
Total capital assets not being depreciated	<u>5,797,594</u>	<u>5,795,545</u>	<u>3,933,025</u>	<u>7,660,114</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	98,301,234	2,583,805	--	100,885,039
Equipment	12,258,606	2,758,118	379,017	14,637,707
Land Improvements	9,720,298	1,565,323	--	11,285,621
Total capital assets being depreciated	<u>120,280,138</u>	<u>6,907,246</u>	<u>379,017</u>	<u>126,808,367</u>
Less accumulated depreciation for:				
Buildings and improvements	(52,907,438)	(3,109,863)	--	(56,017,301)
Equipment	(10,077,361)	(535,017)	(379,017)	(10,233,361)
Land Improvements	(6,978,951)	(401,674)	--	(7,380,625)
Total accumulated depreciation	<u>(69,963,750)</u>	<u>(4,046,554)</u>	<u>(379,017)</u>	<u>(73,631,287)</u>
Total capital assets being depreciated, net	<u>50,316,388</u>	<u>2,860,692</u>	<u>--</u>	<u>53,177,080</u>
Governmental activities capital assets, net	<u>\$ 56,113,982</u>	<u>\$ 8,656,237</u>	<u>\$ 3,933,025</u>	<u>\$ 60,837,194</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

Depreciation was charged to functions as follows:

Instruction	\$ 2,232,754
Instructional Resources and Media Services	52,105
Curriculum and Staff Development	61,364
Instructional Leadership	39,405
School Leadership	235,832
Guidance, Counseling, & Evaluation Services	170,539
Social Work Services	4,085
Health Services	27,052
Student Transportation	264,747
Food Services	216,626
Extracurricular Activities	124,761
General Administration	136,163
Plant Maintenance and Operations	394,345
Security and Monitoring Services	12,212
Data Processing Services	71,281
Community Services	3,283
	<u>\$ 4,046,554</u>

D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2014, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Trust & Agency Funds	\$ 685,901	Short-term loans
Trust & Agency Funds	General Fund	17,062	Short-term loans
General Fund	Internal Service Funds	317,858	Short-term loans
General Fund	Enterprise Fund	16,769	Short-term loans
Special Revenue Funds	Trust & Agency Funds	66,956	Short-term loans
Trust & Agency Funds	Special Revenue Funds	52,241	Short-term loans
Enterprise Fund	Trust & Agency Fund	2,215	Short-term loans
General Fund	Special Revenue Funds	578,874	For transfer of federal receipts
Special Revenue Funds	General Fund	66,494	For transfer of federal receipts
	Total	<u>\$ 1,804,370</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2014, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Debt Service Fund	General Fund	\$ 3,003,000	To transfer debt due to refunding
	Total	<u>\$ 3,003,000</u>	

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

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.

1. 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, 2014, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 42,695,330	\$ 81,173,000	\$ (1,734,062)	\$ 122,134,269	\$ 2,924,484
Premium (amortized)	1,182,026	6,372,946	(73,876)	7,481,091	--
Deferred Loss on Refunding	(1,185,967)	--	76,520	(1,109,447)	--
Accumulated Accretion on CABs	10,496,428	--	(664,804)	9,831,624	--
Tax Notes Payable	3,003,000	--	(3,003,000)	--	--
Total governmental activities	<u>\$ 56,190,817</u>	<u>\$ 87,545,946</u>	<u>\$ (5,399,222)</u>	<u>\$ 138,337,537</u>	<u>\$ 292,484</u>

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2014, are as follows:

<u>Year Ending August 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,924,484	\$ 7,113,066	\$ 10,037,550
2016	2,766,880	7,151,001	9,917,881
2017	2,625,343	7,175,218	9,800,561
2018	2,491,184	7,182,372	9,673,556
2019	2,355,764	7,204,820	9,560,584
2020-2024	19,726,860	28,039,695	47,766,555
2025-2029	29,173,324	18,596,535	47,769,859
2030-2034	26,605,430	11,859,573	38,465,003
2035-2039	33,465,000	4,975,726	38,440,726
Totals	<u>\$ 122,134,269</u>	<u>\$ 99,298,006</u>	<u>\$ 221,432,275</u>

The Series 1999 Unlimited Tax School Building and Refunding Bonds is a capital appreciation bond and matures on August 1, 2020.

The interest rates on the Series 2005 Unlimited Tax School Refunding Bonds range from 3.875% to 5.00% and mature on August 1, 2029.

The interest rates on the Series 2010 Unlimited Tax School Refunding Bonds range from 2.00% to 3.50% and mature on August 1, 2029.

The interest rate on the Cleburne ISD bond ranges from 3.10% to 5.25% and matures on August 1, 2031.

The interest rates on the Series 2014 Unlimited Tax Building Bonds range from 2.00% to 5.00% and mature on August 1, 2039.

The interest rate on the Series 2013 Unlimited Tax School Refunding Bonds is 3.25% and matures on August 1, 2028.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

3. Current Refunding of Debt

As a result of the current refunding of principal maturities from the Maintenance Tax Notes, Series 2013 by the issuance of Unlimited Tax Refunding Bonds, Series 2013, the District increased its total debt service requirements by \$270,375 which resulted in a net economic loss (difference between the present value of the debt service payments on old and new debt) of \$231,749.

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, 2014, as follows:

<u>Year Ending August 31,</u>	
2015	\$ 163,962
2016	115,460
2017	633
Total Minimum Rentals	<u>\$ 280,055</u>
Rental Expenditures in 2014	<u>\$ 203,466</u>

G. Risk Management

Property Casualty Program

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2014, the District participated in the Texas Association of Public Schools Property and Liability Fund (the Fund) with coverage in Auto Liability, Auto Physical Damage, General Liability, Property, and Legal Liability. The Fund was created and is operated under the provisions 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. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three years.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line 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, 2014, 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, the Fund's audited financial statements as of August 31, 2013, are available on the Texas Association of Public Schools Property and Liability Fund website and have been filed with the Texas Department of Insurance in Austin.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

Workers' Compensation

The District has established a partially self-funded workers' compensation plan by participating in the Texas Educational Insurance Association. The Association is a public entity risk pool currently operating as a common risk management and insurance program for member colleges and school districts. The main purpose of the Association is to partially self-insure certain workers compensation risks up to an agreed upon retention limit. The plan for worker's compensation benefits is 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 \$207,665 incurred but not reported claims. Costs are allocated to other funds and the retained earnings are fully reserved for self-funded insurance. Estimates of claims payable and of claims incurred, but not reported at August 31, 2014, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the fund as they become due.

Changes in the balances of claim liabilities during the past year are as follows:

	Year Ended 8/31/14	Year Ended 8/31/13
Unpaid claims, beginning of year	\$ 345,309	\$ 486,106
Incurred claims	223,068	23,285
Claim payments	(169,162)	(164,082)
Unpaid claims, end of fiscal year	<u>\$ 399,215</u>	<u>\$ 345,309</u>

Unemployment Compensation

During the year ended August 31, 2014, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2014, the Fund anticipates that Granbury ISD has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2013, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

H. Pension Plan

1. Plan Description

The 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 downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. 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 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 years 2014, 2013 and 2012, and a state contribution rate of 6.8% for fiscal year 2014, 6.4 % for fiscal year 2013, and 6.0% for fiscal year 2012. In certain instances the reporting district is required to make all or a portion of the state's contribution. State contributions to TRS made on behalf of the District's employees for the years ending August 31, 2014, 2013 and 2012 were \$2,323,735, \$2,134,766 and \$2,257,353, respectively. The District paid additional state contributions for the years ending August 31, 2014, 2013 and 2012 in the amount of \$582,506, \$569,187 and \$566,375, respectively, on portion of the employees' salaries that exceeded the statutory minimum and federal grant salaries.

I. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care 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 under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

GRANBURY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2014

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1.0% for fiscal year 2014, 0.5% for fiscal year 2013 and 1.0% for fiscal year 2012 and the active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2014, 2013 and 2012. For the years ended August 31, 2014, 2013, and 2012, the State's contributions to TRS-Care were \$374,149, \$187,916, and \$382,560, respectively, the active member contributions were \$243,197, \$244,291, and \$248,664, respectively, and the District's contributions were \$205,782, \$206,708, and \$210,407, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

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. For the fiscal years ended August 31, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on behalf of the District were \$99,998, \$144,635, and \$98,654, respectively.

J. Employee Health Care Coverage

During the year ended August 31, 2014, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$350 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the 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 third party administrator is renewable annually, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Company are available for their year end and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Commitments and Contingencies

1. 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.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

2. Commitments

The District has entered into various construction commitments. Such contracts include contracts for renovations to Granbury High School, gyms and vestibules. The total contractual commitments outstanding as of August 31, 2014 aggregated approximately \$51,347,896. The District has sufficient funds from the Unlimited Tax Building Bonds, Series 2014 to cover these commitments.

3. Litigation

No reportable litigation was pending against the District at August 31, 2014.

L. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for audiology services with the following school districts:

<u>Member Districts</u>	
Central Texas SSA	Granbury ISD
Greater Erath County SSA	Springtown ISD
Hood-Somervell County Co-Op	Stephenville ISD
Palo Pinto County Co-Op	Weatherford ISD
Parker County Co-Op	

The District does not account for revenues 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, Peaster ISD, 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.

M. Prior Period Adjustment

The District recorded a prior period adjustment in accordance with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, to recognize debt issuance costs in the year in which the cost was incurred. This decreased beginning net position of the governmental activities by \$349,186.

N. Deferred Resources

The District had the following deferred inflows of resources at August 31, 2014 as presented on Exhibits C-1 and A-1:

	Exhibit C-1	Exhibit A-1
Parking Revenue	\$ 14,781	\$ 14,781
Delinquent Property Taxes Receivable	1,392,841	--
Grant Revenues	50,196	50,196
Commodity Inventory	4,701	4,701
	<u>\$ 1,462,519</u>	<u>\$ 69,678</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

GRANBURY INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 50,911,497	\$ 49,002,958	\$ 49,252,171	\$ 249,213
5800	State Program Revenues	8,612,849	10,809,503	10,745,540	(63,963)
5900	Federal Program Revenues	421,000	475,000	712,526	237,526
5020	Total Revenues	59,945,346	60,287,461	60,710,237	422,776
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	29,850,404	30,947,845	29,309,948	1,637,897
0012	Instructional Resources and Media Services	754,441	799,198	721,910	77,288
0013	Curriculum and Staff Development	622,809	637,296	603,632	33,664
	Total Instruction & Instr. Related Services	31,227,654	32,384,339	30,635,490	1,748,849
Instructional and School Leadership:					
0021	Instructional Leadership	576,933	530,485	516,100	14,385
0023	School Leadership	3,366,133	3,504,644	3,355,992	148,652
	Total Instructional & School Leadership	3,943,066	4,035,129	3,872,092	163,037
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	2,223,056	2,201,981	2,162,355	39,626
0032	Social Work Services	58,400	58,400	58,400	--
0033	Health Services	390,765	443,896	386,733	57,163
0034	Student (Pupil) Transportation	3,377,422	3,471,407	3,121,527	349,880
0035	Food Services	--	3,000	1,271	1,729
0036	Cocurricular/Extracurricular Activities	1,758,248	1,843,449	1,782,055	61,394
	Total Support Services - Student (Pupil)	7,807,891	8,022,133	7,512,341	509,792
Administrative Support Services:					
0041	General Administration	1,946,293	1,985,074	1,946,585	38,489
	Total Administrative Support Services	1,946,293	1,985,074	1,946,585	38,489
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	5,610,014	6,163,120	5,583,037	580,083
0052	Security and Monitoring Services	160,991	195,620	174,573	21,047
0053	Data Processing Services	981,018	1,071,074	1,019,035	52,039
	Total Support Services - Nonstudent Based	6,752,023	7,429,814	6,776,645	653,169
Ancillary Services:					
0061	Community Services	117,685	103,353	38,898	64,455
	Total Ancillary Services	117,685	103,353	38,898	64,455
Debt Service:					
0071	Principal on Long-Term Debt	240,000	159,000	--	159,000
0072	Interest on Long-Term Debt	--	81,000	35,722	45,278
	Total Debt Service	240,000	240,000	35,722	204,278
Capital Outlay:					
0081	Capital Outlay	--	509,439	148,113	361,326
	Total Capital Outlay	--	509,439	148,113	361,326

GRANBURY INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Intergovernmental Charges:				
0091	Contracted Instr. Services Between Public Schools	8,499,239	7,221,647	7,572,561	(350,914)
0099	Other Intergovernmental Charges	760,538	760,539	744,482	16,057
	Total Intergovernmental Charges	9,259,777	7,982,186	8,317,043	(334,857)
6030	Total Expenditures	61,294,389	62,691,467	59,282,929	3,408,538
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(1,349,043)	(2,404,006)	1,427,308	3,831,314
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	--	16,380	16,380
7915	Transfers In	--	--	3,003,000	3,003,000
8949	Other Uses- Defeasance of Tax Notes	--	--	(3,003,000)	(3,003,000)
7080	Total Other Financing Sources and (Uses)	--	--	16,380	16,380
1200	Net Change in Fund Balance	(1,349,043)	(2,404,006)	1,443,688	3,847,694
0100	Fund Balance - Beginning	13,822,254	13,822,254	13,822,254	--
0000	Fund Balance - Ending	\$ 12,473,211	\$ 11,418,248	\$ 15,265,942	\$ 3,847,694

GRANBURY INDEPENDENT SCHOOL DISTRICT

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2014*

Budget

The official budget was prepared for adoption for all Governmental Fund Types legally required to adopt a budget (General Funds, Food Service Funds, and Debt Service Funds). The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20 of the preceding fiscal year, 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.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only 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. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment 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.

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 cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

GRANBURY INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2014*

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2005 and Prior Years	\$	Various	\$	Various	\$	Various
2006		1.4500		.220		2,729,083,015
2007		1.2860		.154		3,149,532,655
2008		1.0062		.165		3,477,564,151
2009		1.0400		.130		4,265,084,002
2010		1.0400		.115		4,702,405,714
2011		1.0400		.100		4,734,719,912
2012		1.0400		.110		4,575,984,783
2013		1.0400		.105		4,724,336,681
2014 (School Year Under Audit)		1.0400		.105		4,640,328,297

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

Column 20, the current year's levy is the ending levy due provided by Hood County Appraisal District.

Column 3, Assessed/Appraised Value for School Tax Purposes is calculated based on current year total levy divided by current year total tax rate. This amount includes adjustments for frozen values.

10 Beginning Balance 9/1/13	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/14
\$ 367,394	\$ --	\$ 12,909	\$ 2,271	\$ (436)	\$ 351,778
88,552	--	4,558	692	(488)	82,814
93,277	--	5,881	704	(1,013)	85,679
90,053	--	5,017	823	342	84,555
131,438	--	17,508	2,189	(484)	111,257
203,008	--	60,745	6,717	(554)	134,992
219,778	--	51,297	4,932	11,064	174,813
333,133	--	102,770	10,870	11,014	230,507
752,088	--	338,126	34,138	(14,342)	365,482
--	53,131,759	47,468,246	4,792,470	(215,197)	655,846
<u>\$ 2,278,721</u>	<u>\$ 53,131,759</u>	<u>\$ 48,067,057</u>	<u>\$ 4,855,806</u>	<u>\$ (210,094)</u>	<u>\$ 2,277,523</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

GRANBURY INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)

GENERAL FUND

AS OF AUGUST 31, 2014

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2014 (Exhibit C-1 object 3000 for the General Fund only)	\$ 15,265,942
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	--
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	1,800,000
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	--
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	4,940,244
7	Estimate of two months' average cash disbursements during the fiscal year	9,880,488
8	Estimate of delayed payments from state sources (58XX)	1,884,763
9	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	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	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)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	18,505,495
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ (3,239,553)

GRANBURY INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT J-3

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 1,489,982	\$ 1,230,882	\$ (259,100)
5800	State Program Revenues	17,000	17,433	433
5900	Federal Program Revenues	1,873,921	1,949,204	75,283
5020	Total Revenues	3,380,903	3,197,519	(183,384)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	Food Services	3,323,165	3,095,612	227,553
	Total Support Services - Student (Pupil)	3,323,165	3,095,612	227,553
	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	60,000	54,514	5,486
	Total Support Services - Nonstudent Based	60,000	54,514	5,486
6030	Total Expenditures	3,383,165	3,150,126	233,039
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(2,262)	47,393	49,655
1200	Net Change in Fund Balance	(2,262)	47,393	49,655
0100	Fund Balance - Beginning	268,698	268,698	--
3000	Fund Balance - Ending	\$ 266,436	\$ 316,091	\$ 49,655

GRANBURY INDEPENDENT SCHOOL DISTRICT

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT J-4

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 5,155,054	\$ 4,912,104	\$ (242,950)
5020 Total Revenues	<u>5,155,054</u>	<u>4,912,104</u>	<u>(242,950)</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	1,936,394	1,734,062	202,332
0072 <i>Interest on Long-Term Debt</i>	5,028,890	5,027,280	1,610
0073 <i>Bond Issuance Costs and Fees</i>	69,833	66,738	3,095
Total Debt Service	<u>7,040,117</u>	<u>6,828,080</u>	<u>212,037</u>
6030 Total Expenditures	<u>7,040,117</u>	<u>6,828,080</u>	<u>212,037</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(1,885,063)</u>	<u>(1,915,976)</u>	<u>(30,913)</u>
Other Financing Sources (Uses):			
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	1,847,496	1,847,496	--
7911 <i>Debt Issued- Refunding Bonds</i>	3,003,000	3,003,000	--
8911 <i>Transfers Out</i>	(3,003,000)	(3,003,000)	--
7080 Total Other Financing Sources and (Uses)	<u>1,847,496</u>	<u>1,847,496</u>	<u>--</u>
1200 Net Change in Fund Balance	<u>(37,567)</u>	<u>(68,480)</u>	<u>(30,913)</u>
0100 Fund Balance - Beginning	671,210	671,210	--
3000 Fund Balance - Ending	<u>\$ 633,643</u>	<u>\$ 602,730</u>	<u>\$ (30,913)</u>



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Granbury Independent School District
600 W. Bridge Street
Granbury, Texas 76048

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2014, and the related notes to the financial statements, which collectively comprise Granbury Independent School District's basic financial statements, and have issued our report thereon dated January 14, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Granbury Independent School District in a separate letter dated January 14, 2015.

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams

January 14, 2015



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by OMB Circular A-133

Board of Trustees
Granbury Independent School District
600 W. Bridge Street
Granbury, Texas 76048

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Granbury Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Granbury Independent School District's major federal programs for the year ended August 31, 2014. Granbury Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Granbury Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit 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 Granbury Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Granbury Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2014.

Report on Internal Control Over Compliance

Management of Granbury Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Granbury Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Granbury Independent School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Snow Garrett Williams
January 14, 2015

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	ESEA Title I Part A- Improving Basic Programs
84.367	ESEA Title II Part A- Teacher & Principal Training & Recruiting

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

GRANBURY INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2014

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There are no prior year audit findings.		

GRANBURY INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2014

A corrective action plan is not needed.

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF LABOR			
Passed Through Texas Engineering Experiment Station:			
<i>Power Set WIT *</i>	17.207	C13-00131	\$ 4,452
Total U. S. Department of Labor			<u>4,452</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program:			
Medical Assistance Program *	93.778	Direct	17,669
Total U. S. Department of Health and Human Services			<u>17,669</u>
U. S. DEPARTMENT OF EDUCATION			
Passed Through Parker County Co-Op:			
<i>IDEA-B Discretionary *</i>	84.027	111-901	3,080
<i>IDEA-B Deaf *</i>	84.027	111-901	6,781
Total CFDA Number 84.027			<u>9,861</u>
Total Passed Through Parker County Co-Op			<u>9,861</u>
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	14610101111901	972,181
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	15610101111901	100,972
Total CFDA Number 84.010			<u>1,073,153</u>
<i>IDEA-B Formula *</i>	84.027	146600011119016600	1,532,450
<i>IDEA-B Formula *</i>	84.027	156600011119016600	87,695
Total CFDA Number 84.027			<u>1,620,145</u>
<i>Career and Technical - Basic Grant</i>	84.048	14420006111901	46,395
<i>Career and Technical - Basic Grant</i>	84.048	15420006111901	18,675
Total CFDA Number 84.048			<u>65,070</u>
<i>IDEA-B Preschool *</i>	84.173	146610011119016610	23,510
<i>IDEA-B Preschool *</i>	84.173	156610011119016610	1,458
Total CFDA Number 84.173			<u>24,968</u>
<i>Title III Part A English Language Acquisition and Language Enhanc</i>	84.365	14671001111901	36,663
<i>Title III Part A English Language Acquisition and Language Enhanc</i>	84.365	15671001111901	1,092
Total CFDA Number 84.365			<u>37,755</u>
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367	14694501111901	199,829
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367	15694501111901	1,800
Total CFDA Number 84.367			<u>201,629</u>
Total Passed Through State Department of Education			<u>3,022,720</u>
Total U. S. Department of Education			<u>3,032,581</u>
U. S. DEPARTMENT OF DEFENSE			
Direct Program:			
JROTC	12.357	Direct	81,411
Total U. S. Department of Defense			<u>81,411</u>

GRANBURY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT K-1
Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	714014	\$ 446,798
National School Lunch Program *	10.555	713014	1,320,547
Total Passed Through State Department of Education			<u>1,767,345</u>
Passed Through Texas Department of Agriculture:			
Commodity Supplemental Food Program (Non-cash) *	10.565	11001A	181,859
Total U. S. Department of Agriculture			<u>1,949,204</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,085,317</u></u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

GRANBURY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Granbury Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

GRANBURY INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2014*

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 9,831,624

OFFICE OF SUPERINTENDENT

For:	Board of Trustees
Date:	January 19, 2015
Action:	Approval

To:	Board of Trustees
From:	Dr. James M. Largent
Date:	January 7, 2015
RE:	Update 101

SUMMARY: Update 101 has several issues that were presented in last month's meeting. You can access this entire policy update via last month's meeting attachment. If you have questions, feel free to call before the meeting or we can discuss at the meeting.

Respectfully submitted,

A handwritten signature in blue ink that reads "James M. Largent". The signature is fluid and cursive, with the first name "James" and last name "Largent" clearly legible.

Dr. James M. Largent
Superintendent

What to Expect from the 84th Texas Legislature

December 2014

Timing of the School Finance Case

Step in the process	Possible timeline
Judge Dietz files final judgment & findings of fact	August 28, 2014
Appeal filed	September 26, 2014
Supreme Court takes case	January 2015?
Briefings scheduled	Spring 2015
Arguments before Supreme Court	June/July 2015
Supreme Court issues final ruling	late 2015/early 2016
Legislative response	Summer 2016 (maybe 2017)

84th Legislative Session

➤ All new state leaders

- Governor
- Lieutenant Governor
- Comptroller
- Attorney General

➤ New Committee Chairs

- Senate Education
- Senate Finance
- House Appropriations



Texas Senate

- Under the new leadership of Lt. Governor-elect Dan Patrick
- 20 Republicans & 11 Democrats
- **8** freshman senators (soon to be 9) join 5 sophomores, meaning that 13 of 31 in the Texas Senate have served a full four-year term yet in 2015
- Two-thirds rule?

State Appropriations Outlook

- Budget surplus (projected \$2.5 - \$5 billion)
- Sales Tax collections are up
- Economic Stabilization Fund (Rainy Day Fund) at a healthy \$7.5 billion (but floor of \$7 billion was just adopted)
- Permanent School Fund at \$37 billion, so proceeds are high
- Property values continue to rise, lessening the State's funding obligation for schools
- Economy so robust that most conservative projected rate of growth applied to the Constitutional Spending Limit will allow spending up to \$10 billion more than last budget cycle

State Appropriations Outlook

- HOWEVER...
- Legislature is hesitant to spend
- Constitutional Spending Limit is a ceiling, not a floor
- \$1 billion shortfall from Medicaid needs plus transportation and water needs and desire to protect the border all compete for spending
- Calls for tax relief
- Pending school finance litigation

Issues Lawmakers Will Likely Debate

- Pre-Kindergarten
- Debt Limitations & Greater Transparency
- Virtual Schools
- Teacher Quality & Value-Added Measures
- Accountability (3-8 Testing)
- HB 5 Implementation and Costs
- Achievement School District
- Parent Trigger
- Private School Vouchers/Scholarships/Tax Credits

Dates of Interest for the 84th Legislature

- **January 13, 2015** - First day of session
- **March 13, 2015** - Deadline to file bills
- **June 1, 2015** - Last day of the session
- **June 21, 2015** - Last day governor can sign or veto bills

Texans Advocating for Meaningful Student Assessment (TAMSA)



Implementation of HB5 and Further Progress

Mission

Improve public education in Texas through the use of meaningful and effective student assessments, allowing:

- more productive classroom instruction
- more efficient use of public funds

Recent Polls Shows Bi-Partisan Support of Reducing State-Mandated Tests

A majority of respondents from both political parties (58% Reps; 64% Dems) felt that reducing the number of standardized tests students are required to take would be effective in improving K-12 public education in Texas. ¹

A second poll in Feb 2014 similarly showed “reducing the number of standardized tests students must take was identified as one of the most effective changes Texas could make in public education.” 61% Reps and 69% Dems agreed cutting tests would help public education in Texas. ²

¹ University of Texas / Texas Tribune Statewide Survey conducted in June 2013

² University of Texas/Texas Tribune Statewide Survey conducted in February 2014

Texas Student Assessment Programs

Year Began	Name	# of High Stakes tests*
1979-1984	TABS	0
1984-1990	TEAMS	3
1991-2003	TAAS	3
2003-2010	TAKS	8
2012	STAAR/EOC	19
2014	STAAR/EOC	9

**** High-stakes tests are exams that must be passed to either advance to the next grade level or graduate. High-stakes also include using test scores to determine teacher evaluations and/or school accountability.***

State High-Stakes Exam Comparison

Texas requires more state-mandated, high-stakes tests for high school graduation than most other states¹

Number of States	25	0	7	10	2	5	1
Number of Tests Required to Pass for Graduation	0	1	2	3	4	5	6 - 9

- Of the top 10 states ranked by NAEP in 8th grade math or reading in 2013, over half of the states require no exit exams for high school graduation.
- Of the states that require exit exams, 3 offer alternatives, such as portfolios, to earn a high school diploma.
- Texas ranked #19 in math and #39 in reading by NAEP, and requires students to pass 5 End of Course exams to graduate.

¹ Data from Center of Education Policy: “State High School Exit Exams: A Policy in Transition” 9/12

Return on Investment of Testing

Parents, employers, & taxpayers ask:

1. How much are we spending on state standardized tests?
2. What is the purpose of these tests?
3. Do these tests help prepare students for college or careers?

Texas Tax Dollars Paid to Pearson

2000 – 2001	2001 – 2002	2002 – 2003	2003 – 2004	2004 – 2005
\$39,122,054	\$50,208,435	\$47,451,455	\$58,692,430	\$62,641,857
2005 – 2006	2006 – 2007	2007 – 2008	2008 – 2009	2009 – 2010
\$87,427,757	\$100,214,658	\$87,260,970	\$92,103,116	\$85,208,340
2010 – 2011	2011 – 2012	2012 – 2013	2013 – 2014	2014 – 2015*
\$90,665,041	\$86,947,731	\$76,221,745	\$92,920,192	\$85,345,415

** 2014-2015 data estimate based on actuals through July 2014.*

TOTAL 2000 – 2015

\$1,142,431,196



CENTER *for* EDUCATION
RICE UNIVERSITY

Lost Opportunity

Dollars spent on testing:

\$2 EVERY SECOND of EVERY DAY for the last 15 years.

\$50,400 every 7 hours.

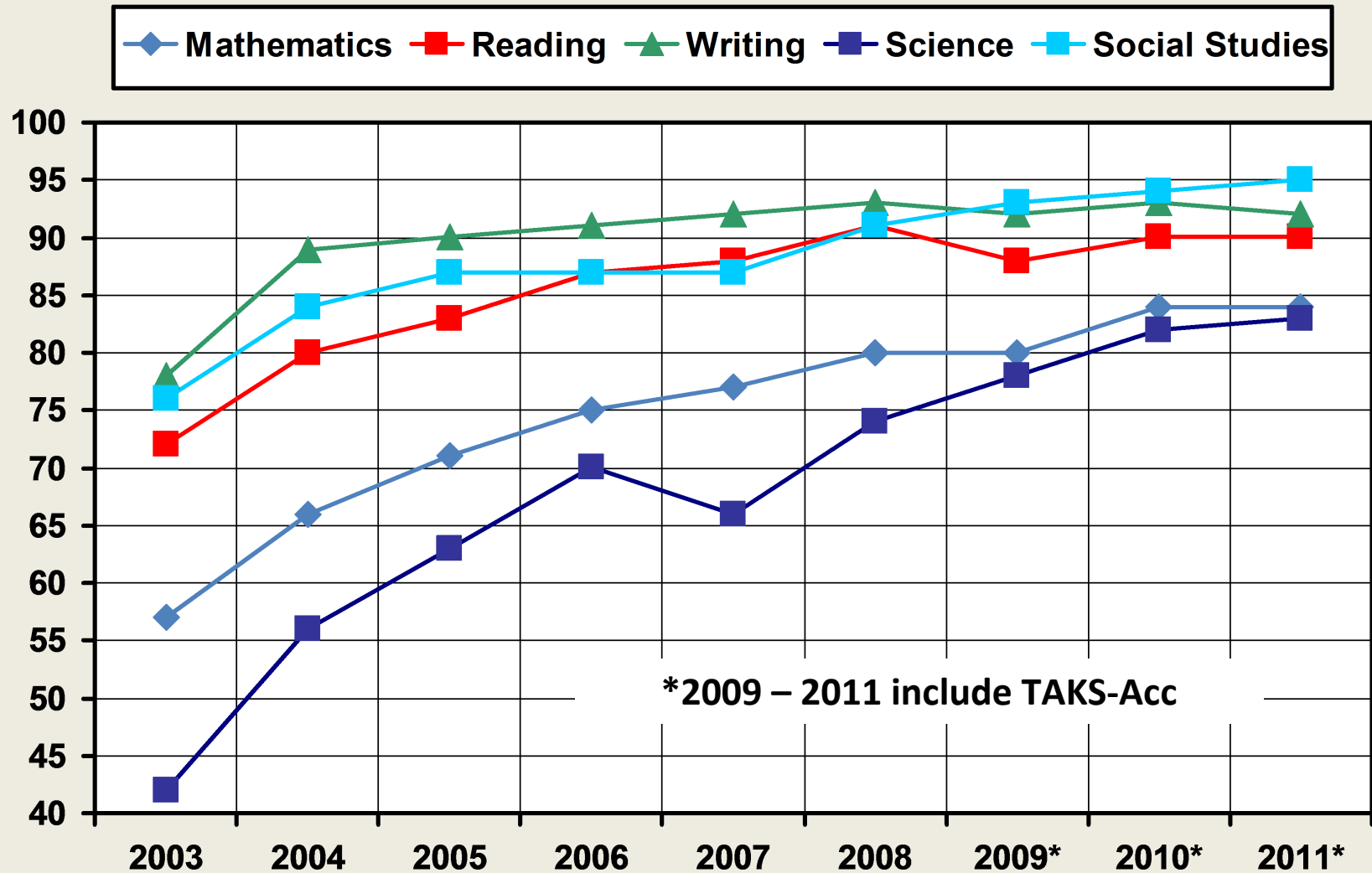
Compare that to:

Most districts spend under \$2 for a lunch for a hungry student.

\$50,400 could pay for 3 teachers per day or 1,277 teachers per year every year.

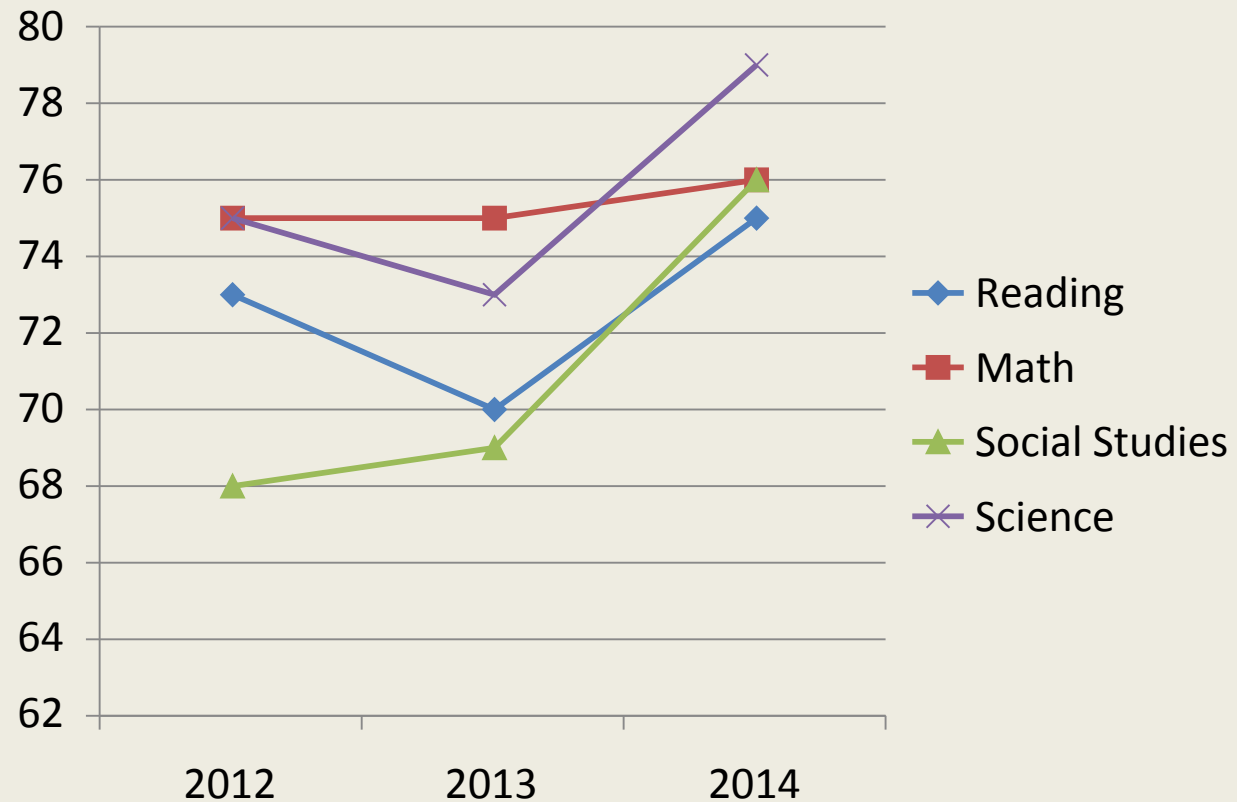
TAKS% Passing: Sum of All Grades

2003 – 2011



STAAR Passing: Sum of All Grades

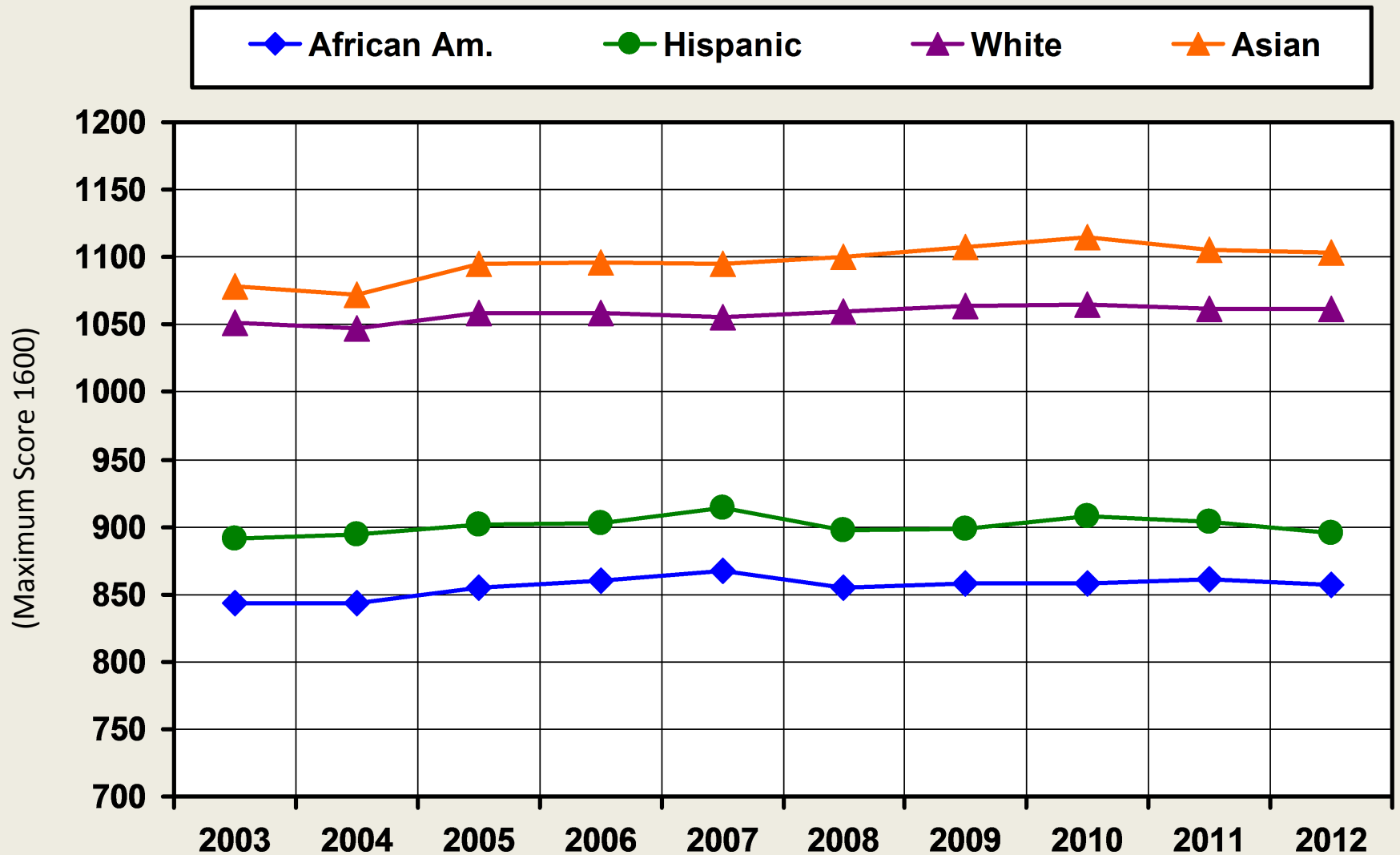
2012 - 2014



Scores represent initial Spring testing.

Texas Mean SAT Scores

2003 – 2010 – NEED TO ADD 2011 - 2013



Impact of 2 decades of standardized testing

In Texas, SAT scores hit a 22 year low; reading hit the second lowest level.*

"It is disturbing to see the trend ... where we raised the bar, raised standards, and tested more intensely, and all during that time we are now seeing a precipitous drop in our college readiness testing mechanism. I find that both puzzling and troubling."

*-Representative Jimmy Don Aycock
Texas House Public Education Committee Chairman
October 8, 2014*

*<http://www.dallasnews.com/news/local-news/20141007-texas-sat-math-scores-hit-a-22-year-low.ece>

What is the Purpose of the Tests?

- STAAR tests are not diagnostic – they provide no substantive data or analysis to help children improve.
- Norm Referenced Tests (NRTs), such as ITBS, ACT, SAT, are nationally accepted exams that provide pages of detailed diagnostic data and suggestions for improvement.
- As a state, our tax dollars would be better spent on assessments that help, not punish, children

Are the STAAR Tests Valid?

No independent third-party has evaluated the exams to ensure they test the Texas Essential Knowledge and Skills (TEKS).

¹ Times Record News, *Educators Challenge STAAR Questions*, May 12, 2014

Are the STAAR Tests Appropriate?

- Eight year old third graders must sit quietly at desks for 4 hours for 2 consecutive days to take STAAR tests.
- High school freshman and sophomores must sit at desks for 5 hours to take English EOC exams. The SAT and ACT exams test math and English (and science) in less than 4 hours.
 - 22% of the questions are field questions; including 1 of the 2 required essays. NRTs typically have 10% field questions and no essay is a field question

Educator Jeanine McGregor evaluated the reading levels of the 2013 STAAR fifth-grade tests. “The range is astounding,” she said. “Passages range from third-grade to eighth-grade reading levels. Either there is a calculated design in using material that is not fifth-grade level or there is total incompetency.”¹

¹ Times Record News, *Educators Challenge STAAR Questions*, May 12, 2014

Is It Worth It?

1. Taxpayer Expense: **\$1.2 Billion (minimum)**
2. College and Career Ready: **No measurable improvement**
3. Success in Higher Education: **Below national levels**
4. Dropout Forecast: **Troubling**
5. Validity: **Unknown**
6. Appropriate: **No**

National Norm-Referenced Tests

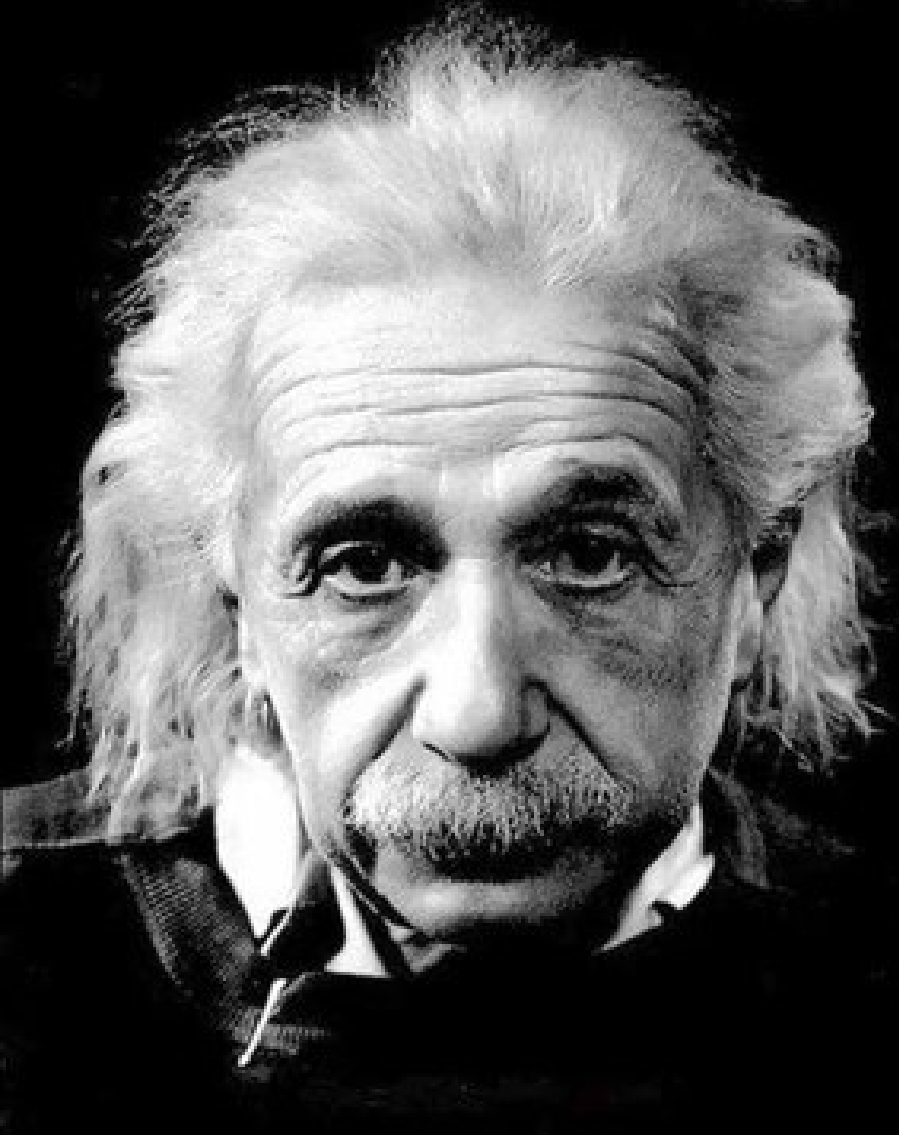
TAMSA believes national norm-referenced tests (NRTs) provide better student assessment than expensive state-designed STAAR exams:

- Nationally recognized
- Passing rates are not manipulated
- Already required for entrance into most colleges and universities in the country

Gr. 3 – 7	Gr. 8	Gr. 10	Gr. 11
Iowa Test of Basic Skills (ITBS), RediStep, Stanford	EXPLORE	PLAN PSAT	ACT SAT

General Assessment Objectives

- Administer assessments for diagnostic purposes to support student learning
- Require no high-stakes for individual students: no performance requirement for grade promotion or high school graduation
- Decrease time spent on state-mandated testing, including shortening state-designed exams.
- Eliminate all field test essay questions, and reduce the number of multiple choice field test questions
- Ensure that state-mandated exams are valid and appropriate



“I believe in
standardizing
automobiles,
not human beings.”

Albert Einstein

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: January 19, 2015
For: Information

TO: Dr. James Largent, Superintendent

FROM: Dobie Williams

DATE: January 10, 2015

RE: 11/30/2014 Financial Statements

SUMMARY:

Attached are the financial statements for the period ended November 30, 2014 for the general operating fund.

The statements for the period ended November 30, 2014, include only those transactions that occurred between the period of September 1, 2014, and November 30, 2014. Revenue collected to date equals 11.00% of the budgeted amount compared to 15.16% last year. Expenditures to date represent 20.30% of the budget compared to 23.36% last year.

Respectfully submitted,



Dobie Williams

Assistant Superintendent for Finance and Operations

Staff Person Responsible: Dobie Williams

Date Submitted: January 10, 2015

GRANBURY INDEPENDENT SCHOOL DISTRICT
GENERAL OPERATING FUND
INTERIM STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDED NOVEMBER 30, 2014

	ANNUAL BUDGET	YTD ACTUAL	REMAINING BALANCE	YTD PERCENT
<u>REVENUES</u>				
5700 LOCAL SOURCES	48,621,365	4,136,470	44,484,895	8.51%
5800 STATE SOURCES	10,005,613	2,349,490	7,656,123	23.48%
5900 FEDERAL SOURCES	471,500	12,274	459,226	2.60%
TOTAL REVENUES	59,098,478	6,498,234	52,600,244	11.00%
<u>EXPENDITURES</u>				
6100 PAYROLL COSTS	42,190,677	8,398,446	33,792,231	19.91%
6200 PROFESSIONAL & CONTRACTED SERVICES	12,751,890	1,981,993	10,769,897	15.54%
6300 SUPPLIES/MATERIALS	2,534,319	952,317	1,582,002	37.58%
6400 OTHER OPERATING	1,164,710	443,834	720,876	38.11%
6500 DEBT SERVICE	0	0	0	#DIV/0!
6600 CAPITAL OUTLAY	1,257,050	381,722	875,328	30.37%
TOTAL EXPENDITURES	59,898,646	12,158,312	47,740,334	20.30%
<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	(800,168)	(5,660,078)	4,859,910	

GRANBURY INDEPENDENT SCHOOL DISTRICT
GENERAL OPERATING FUND - SORTED BY FUNCTION CODE
INTERIM STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDED NOVEMBER 30, 2014

	ANNUAL BUDGET	YTD ACTUAL	REMAINING BALANCE	YTD PERCENT	PRIOR YTD PERCENT
REVENUES					
5700 LOCAL					
PROPERTY TAXES	48,234,017	3,947,958	44,286,059	8.19%	9.65%
INVESTMENT INCOME	25,000	2,061	22,939	8.24%	6.25%
OTHER LOCAL INCOME	362,348	186,451	175,897	51.46%	46.24%
5800 STATE					
STATE FUNDING	10,005,613	2,349,490	7,656,123	23.48%	38.25%
5900 FEDERAL					
FEDERAL PROJECTS	471,500	12,274	459,226	2.60%	21.74%
TOTAL REVENUES	59,098,478	6,498,234	52,600,244	11.00%	15.16%
EXPENDITURES					
11 INSTRUCTION	30,572,849	6,058,105	24,514,744	19.82%	25.34%
12 INSTRUCTIONAL RESOURCES & MEDIA	732,097	139,537	592,560	19.06%	24.32%
13 CURRICULUM & STAFF DEVELOPMENT	736,519	200,227	536,292	27.19%	24.67%
21 INSTRUCTIONAL LEADERSHIP	481,266	119,853	361,413	24.90%	25.12%
23 SCHOOL LEADERSHIP	3,377,900	838,170	2,539,730	24.81%	25.68%
31 GUIDANCE/COUNSELING	2,263,063	507,960	1,755,103	22.45%	26.35%
32 SOCIAL WORK SERVICES	58,400	64,648	(6,248)	110.70%	100.00%
33 HEALTH SERVICES	384,203	67,987	316,216	17.70%	24.66%
34 TRANSPORTATION	2,986,261	915,432	2,070,829	30.65%	39.87%
35 FOOD SERVICE	0	-16	16	#DIV/0!	0.00%
36 CO-CURRICULAR/EXTRACURRICULAR	1,688,508	378,323	1,310,185	22.41%	24.11%
41 GENERAL ADMINISTRATION	2,197,224	567,128	1,630,096	25.81%	26.45%
51 PLANT MAINTENANCE	6,103,439	1,867,128	4,236,311	30.59%	32.59%
52 SECURITY & MONITORING SERVICES	255,380	72,857	182,523	28.53%	36.69%
53 DATA PROCESSING	937,595	326,123	611,472	34.78%	39.14%
61 COMMUNITY EDUCATION	48,053	7,257	40,796	15.10%	8.46%
71 DEBT SERVICE	0	0	0	#DIV/0!	0.00%
81 FACILITIES CONSTRUCTION & ACQUISITION	0	23,527	(23,527)	#DIV/0!	61.92%
91 CONTR INSTRUCTIONAL SERVICES	6,125,889	0	6,125,889	0.00%	0.00%
93 PAYMENTS TO FISCAL AGENT					
99 OTHER INTER GOV CHARGES	950,000	4,067	945,933	0.43%	0.07%
TOTAL EXPENDITURES	59,898,646	12,158,312	47,740,334	20.30%	23.36%
0	0				
OTHER SOURCES (USES)	0	0	0	0.00%	0.00%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(800,168)	(5,660,078)	4,859,910		

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: January 19, 2015
For: Information

TO: Dr. James Largent, Superintendent

FROM: Dobie Williams

DATE: January 13, 2015

RE: Cash Flow and Investment Report
As of 11/30/2014

SUMMARY:

Attached is the Cash Flow and Investment Report for the period ended November 30, 2014.

Respectfully submitted,



Dobie Williams

Assistant Superintendent for Finance and Operations

Staff Person Responsible: Dobie Williams

Date Submitted: January 13, 2015

	A	B	C	D	E	F	G	H	I	J	L	M	N	O	Q
1	GRANBURY INDEPENDENT SCHOOL DISTRICT														
2	CASH AND INVESTMENT REPORT														
3	FROM NOVEMBER 1, 2014 TO NOVEMBER 30, 2014														
4	FOR BOARD MEETING JANUARY 19, 2015														
5			FIRST FINANCIAL BANK								INVESTMENTS				CDARs
6			GENERAL FUND	DEBT	CAPITAL PROJ	PAYROLL	A/P	WC FUND	EZDENT	CHILD NUTRITION	LOGIC	LONE STAR	TEXPOOL	TEXAS TERM	PROGRAM
8	BEGINNING BALANCE-NOVEMBER 1, 2014		\$ 1,936,057	\$ 244,574	\$ 2,270,853	\$ 1,579,720	\$ 612,613	\$ 520,255	\$ 7,555	\$ 197,848	\$ 3,928,644	\$ 681,681	\$ 1,062,833	\$ 7,478,273	\$ 69,605,284
10	LOCAL REVENUE-RENT, CAFÉ MEALS,ATH		\$ 93,052							\$ 114,370					
11															
12	TAX COLLECTIONS		\$ 2,789,454	\$ 595,111											
13															
14	TEA COLLECTIONS:														
15	CHILD NUTRITION		\$ 239,098												
16	FOUNDATION		\$ -												
17	TITLE FUNDS		\$ 274,745												
18	AVAILABLE SCHOOL FUND		\$ 7,998												
19	IDEA-B FUNDS		\$ 299,697												
20	IMA		\$ -												
21	PERKINS														
22	MAC/SHARS		\$ 169,218												
23	TRANSFERS IN		\$ -		\$ 26,009,180	\$ 3,644,507	\$ 1,313,888		\$ 1,000					\$ 13,000,000	
24															
25	BOND PAYMENT														
26	OPERATING EXPENSES		\$ (551,492)		\$ (13,606,656)		\$ (1,647,877)	\$ (15,139)	\$ (8,326)	\$ (211,166)	\$ -				
27	PAYROLL		\$ (3,483,789)		\$ -	\$ (3,660,907)				\$ (59,319)					
28	TEA RECAPTURE			\$ -			\$ -								
29	TRANSFERS OUT													\$ (13,000,000)	\$ (13,009,180)
30	MONTHLY INTEREST EARNED AND PAID		\$ 470	\$ 97	\$ 1,362	\$ 189	\$ 60	\$ 79	\$ 1	\$ 17	\$ 281	\$ 27	\$ 25	\$ 326	\$ 699
31	ACCRUED INTEREST PAID														
32	ENDING BALANCE-NOVEMBER 30 2014		\$ 1,774,508	\$ 839,782	\$ 14,674,739	\$ 1,563,509	\$ 278,683	\$ 505,195	\$ 230	\$ 41,749	\$ 3,928,925	\$ 681,708	\$ 1,062,858	\$ 7,478,599	\$ 56,596,803
33															
34	INTEREST ACCRUED, NOT PAID AT MONTHS END														\$ 11,892
35															
36	WEIGHTED AVERAGE MATURITY		1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	55 Days	42 Days	46 Days	53 Days	197 Days
37															
38	CURRENT MONTH AVERAGE MONTHLY INTEREST RATE:		0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.088%	0.050%	0.268%	0.060%	
39	PRIOR MONTH AVERAGE MONTHLY INTEREST RATE:		0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.200%	0.080%	0.050%	0.033%	0.060%	Various
40														CDs 0.400%	
41															
42	I, the approved Investment Officer of Granbury ISD, hereby certify that the above Investment Report represents the investment position										2013-14 INTEREST				
43	of the District (as of the end of the month indicated at the top of this investment form) in accordance with the Board approved Investment										ACCRUED (as of 9/1/13)				
44	Funds Policy, the Public Funds Investment Act (Texas Government Code 2256), and Generally Accepted Accounting Principals (GAAP).										Sep-13	\$ 30,873.95		Mar-14	
45											Oct-13	\$ 2,771.66		Apr-14	
46											Nov-13	\$ 3,632.79		May-14	
47	L.O. "Dobie" Williams										Dec-13			Jun-14	
48	Assistant Superintendent for Finance and Operations										Jan-14			Jul-14	
49											Feb-14			Aug-14	
50														TOTAL	\$ 37,278.40
51															
52													NOV INTEREST ACCRUED		\$ 11,891.55
53													NOV INTEREST EARNED & PD		\$ 3,632.79

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: January 19, 2015
For: Information

TO: Dr. James Largent, Superintendent

FROM: Dobie Williams

DATE: January 8, 2015

RE: Bond Expenditure Update
As of 12/31/14

SUMMARY:

Attached are bond expenditures through the period ended December 31, 2014. Expenditures are divided into two categories - "Construction" and "Other Areas". The Construction category includes expenditures related to the construction or renovation/remodeling of buildings. The Construction category also includes a breakdown of expenditures by vendor. The Other Areas category includes expenditures for non-construction related expenditures from bond funds.

Respectfully submitted,



Dobie Williams
Assistant Superintendent for Finance and Operations

Staff Person Responsible: Dobie Williams
Karen Johnson

Date Submitted: January 8, 2015



Bond Project Status

Budget, Commitments, Expenditures, Construction Contracts (thru 12/31/14)

Summary Status - Construction

Description	Budgeted	Committed	Expended
Soft Cost	\$ 5,819,639.00	\$ 227,840.25	\$ 3,501,208.96
Hard Cost	\$ 54,186,317.00	\$ 49,781,224.50	\$ 3,045,538.50
Contingency	\$ 3,704,480.00	\$ 35,607.02	\$ 314,682.25
Total	\$ 63,710,436.00	\$ 50,044,671.77	\$ 6,861,429.71

Construction Vendor Status

Contract / Service	Paid to Date	Description
Alliance Geotech	\$ 43,675.00	Materials Testing
Buford-Thompson	\$ 3,300,163.20	Construction Mgr
City of Granbury	\$ 176,717.02	Permits
Elliott Electric	\$ 9,225.20	CTE Move to Ag Complex
ERI Consulting	\$ 4,000.00	Asbestos Abatement Consultant GHS
HC News	\$ 196.50	Public Notice Ad
Home Depot	\$ 1,049.63	Ramps to Portables; Misc.
HD Snow House Moving	\$ 13,600.00	Move Portables
Huckabee	\$ 3,227,116.94	Architect
IESI	\$ 3,155.76	Temporary Roll-Off
JPH Land Surveying	\$ 44,900.00	Survey
Mobile Modular	\$ 2,515.00	Pods - GHS
1 Priority	\$ 7,100.00	Abatement - GHS
Print One	\$ 133.25	Signage - OW
School Specialty	\$ 367.71	White Board - OW
TASB	\$ 18,632.00	Asbestos Testing - All campuses
The Rios Group	\$ 8,800.00	Subsurface Utility
Woodard Builders	\$ 82.50	Glass in Receptionist Door - BES
Total	\$ 6,861,429.71	

Summary Status - Other Areas

Description	Budgeted	Committed	Expended
Band Equip	\$ 400,000.00	\$ 36,808.00	\$ 183,853.97
Bus Replacement	\$ 1,600,000.00	\$ 476,475.00	\$ 758,324.00
Classroom Furniture	\$ 1,000,000.00	\$ 5,558.27	\$ 206,180.40
Furniture, Fixture, Equip	\$ 4,461,564.00	\$ -	\$ -
Technology	\$ 10,800,000.00	\$ 57,354.47	\$ 1,036,912.69
Total	\$ 18,261,564.00	\$ 576,195.74	\$ 2,185,271.06



City of Granbury
Attn: Public Works Department
116 West Bridge Street
Granbury, TX 76048

January 16, 2015

Re: Formal Request for Dedication of Lift Station at James Road

Dear Sir:

The Board of Trustees for the Granbury Independent School District granted authorization for the superintendent to make a formal request to dedicate to the City of Granbury and for the public use in perpetuity that certain lift station located at James Road and within the territorial limits of the City of Granbury as well any and all associated appurtenances, including but not limited to a four-inch (4") force main. Please accept this letter as our formal written request that said lift station be formally dedicated to the City of Granbury for public use.

It is the understanding of the Granbury Independent School District that, upon final acceptance of this lift station by the City of Granbury, the utility account for the electricity powering said lift station shall be transferred into the name of the City of Granbury. Furthermore, it is our understanding that the City of Granbury, upon final acceptance of this dedication, shall operate and maintain the lift station and any and all associated appurtenances thereto as part of its collective water system and for the public use.

Should you have any further questions, please feel free to contact our office.

Best Regards,

Mark A. Jackson
Granbury ISD Board President

MEMORANDUM



Innovative approaches
Practical results
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4055 International Plaza, Suite 200 • Fort Worth, Texas 76109 • 817-735-7300 • fax 817-735-7491

www.freese.com

TO: Brooks Baca, PE – Dunaway Associates

CC: Scott Sopchak, Larry Abrigg & Alva Cox – City of Granbury

FROM: Justin Oswald, P.E, CFM

SUBJECT: YMCA Water-Sewer PIA Review

DATE: January 15, 2015

We have reviewed the construction plans (public and private) and the associated Water and Sewer Study for the proposed utilities to serve the YMCA on James Rd submitted by Dunaway Associates, Inc. The plans were submitted on December 30, 2014. The Water and Sewer Study was submitted on January 13, 2015. The submittals were made in preparation for a Public Improvements Agreement (PIA) with the City of Granbury for the construction of the public utilities necessary to support the development of the site.

The applicant proposes to extend the 8" water line along James Road to the site. The engineer proposes to extend a public 8" sewer line along the drainage ditch to the existing lift station.

The engineer has provided a report stating that the existing lift station has 175 gpm capacity which exceeds the expected peak demand of 156.9 gpm domestic flows. The report states that the lift station capacity is compliant with current TCEQ standards.

The proposed site will include two pools with sand filter backwash systems. The engineer states that the YMCA will only backwash during off-peak times (11pm to 5am) and that flow will be regulated to between 50 gpm and 75 gpm from the backwash system. This system will include equalization tanks and high water level failsafe measures and the proper use of the system will be demonstrated in the operations manuals for the system. The intent of these measures is to maintain flow below the capacity of the existing lift station.

The following improvements have been proposed for the lift station: implementation of SCADA to City standards, addition of a transfer switch for use of a portable generator in case of a power outage, and improvements to the site access and fencing.

The engineer's estimates for the water and sewer improvements is \$249,389 and \$230,394 respectively.

Per my review, the submitted engineering plans and study are acceptable. We have no further comments on the proposed plans, report, or cost estimate as it relates to the PIA.

January 12, 2015

Mr. Brooks Baca, PE
Dunaway Associates, L.P.

**Re: Hood County YMCA – Granbury, Texas
Swimming Pool Filter Backwash**

Brooks,

The swimming pools in the Hood County YMCA have each been designed with a high-rate sand filter system. Periodically, these filters must be backwashed in order to clean the filter sand and ensure proper operation of the filters. The following is a brief explanation of the anticipated backwash cycle and associated operation and controls:

Each of the four filters in the equipment room (two for the outdoor activity pool and two for the indoor lap pool) can be backwashed separately. Two 1,500 gallon holding tanks, that are plumbed together (total capacity of 3000 gal), have been provided in the design and the water from the backwash cycle of each filter will discharge into those tanks. The tanks will be used to detain the backwash water so it can be slowly released into the sanitary sewer and therefore prevent overloading the sewer line(s) or downstream lift station. The tanks are semi-transparent polyethylene agricultural tanks (much like the ones you can find at Tractor Supply Company or a similar agricultural supplier).

The backwash cycle for each filter will occur every 3-4 days and each filter will be backwashed for 6-8 minutes. The worst case flow rate for the largest pump/filter combination is approximately 270 gpm. Therefore, at worst case the backwash cycle for the largest filter should produce between 2,000 and 2,500 gallons of backwash water that needs to be stored at one time in the tanks.

My recommendation is that the YMCA backwash one filter at a time (preferably late at night or early in the morning during "off-peak" hours). The tanks will have a valve on their outlet pipe so that they discharge somewhere between 50 and 75 gpm into the sewer. At this rate, it will take the tanks somewhere between 30 and 50 minutes to drain. I suggest that once the tanks have drained completely – and only after the tanks have completely drained – we backwash the next filter. Then, we'll let the tanks drain the backwash water from the second filter, and continue this process until all filters have been successfully backwashed and the holding tanks drained.

The pool operator is responsible for initiating the backwash cycle for a filter. Once the backwash cycle has begun and run its course, the operator is also responsible for terminating the backwash cycle and putting the filters back in normal filtration mode. We will also install a failsafe on the backwash system in the event that the pool operator forgets to switch the filters from backwash mode back to normal filtration mode and causes backwash water to overflow the backwash holding tanks. The failsafe will consist of a "high water level" float, switch or sensor that will throw the circuit breaker on the pool pump when it senses a high water condition in the tank. This way failure to put the pool filters back in normal filtration mode will not overfill the backwash holding tanks.

The pool engineer (Aqueous Engineering) or pool contractor (Sunbelt Pools) will also type the information above and include it in an operations manual so the pool operator backwashes according to our recommendations. Plastic signs may also be posted near the filters that list the backwash procedure so that we help ensure the sewer is never overloaded.

If there are any questions related to the items listed above please feel free to contact me (903-266-9089 or bz@aqueousengineering.com).



Bryan Ziegler, PE
Aqueous Engineering