

**GREENVILLE INDEPENDENT  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED AUGUST 31, 2011**

RUTHERFORD, TAYLOR & COMPANY, P.C.  
*Certified Public Accountants*  
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GREENVILLE INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2011

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**CERTIFICATE OF BOARD**

Greenville Independent School District  
Name of School District

Hunt  
County

116-905  
Co.-Dist. Number

We, the undersigned, certify that the attached auditor's report of the above named school district was reviewed and \_\_\_\_\_ **approved**/ \_\_\_\_\_ **disapproved** for the year ended August 31, 2011, at a meeting of the board of school trustees of such school district on \_\_\_\_\_.

\*

\_\_\_\_\_  
Signature of Board Secretary

\*

\_\_\_\_\_  
Signature of Board President

If the auditor's report was checked above as disapproved, the reasons(s) therefore is/are (attached list if necessary):

\_\_\_\_\_  
\* Signature on file with the Texas Education Agency

## FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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Board of School Trustees  
Greenville Independent School District

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greenville Independent School District (District) as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Greenville Independent School District as of August 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Independent Auditor's Report - Continued

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules identified as other supplementary information identified in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by 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 financial statements. The schedule of expenditures of federal awards is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information, except for the fund balance and cash flow calculation worksheet which is marked "unaudited" and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

November 8, 2011  
Greenville, Texas

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\* Signature on file with the Texas Education Agency

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Board of School Trustees  
Greenville Independent School District

Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenville Independent School District (District) as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 8, 2011. We conducted our audit 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.

Internal Control over Financial Reporting

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

A *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 District's financial statements will not be prevented or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

Report on Internal Control – Continued

This report is intended solely for the information and use of management, the Board of Trustees, the Texas Education Agency, and other grantors and is not intended to be and should not be used by anyone other than these specified parties.

November 8, 2011  
Greenville, Texas

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\* Signature on file with the Texas Education Agency



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

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Board of School Trustees  
Greenville Independent School District

Members of the Board:

Compliance

We have audited Greenville Independent School District's (District) 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 the District's major federal programs for the year ended August 31, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and 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 the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

Internal Control over Compliance

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

Internal Control over Compliance – Continued

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's responses to the findings, if any, identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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

November 8, 2011  
Greenville, Texas

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\* Signature on file with the Texas Education Agency

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COST  
 YEAR ENDED AUGUST 31, 2011

**Summary of Auditor's Results**

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Financial Statements –

Type of auditor's report issued	Unqualified Opinion
Internal Control over Financial Reporting: Material Weaknesses identified	None
Reportable conditions identified that are not considered to be material weaknesses	None reported
Noncompliance material to the financial statements noted	None

Federal Awards –

Internal control over major programs: Material weaknesses identified	None
Reportable conditions identified that are not considered to be material weaknesses	None reported
Type of Auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133	No
Identification of major programs	ARRA – Title XIV – State Fiscal Stabilization (84.394)  Education Jobs Funds (84.410)  Food Service Cluster: School Breakfast Program (10.553) National School Lunch Program (10.555)  ESEA Title II Part A (84.367)  Special Education Cluster: IDEA-B Formula (84.027) IDEA-B Preschool (84.173) IDEA-B Formula Deaf (84.027) IDEA-B Preschool Deaf (84.173) IDEA-B Discretionary Deaf (84.027) ARRA – IDEA-B Formula (84.391) ARRA – IDEA-B Preschool (84.392)
Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
Entity qualified as a low risk auditee	Yes
Pass-through Entity	Texas Education Agency

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2011

**Financial Statement Findings (Section II)**

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NONE

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2011

**Federal Award Findings and Questioned Costs (Section III)**

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NONE

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2011

**Prior Year Findings (Section IV)**

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NONE

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2011

**Corrective Action Plans (Section V)**

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NONE

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

This section of Greenville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2011. Please read it in conjunction with the District's basic financial statements, which follow this section.

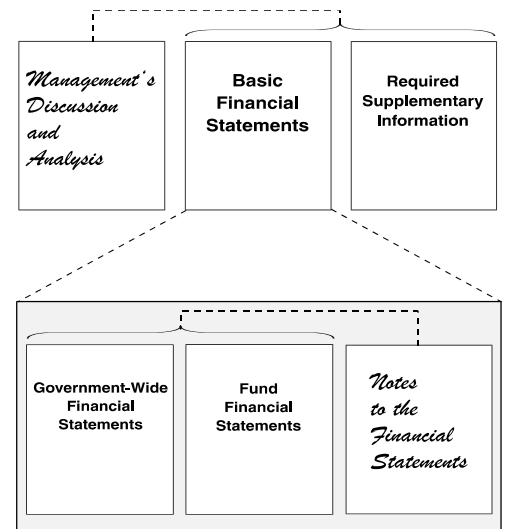
**FINANCIAL HIGHLIGHTS**

- The District's total combined net assets were \$ 23,300,360 at August 31, 2011.
- During the year, the District's expenses were \$ 3,289,316 less than the \$ 47,197,795 generated in local property taxes and other revenues for governmental activities.
- On August 17, 2011, the Greenville Independent School District Board of Trustees approved a motion to enter into an Energy Performance Contract. This Energy Performance Contract will provide the District with facility upgrades, including but not limited to, retrofitting room-lighting, a new roof for Crockett Elementary and the Wesley Martin Operations Center, repairing the water loop located at Greenville High School and installing an energy management system district-wide.

In connection with the Energy Performance Contract, the Greenville Independent School District was awarded \$ 3,050,000 by the Texas Education Agency, as part of the federal Qualified School Construction Bond (QSCB) program. The proceeds from the bond issuance will be used to finance the energy performance contract, of which, will be paid back over a fifteen year term at an average annual interest cost of near 0.00%. The QSCB bonds were issued by the District on December 9, 2010.

- The General Fund reported a fund balance this year of \$ 9,883,661.

**Figure A-1, Required Components of the District's Annual Financial Report**



**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as a print shop.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.



GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

**Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's basic financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base and student population.

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

### FUND FINANCIAL STATEMENTS

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

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

The District has the following kinds of funds:

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

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net assets were \$ 23,300,360 at August 31, 2011.

<b>Greenville Independent School District's Net Assets</b>			<b>Table A-1</b>
	Governmental Activities		Total Percentage Change
	2011	2010	2010-2011
<b>Assets:</b>			
Cash and Investments	\$ 11,790,135	\$ 8,477,144	39.08%
Other Assets	3,230,642	3,547,450	-8.93%
Capital Assets less Accumulated Depreciation	34,447,637	31,903,914	7.97%
<b>Total Assets</b>	<b>\$ 49,468,414</b>	<b>\$ 43,928,508</b>	<b>12.61%</b>
<b>Liabilities:</b>			
Current Liabilities	\$ 1,206,444	\$ 1,009,545	19.50%
Long-term Liabilities	24,961,610	22,907,919	8.96%
<b>Total Liabilities</b>	<b>\$ 26,168,054</b>	<b>\$ 23,917,464</b>	<b>9.41%</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	\$ 9,099,413	\$ 11,222,166	-18.92%
Restricted	2,329,046	1,491,261	56.18%
Unrestricted	11,871,901	7,297,617	62.68%
<b>Total Net Assets</b>	<b>\$ 23,300,360</b>	<b>\$ 20,011,044</b>	<b>16.44%</b>

Approximately \$ 1,664,578 of the District's restricted net assets represent proceeds for debt retirement. These proceeds are restricted for debt retirement. The unrestricted net asset represents resources available to fund the programs of the District next year.

**CHANGES IN NET ASSETS**

The District's total revenues were \$ 47,197,795. 40% of the District's revenue comes from property taxes (See Table A-3). 58% comes from state aid and federal grants, while only 2% relates to charges for services and other miscellaneous revenues, including investment earnings.

The total cost of all programs and services was \$ 43,908,479. 57% of these costs are for instruction and instructional related staff and student services.

The District's base tax collection percentage rate (current and delinquent – base tax only) was 98.68%. The total tax collection percentage rate (base tax and penalty and interest) was 100.02%

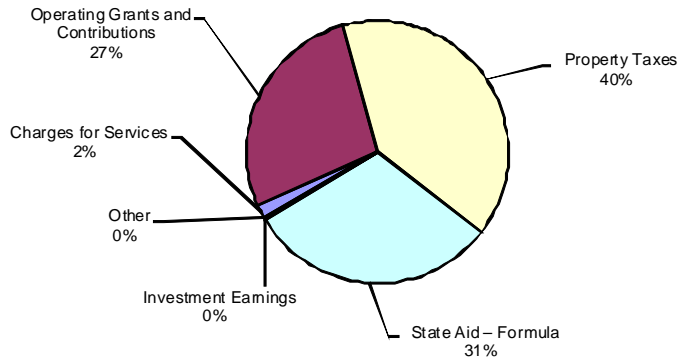
GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

**GOVERNMENTAL ACTIVITIES**

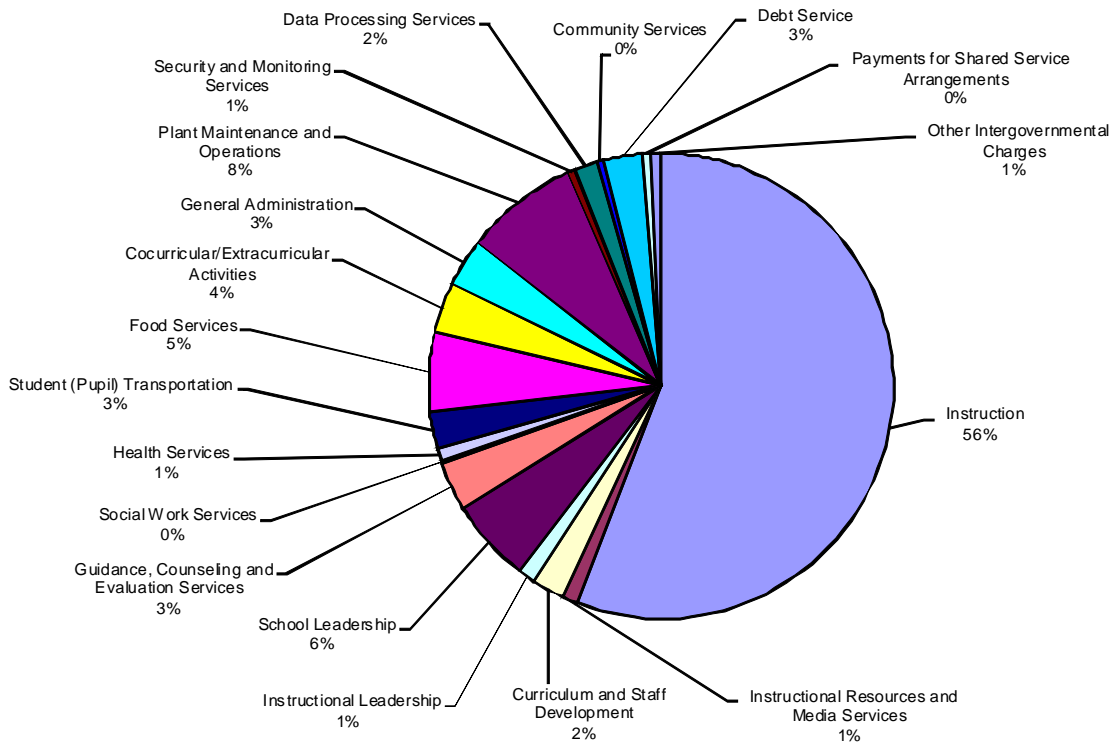
<b>Changes in Greenville Independent School District's Net Assets</b>			
	Governmental Activities		Total Percentage Change
	2011	2010	2010-2011
<b>Program Revenues:</b>			
Charges for Services	\$ 854,542	\$ 1,060,068	-19.39%
Operating Grants and Contributions	12,875,193	12,980,453	-0.81%
<b>General Revenues:</b>			
Property Taxes	18,766,229	17,590,813	6.68%
State Aid – Formula	14,616,770	14,748,261	-0.89%
Investment Earnings	27,580	32,785	-15.88%
Other	57,481	9,808	486.06%
<b>Total Revenues</b>	<b>\$ 47,197,795</b>	<b>\$ 46,422,188</b>	<b>1.67%</b>
<b>Expenses:</b>			
Instruction	\$ 24,511,702	\$ 25,046,241	-2.13%
Instructional Resources and Media Services	491,906	525,551	-6.40%
Curriculum and Staff Development	973,688	1,049,419	-7.22%
Instructional Leadership	554,287	475,465	16.58%
School Leadership	2,541,987	2,391,337	6.30%
Guidance, Counseling and Evaluation Services	1,480,402	1,510,081	-1.97%
Social Work Services	85,423	56,338	51.63%
Health Services	377,542	364,998	3.44%
Student (Pupil) Transportation	1,145,293	1,108,814	3.29%
Food Services	2,378,161	2,321,720	2.43%
Cocurricular/Extracurricular Activities	1,565,482	1,473,232	6.26%
General Administration	1,451,541	1,372,955	5.72%
Plant Maintenance and Operations	3,466,555	3,919,531	-11.56%
Security and Monitoring Services	232,402	222,277	4.56%
Data Processing Services	683,414	628,739	8.70%
Community Services	218,947	198,483	10.31%
Debt Service	1,209,763	1,148,341	5.35%
Payments for Shared Service Arrangements	197,831	240,146	-17.62%
Other Intergovernmental Charges	342,153	340,071	0.61%
<b>Total Expenses</b>	<b>\$ 43,908,479</b>	<b>\$ 44,393,739</b>	<b>-1.09%</b>
<b>Excess (Deficiency) Before Other Resources, Uses and Transfers</b>	<b>\$ 3,289,316</b>	<b>\$ 2,028,449</b>	<b>62.16%</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 3,289,316</b>	<b>\$ 2,028,449</b>	<b>62.16%</b>
<b>Net Assets - Beginning (September 1)</b>	<b>20,011,044</b>	<b>17,982,595</b>	<b>11.28%</b>
<b>Net Assets - Ending (August 31)</b>	<b>\$ 23,300,360</b>	<b>\$ 20,011,044</b>	<b>16.44%</b>

**GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011**

**Sources of Revenues for Fiscal Year 2011 - See Table A-2**



**Functional Expenses for Fiscal Year 2011 - See Table A-2**



GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

- Table A-3 presents the cost of selected functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.
- The cost of all governmental activities this year was \$ 43,908 479.
- However, the amount that our taxpayers paid for these activities through property taxes was \$ 18,766,229.
- Some of the cost was paid by those who directly benefited from the programs, \$ 854,452, or
- By grants and contributions, \$ 12,926,788.

<b>Greenville Independent School District Net Cost of Selected District Functions</b>							<b>Table A-3</b>
	Total Cost of Services		% Change Change	Net Cost of Services		% Change Change	
	2011	2010		2011	2010		
Instruction	24,511,702	25,046,241	-2.13%	16,145,735	16,784,913	-3.81%	
School Leadership	2,541,987	2,391,337	6.30%	2,268,077	2,153,526	5.32%	
General Administration	1,451,541	1,372,955	5.72%	1,379,147	1,323,176	4.23%	
Plant Maintenance and Operations	3,466,555	3,919,531	-11.56%	3,299,770	3,617,212	-8.78%	
Debt Service	1,209,763	1,148,341	5.35%	985,639	922,232	6.88%	

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 47,155,191. This represents an increase of \$ 815,538 from the prior year revenues of \$ 46,339,653. The change is reflective of additional local sources of revenues including miscellaneous items, tuition and other revenues including tax collections.

Expenditures in the governmental funds totaled \$ 48,016,426. This represents an increase of \$ 3,485,197 from the prior year expenditures of \$ 44,531,229. The change represents the District's expenditures incurred for the facility upgrades in conjunction with the QSCB project and other costs related to new debt issued. A portion of the increase is reflective of the receipt of additional grant funds for use in implementing education programs in the District.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its General Fund budget several times. With these adjustments, actual expenditures were \$ 2,963,141 below final budget amounts. The most significant positive variance resulted from instruction expenditures being reclassified to federal programs and reductions in personnel through natural attrition.

Resources available were \$ 522,645 greater than the final General Fund budgeted amount. The favorable variance was due to additional state aid earned as the result of higher average daily attendance and the receipt of unanticipated federal services revenue.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

At the end of 2011, the District had invested \$ 76,332,213 in a broad range of capital assets, including land, equipment, buildings and vehicles (See Table A-4).

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

<b>Greenville Independent School District's Capital Assets</b>			<b>Table A-4</b>
	Governmental Activities		Total Percentage Change
	2011	2010	2010-2011
Land	\$ 1,597,652	\$ 1,411,360	13.20%
Buildings and Improvements	69,770,657	66,533,080	4.87%
Vehicles	2,970,297	1,959,262	51.60%
Equipment	1,993,607	2,533,395	-21.31%
Totals at Historical Cost	\$ 76,332,213	\$ 72,437,097	5.38%
Less Accumulated Depreciation	(41,884,576)	(40,533,183)	3.33%
Net Capital Assets	<u>\$ 34,447,637</u>	<u>\$ 31,903,914</u>	7.97%

**LONG TERM DEBT**

At year-end the District had \$ 24,961,610 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

**Bond Ratings -**  
The District's bonds presently carry "AAA" ratings.

<b>Greenville Independent School District's Long Term Debt</b>			<b>Table A-5</b>
	Governmental Activities		Total Percentage Change
	2011	2010	2010-2011
Bonds Payable	\$ 21,415,000	\$ 21,690,923	-1.27%
Capital Leases Payable	437,613	115,208	279.85%
Loans Payable	3,020,000	-	100.00%
Other Debt Payable	88,997	1,101,788	-91.92%
Total Debt Payable	<u>\$ 24,961,610</u>	<u>\$ 22,907,919</u>	8.96%

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's property valuation continues to hold steady despite overall economic shrinking of the market values. Local property tax rates are restricted by state statute, without local elections, to \$ 1.04 for maintenance and operation. The state funding formula was changed to provide state funds to replace the lost local property tax revenue. This change in funding and other legislative changes continue to impact the District's financial operations, including cash flows.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2011

Changes in the student population will continue to affect state funding. Property values and student enrollments have remained stagnant over the last several years. Any gain or loss in appraised property values will not change the total revenue received by the District under the current state funding formula; they will simply cause a shift between State and local funding with the total revenue remaining the same. Only increases in student enrollment and attendance will increase the District's overall funding.

Student attendance rates have remained fairly steady throughout the recent periods and are expected to remain at the same level moving forward. The economic outlook for the area is for growth to continue at a relatively slow level.

The State has reduced funding levels for the 2011-2013 biennium which will affect the revenue levels of the District. With these reductions in funding, the District has taken action to reduce expenditures for future periods. The cuts in operations as well as staff positions are expected to mitigate the effects of reduced funding levels. However, some potential cash flow delays could require the District to use its available cash reserves. At period end, the District believes present cash balances are in place to withstand any potential delays.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: David Carter, Chief Financial Officer, P.O. Box 1022, Greenville, TX 75401.

## BASIC FINANCIAL STATEMENTS



GREENVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2011

1

Data Control Codes		Governmental Activities
<hr/>		<hr/>
	<b>ASSETS</b>	
1110	Cash and Investments	\$ 11,790,135
1225	Property Taxes Receivable, Net	1,342,514
1240	Due from Other Governments	1,577,189
1250	Other Receivables	2,669
1300	Inventories, at Cost	16,031
1420	Capitalized Bond and Other Debt Issuance Costs, Net	292,239
	Capital Assets:	
1510	Land	1,597,652
1520	Buildings and Improvements, Net	31,697,114
1530	Furniture and Equipment, Net	<u>1,152,871</u>
<b>1000</b>	<b>Total Assets</b>	<b><u>\$ 49,468,414</u></b>
	<b>LIABILITIES</b>	
2110	Accounts Payable	\$ 195,922
2140	Interest Payable	53,702
2165	Accrued Liabilities	896,382
2300	Unearned Revenue	60,438
	Noncurrent Liabilities:	
2501	Due within one year	507,947
2502	Due in more than one year	<u>24,453,663</u>
<b>2000</b>	<b>Total Liabilities</b>	<b><u>\$ 26,168,054</u></b>
	<b>NET ASSETS</b>	
3200	Invested in Capital Assets, Net of Related Debt	\$ 9,099,413
	Restricted For:	
3820	Federal and State Programs	664,468
3850	Debt Service	1,664,578
3900	Unrestricted	<u>11,871,901</u>
<b>3000</b>	<b>Total Net Assets</b>	<b><u>\$ 23,300,360</u></b>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2011

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	
					Governmental Activities
Government Activities:					
11	Instruction	\$ 24,511,702	\$ 16,696	\$ 8,349,271	\$ (16,145,735)
12	Instructional Resources and Media Services	491,906	-	29,459	(462,447)
13	Curriculum and Staff Development	973,688	-	788,120	(185,568)
21	Instructional Leadership	554,287	-	84,729	(469,558)
23	School Leadership	2,541,987	-	273,910	(2,268,077)
31	Guidance, Counseling and Evaluation Services	1,480,402	-	342,217	(1,138,185)
32	Social Work Services	85,423	-	47,902	(37,521)
33	Health Services	377,542	-	54,666	(322,876)
34	Student (Pupil) Transportation	1,145,293	-	45,642	(1,099,651)
35	Food Services	2,378,161	465,703	1,947,517	35,059
36	Cocurricular/Extracurricular Activities	1,565,482	339,867	35,724	(1,189,891)
41	General Administration	1,451,541	-	72,394	(1,379,147)
51	Plant Maintenance and Operations	3,466,555	32,276	134,509	(3,299,770)
52	Security and Monitoring Services	232,402	-	2,947	(229,455)
53	Data Processing Services	683,414	-	104,107	(579,307)
61	Community Services	218,947	-	140,124	(78,823)
72	Interest on Long-term Debt	1,163,576	-	224,124	(939,452)
73	Debt Issuance Costs and Fees	46,187	-	-	(46,187)
93	Payments for Shared Service Arrangements	197,831	-	197,831	-
99	Other Intergovernmental Charges	342,153	-	-	(342,153)
TG	Total Government Activities	<u>\$ 43,908,479</u>	<u>\$ 854,542</u>	<u>\$ 12,875,193</u>	<u>\$ (30,178,744)</u>
TP	Total Primary Government	<u>\$ 43,908,479</u>	<u>\$ 854,542</u>	<u>\$ 12,875,193</u>	<u>\$ (30,178,744)</u>
General Revenues:					
MT	Property Taxes, Levied for General Purpose				\$ 16,332,430
DT	Property Taxes, Levied for Debt Service				2,433,799
IE	Investment Earnings				27,580
GC	Grant and Contributions Not Restricted to Specific Programs				14,616,770
MI	Miscellaneous				57,481
TR	Total General Revenues and Transfers				<u>\$ 33,468,060</u>
CN	Change in Net Assets				\$ 3,289,316
NB	Net Assets - Beginning (September 1)				<u>20,011,044</u>
NE	Net Assets - Ending (August 31)				<u>\$ 23,300,360</u>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
AUGUST 31, 2011

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Investments	\$ 10,167,978	\$ 1,553,619	\$ 68,538	\$ 11,790,135
1225 Property Taxes Receivable, Net	1,179,106	163,408	-	1,342,514
1240 Due from Other Governments	713,410	-	863,779	1,577,189
1250 Other Receivables	2,669	-	-	2,669
1300 Inventories, at Cost	<u>16,031</u>	<u>-</u>	<u>-</u>	<u>16,031</u>
<b>1000 Total Assets</b>	<b><u>\$ 12,079,194</u></b>	<b><u>\$ 1,717,027</u></b>	<b><u>\$ 932,317</u></b>	<b><u>\$ 14,728,538</u></b>
<b>LIABILITIES</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 105,680	\$ -	\$ 90,242	\$ 195,922
2160 Accrued Wages Payable	896,382	-	-	896,382
2300 Unearned Revenues	<u>1,193,471</u>	<u>181,458</u>	<u>28,023</u>	<u>1,402,952</u>
<b>2000 Total Liabilities</b>	<b><u>\$ 2,195,533</u></b>	<b><u>\$ 181,458</u></b>	<b><u>\$ 118,265</u></b>	<b><u>\$ 2,495,256</u></b>
<b>FUND BALANCES</b>				
Nonspendable Fund Balances:				
3410 Inventories	\$ 16,031	\$ -	\$ -	\$ 16,031
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	-	-	663,589	663,589
3480 Retirement of Long-Term Debt	-	1,535,569	-	1,535,569
3490 Other Restrictions of Fund Balance	21,291	-	-	21,291
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	150,463	150,463
Assigned Fund Balances:				
3590 Other Assigned Fund Balance	2,000,000	-	-	2,000,000
3600 Unassigned	<u>7,846,339</u>	<u>-</u>	<u>-</u>	<u>7,846,339</u>
<b>3000 Total Fund Balances</b>	<b><u>\$ 9,883,661</u></b>	<b><u>\$ 1,535,569</u></b>	<b><u>\$ 814,052</u></b>	<b><u>\$ 12,233,282</u></b>
<b>4000 Total Liabilities and Fund Balances</b>	<b><u>\$ 12,079,194</u></b>	<b><u>\$ 1,717,027</u></b>	<b><u>\$ 932,317</u></b>	<b><u>\$ 14,728,538</u></b>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)  
TO THE STATEMENT OF NET ASSETS  
AUGUST 31, 2011

Total fund balances - Balance Sheet (governmental funds)	\$	12,233,282
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not reported in the funds.		34,447,637
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,342,514
Payables for bond principal which are not due in the current period are not reported in the funds.		(21,415,000)
Payables for capital leases which are not due in the current period are not reported in the funds.		(437,613)
Payables for debt interest which are not due in the current period are not reported in the funds.		(53,702)
Payable for notes which are not due in the current period are not reported in the funds.		(3,020,000)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		(88,997)
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.		<u>292,239</u>
Net assets of governmental activities - Statement of Net Assets	\$	<u><u>23,300,360</u></u>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2011

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 16,610,095	\$ 2,417,865	\$ 904,814	\$ 19,932,774
5800 State Program Revenues	16,163,687	110,328	1,001,128	17,275,143
5900 Federal Program Revenues	561,143	-	9,386,131	9,947,274
<b>5020 Total Revenues</b>	<b>\$ 33,334,925</b>	<b>\$ 2,528,193</b>	<b>\$ 11,292,073</b>	<b>\$ 47,155,191</b>
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	\$ 16,952,749	\$ -	\$ 6,810,543	\$ 23,763,292
0012 Instructional Resources and Media Services	463,591	-	21	463,612
0013 Curriculum and Staff Development	191,225	-	782,463	973,688
0021 Instructional Leadership	488,469	-	65,818	554,287
0023 School Leadership	2,387,664	-	142,698	2,530,362
0031 Guidance, Counseling and Evaluation Services	1,198,486	-	274,961	1,473,447
0032 Social Work Services	39,495	-	45,928	85,423
0033 Health Services	333,859	-	36,491	370,350
0034 Student (Pupil) Transportation	1,531,167	-	2,435	1,533,602
0035 Food Services	-	-	2,291,049	2,291,049
0036 Cocurricular/Extracurricular Activities	1,059,886	-	249,488	1,309,374
0041 General Administration	1,415,658	-	19,561	1,435,219
0051 Plant Maintenance and Operations	6,743,539	-	29,003	6,772,542
0052 Security and Monitoring Services	232,330	-	-	232,330
0053 Data Processing Services	618,911	-	76,020	694,931
0061 Community Services	84,005	-	134,942	218,947
0071 Principal on Long-term Debt	180,014	275,923	-	455,937
0072 Interest on Long-term Debt	119,082	2,102,409	-	2,221,491
0073 Debt Issuance Cost and Fees	35,789	60,770	-	96,559
0093 Payments for Shared Service Arrangements	-	-	197,831	197,831
0099 Other Intergovernmental Charges	342,153	-	-	342,153
<b>6030 Total Expenditures</b>	<b>\$ 34,418,072</b>	<b>\$ 2,439,102</b>	<b>\$ 11,159,252</b>	<b>\$ 48,016,426</b>
<b>1100 Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (1,083,147)</b>	<b>\$ 89,091</b>	<b>\$ 132,821</b>	<b>\$ (861,235)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
7911 Capital-Related Debt Issued (Regular Bonds)	\$ -	\$ 1,505,000	\$ -	\$ 1,505,000
7912 Sale of Real or Personal Property	3,750	-	-	3,750
7913 Proceeds from Capital Leases	472,418	-	-	472,418
7914 Non-Current Loan Proceeds	3,050,000	-	-	3,050,000
7916 Premium or Discount on Issuance of Bonds	-	86,252	-	86,252
8949 Other Uses	-	(1,530,167)	-	(1,530,167)
<b>7080 Net Other Financing Sources (Uses)</b>	<b>\$ 3,526,168</b>	<b>\$ 61,085</b>	<b>\$ -</b>	<b>\$ 3,587,253</b>
1200 Net Changes in Fund Balances	\$ 2,443,021	\$ 150,176	\$ 132,821	\$ 2,726,018
0100 Fund Balances - Beginning (September 1)	7,440,640	1,385,393	681,231	9,507,264
<b>3000 Fund Balances - Ending (August 31)</b>	<b>\$ 9,883,661</b>	<b>\$ 1,535,569</b>	<b>\$ 814,052</b>	<b>\$ 12,233,282</b>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2011

Net change in fund balances - total governmental funds	\$	2,726,018
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are not reported as expenses in the SOA.		3,963,478
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,419,755)
Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds.		(3,750)
The gain or loss on the sale of capital assets is not reported in the funds.		3,750
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		38,855
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.		1,472,331
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		275,923
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.		150,014
Repayment of loan principal is an expenditure in the funds but is not reported in the funds.		30,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.		43,072
The accretion of interest on capital appreciation bonds is not reported in the funds.		1,131,711
(Increase) decrease in accrued interest expense from beginning of period to end of period.		(15,960)
Proceeds of notes do not provide revenue in the SOA, but are reported as current resources in the funds.		(3,050,000)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.		(1,505,000)
Bond (premiums) discounts are reported in the funds but not in the SOA.		(78,952)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.		(472,418)
		<u>                    </u>
Change in net assets of governmental activities - Statement of Activities	\$	<u>3,289,317</u>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
AUGUST 31, 2011

Data Control Codes		Private-Purpose Trust Funds	Agency Funds
		Scholarship Funds	Student Activity
<b>ASSETS</b>			
1110	Cash and Investments	\$ 19,622	\$ 80,141
1800	Restricted Assets	161,400	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 181,022</b>	<b>\$ 80,141</b>
<b>LIABILITIES</b>			
Current Liabilities:			
2190	Due to Student Groups	\$ -	\$ 80,141
<b>2000</b>	<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 80,141</b>
<b>NET ASSETS</b>			
3800	Held in Trust	\$ 181,022	\$ -
<b>3000</b>	<b>Total Net Assets</b>	<b>\$ 181,022</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
YEAR ENDED AUGUST 31, 2011

	Private-Purpose Trust Funds
	Scholarship Funds
<b>REVENUES</b>	
Investment Earnings - Interest Revenue	\$ 242
<b>Total Revenues</b>	<b>\$ 242</b>
<b>EXPENSES</b>	
Scholarship Payments	\$ 4,675
<b>Total Expenses</b>	<b>\$ 4,675</b>
<b>Changes in Net Assets</b>	\$ (4,433)
Net Assets - Beginning (September 1)	185,455
<b>Net Assets - Ending (August 31)</b>	<b>\$ 181,022</b>

The accompanying notes are an integral part of this statement.



GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies

The basic financial statements of the Greenville Independent School District (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 (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 as a body corporate 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 (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

*Government-wide Statements* – The statement of net assets (SNA) 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities (SOA) presents a comparison between direct expenses and program revenues 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 funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

In addition, the District reports the following fund types:

Fiduciary Funds – These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations or other governments. These include private-purpose trust and agency funds. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement, and are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial and thus do not involve measurement of results of operations.

b. Measurement Focus – Basis of Accounting

*Government-wide and Fiduciary Fund Financial Statements* – These financial statements are reported using the economic resources measurement focus. The government-wide 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 long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease 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.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB Standards.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

3. Budgetary Data

The official budget was prepared for adoption for the general, food service and debt service funds. 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.
- b. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
- c. Prior to the expenditure of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the functional level by personnel responsible for organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

4. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$	-0-
Special Revenue Fund		-0-
Debt Service Fund		-0-
Total	\$	-0-

5. Financial Statement Amounts

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as a part of the District's cash and temporary investments.

For the purpose 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.

Fund Balance

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

*Nonspendable fund balance* – represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

*Restricted fund balance* – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed fund balance* – represents amounts that can only be used for specific purposes imposed by a formal action of the District’s highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

*Assigned fund balance* – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

*Unassigned fund balance* – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The following schedule provides information about the specific fund balance classification by fund:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable				
Inventory	\$ 16,031	\$ -	\$ -	\$ 16,031
Restricted				
Child Nutrition Program	-	-	619,459	619,459
AP Incentives	-	-	4,031	4,031
Ready to Read	-	-	33	33
Technology Allotment	-	-	32,109	32,109
Regional School for the Deaf	-	-	7,955	7,955
Retirement of Long Term Debt	-	1,535,569	-	1,535,569
Capital Projects	21,291	-	-	21,291
Other Restrictions	-	-	2	2
Committed				
Campus Activity Funds	-	-	150,463	150,463
Assigned				
Other Assigned	2,000,000	-	-	2,000,000
Unassigned	7,846,339	-	-	7,846,339
Totals	<u>\$ 9,883,661</u>	<u>\$ 1,535,569</u>	<u>\$ 814,052</u>	<u>\$ 12,233,282</u>

Debt Issuance Costs

Debt issuance costs are included in noncurrent assets. Unamortized premium or discounts and refunding gains or losses are reflected in net long-term obligations. Both debt issuance costs and other debts are amortized over the lives of the related debt issues using the straight-line method.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

Inventories

On government-wide financial statements, inventories are presented at cost using the weighted average method and are expenses when used. On fund financial statements, inventories of governmental funds are valued at cost. For all funds, cost is determined using the weighted average method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they do not represent available spendable resources.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital 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 \$ 10,000 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	15-50
Vehicles	5-10
Other Equipment	3-15

Accretion

Accretion is an adjustment of the difference between the price of a bond issued at an original discount and the par value of the bond. For governmental activities debt, the accreted value is recognized as it accrues by fiscal year.

6. 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.

7. Interfund Activities

Interfund activity results from loans, service 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 "Transfer" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

8. Vacation, Sick Leave and Other Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accrues at various rates established by the State and adopted by the Board of Trustees. Sick leave does not vest but accumulates and is recorded as an expenditure as it is paid.

9. Use of Estimates

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

10. Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the *Guide*. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

11. Accounting System

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Guide*. Mandatory codes are utilized in the form provided in that section.

B. Deposits, Securities and Investments

The District's funds are deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At August 31, 2011, all District cash deposits were covered by FDIC insurance or by pledged collateral held by the District's agent bank in the name of the District. The District's deposits appear to have been properly secured throughout the fiscal year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to have been in substantial compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or secured certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include investments in external investment pools, such as Texas CLASS and Lone Star Investment Pool, and certificates of deposit. All external investment pools and certificates of deposits are reported at share price (fair value) and are presented as cash and investments.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

B. Deposits, Securities and Investments (Continued)

The *Lone Star Investment Pool* is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors and BNY Mellon Cash Investment Strategies – Investment Managers, RBC Wealth Management – Investment Consultant, Bank of New York Mellon – Custodian, First Public – Administration. In combination with these third party organizations, the pool has received a AAAM rating from Standard and Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

The *Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS)*, was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The Texas CLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (the "Participants"), MBIA Municipal Investors Service Corporation as Program Administrator (the "Program Administrator"), and Wells Fargo Bank Texas, NA as Custodian (the "Custodian").

Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian.

The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the Investment Policy and Investment Strategy of the Trust and about other matters as requested by the Board of Trustees and the Program Administrator.

The Fund is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

The following table lists the District's investment at August 31, 2011:

	Credit Rating	Fair Value
Lone Star Investment Pool	AAAM	\$ 6,714,425
Texas CLASS	AAAM	4,844,484
Certificates of Deposit	n/a	483,881
Totals		<u>\$ 12,042,790</u>

In addition, the following is disclosed regarding coverage of combined cash balances on the date of highest balance:

- a. Name of bank: American National Bank, Greenville, Texas.
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$ 3,869,880.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 1,220,640, and occurred during the month of June, 2011.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 283,369.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

B. Deposits, Securities and Investments (Continued)

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 agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

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 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 Districts' name. At year end, the District had no exposure 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.

C. Property Taxes

Property taxes are levied by October 1, 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 October 1 levy date. 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 when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Property taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Section 33.05, Property Tax Code, requires the tax collector for the District to cancel and remove from the delinquent tax rolls a tax on real property that has been delinquent for more than 20 years or a tax on personal property that has been delinquent for more than 10 years. Delinquent taxes meeting this criteria may not be canceled if litigation concerning these taxes is pending.

The District levied taxes on property within the District at \$ 1.0400 to fund general operations and \$ 0.1548 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 1,567,107,757.



GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

D. Capital Assets

Capital asset activities during the year ended August 31, 2011 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	\$ 1,411,360	\$ 186,292	\$ -	\$ 1,597,652
Total Capital Assets not being Depreciated	\$ 1,411,360	\$ 186,292	\$ -	\$ 1,597,652
Capital Assets being Depreciated:				
Building and Improvements	\$ 66,533,080	\$ 3,237,577	\$ -	\$ 69,770,657
Equipment	1,959,262	49,702	(15,357)	1,993,607
Vehicles	2,533,395	489,907	(53,005)	2,970,297
Total Capital Assets being Depreciated	\$ 71,025,737	\$ 3,777,186	\$ (68,362)	\$ 74,734,561
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 36,955,306	\$ 1,118,237	\$ -	\$ 38,073,543
Equipment	1,644,130	112,070	(15,357)	1,740,843
Vehicles	1,933,747	189,448	(53,005)	2,070,190
Total Accumulated Depreciation	\$ 40,533,183	\$ 1,419,755	\$ (68,362)	\$ 41,884,576
Total Capital Assets being Depreciated, Net	\$ 30,492,554	\$ 2,357,431	\$ -	\$ 32,849,985
Governmental Activities Capital Assets, Net	\$ 31,903,914	\$ 2,543,723	\$ -	\$ 34,447,637

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 754,329
Instructional Resources and Media Services	28,294
School Leadership	11,625
Guidance, Counseling and Evaluation Services	6,955
Health Services	7,192
Student (Pupil) Transportation	177,055
Food Services	99,612
Co-curricular/Extracurricular Activities	263,245
General Administration	16,323
Plant Maintenance and Operations	54,913
Security and Monitoring Services	73
Data Processing	139
Total	<u>\$ 1,419,755</u>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

E. Long Term Obligations

Long-Term Obligation Activity

Long-term obligation activities during the year ended August 31, 2011 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 21,690,923	\$ 1,505,000	\$ 1,780,923	\$ 21,415,000	\$ 245,000
Capital Leases Payable	115,209	472,418	150,014	437,613	141,514
Loans	-	3,050,000	30,000	3,020,000	210,000
Accreted Interest Payable	1,984,304	142,281	1,229,077	897,508	-
Bond Premium (Discount)	(99,551)	41,337	(5,665)	(52,549)	-
Refunding Gain (Loss)	(782,966)	(25,167)	(52,171)	(755,962)	-
Total Governmental Activities	<u>\$ 22,907,919</u>	<u>\$ 5,185,869</u>	<u>\$ 3,132,178</u>	<u>\$ 24,961,610</u>	<u>\$ 596,514</u>

Bonds

The District has issued various series of general obligation bonds to fund facility construction and improvements. Bonds mature at various times with varying rates of interest. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

The District issued "Greenville Independent School District Unlimited Tax School Refunding Bonds, Series 2011," totaling \$ 1,505,000 to be used to refund maturities of the following outstanding series:

Unlimited Tax School Building and Refunding Bonds, Series 2001

The bonds are dated May 3, 2011 and were issued May 3, 2011. The proceeds including premium less issuance costs were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the refunded debt. The refunding meets the requirements of an in-substance defeasance and the debt has been removed from the District's long term debt. The maturities of refunded debt will be called on June 7, 2011 with all maturities refunded.

As a result of the refunding, the District decreased its debt service requirements by \$ 225,132. The refunding was authorized to reduce debt requirements on previously issued debt. The refunding resulted in an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$ 172,093.

The following bonded debt issues are outstanding at August 31, 2011:

Description	Interest Rate	Original Balance	Outstanding Balance
Unlimited Tax Refunding Bonds, Series 2011	2.96%	\$ 1,505,000	\$ 1,460,000
Unlimited Tax Refunding Bonds, Series 2006	4.18%	20,955,000	19,955,000
Totals			<u>\$ 21,415,000</u>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

E. Long Term Obligations (Continued)

Maturity requirements on bonds outstanding at August 31, 2011, are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2012	\$ 245,000	\$ 1,810,631	\$ 2,055,631
2013	1,160,000	869,031	2,029,031
2014	1,205,000	824,331	2,029,331
2015	1,250,000	777,731	2,027,731
2016	1,300,000	729,431	2,029,431
2017 - 2021	7,310,000	2,842,535	10,152,535
2022 - 2026	8,945,000	1,194,567	10,139,567
Totals	<u>\$ 21,415,000</u>	<u>\$ 9,048,257</u>	<u>\$ 30,463,257</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. The District appears to be in compliance with all significant limitations and restrictions as of August 31, 2011.

Capital Leases

The District is obligated under certain leases accounted for as capital leases. The leases recorded here meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The following schedule lists personal property leased:

Description	Implicit Interest Rate	Date of Agreement	Original Property Value
Wells Fargo Financial Leasing – VOIP Equipment	5.714%	08/27/07	\$ 240,018
American National Bank - Buses	3.490%	08/13/10	473,000

The lease terms are for a term not exceeding five years. The term calls for annual payments over the life of the lease.

Commitments under the capitalized lease agreement for transportation vehicles and VOIP Equipment provide for minimum future lease payments as of August 31, 2011, as follows:

August 31	Requirements
2012	\$ 156,327
2013	113,333
2014	101,027
2015	101,027
Total Minimum Lease Payment	\$ 471,714
Less Amount Representing Interest	(34,101)
Present Value of Net Minimum Lease Payments	<u>\$ 437,613</u>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

E. Long Term Obligations (Continued)

Loans

The District issued various agreements identified here as loans. These loans include financing arrangements including maintenance tax notes. The following schedule lists the outstanding loans at August 31, 2011:

Description	Interest Rate	Original Amount	Outstanding Balance
Maintenance Tax Notes, Series 2010 – (TEC 45.108)	5.46%	\$ 3,050,000	\$ 3,020,000

The District issued "Greenville Independent School District Maintenance Tax Notes, Series 2010," on December 9, 2010 in the amount of \$ 3,050,000. The notes mature fully on February 15, 2026 with semi annual principal and interest payments.

Maturity requirements on the loans outstanding at August 31, 2011 are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2012	\$ 210,000	\$ 162,026	\$ 372,026
2013	210,000	150,560	360,560
2014	210,000	139,094	349,094
2015	210,000	127,628	337,628
2016	210,000	116,162	326,162
2017-2021	1,050,000	408,820	1,458,820
2022-2026	920,000	124,216	1,044,216
Totals	\$ 3,020,000	\$ 1,228,506	\$ 4,248,506

F. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System includes a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778 or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS publication heading.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

F. Pension Plan (Continued)

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 the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provided for a member contribution rate of 6.4% for fiscal years 2011, 2010 and 2009, and a state contribution rate of 6.644% for fiscal years 2011 and 2010 and 6.58% for fiscal year 2009. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period September through December 2009. The District's employees' contributions to the System for the periods ended August 31, 2011, 2010 and 2009 were \$ 1,681,211, \$ 1,716,254 and \$ 1,658,271, respectively. Contributions from private grants and from the District for salaries above the statutory minimum for the periods ended August 31, 2011, 2010 and 2009 were \$ 442,382, \$ 502,748, and \$ 419,789, respectively.

3. On-Behalf Payments

In accordance with GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 1,461,651 are reflected in the general fund basic financial statements.

G. School District Retiree Health Plan

1. Plan Description

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

2. Funding Policy

Contribution requirements are not actuarially determined, but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010 and 2009. Per Texas Insurance Code, Chapters 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.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

G. School District Retiree Health Plan (Continued)

3. On Behalf Payments

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 219,996 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 68,649 for subsidies for Medicare Part D.

H. Risk Management

Health Care

During the year ended August 31, 2011, employees of the Greenville Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$ 289 per month per employee and employees, at their option, authorized payroll withholdings to provide dependents' coverage under the Plan. All premiums were paid to TRS Active Care. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the Greenville Independent School District and TRS Active Care is renewable September 1 of each year, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the TRS Active Care are available for the year ended December 31, 2010, and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Unemployment Compensation Pool

During the year ended August 31, 2011, 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 Local 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 each month 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 Unemployment Compensation pool members.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2010, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the District purchased commercial insurance to cover these liabilities. 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 fiscal years.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

I. Litigation

The District does not appear to be involved in any pending litigation as of August 31, 2011.

J. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2011, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

K. Shared Service Arrangements

The District participates in cooperative programs with other local districts. The District does not account for revenue or expenditures of these programs and does not disclose them in these financial statements.

<u>Shared Service Agreement</u>	<u>Fiscal Agent</u>	<u>Service</u>
Regional Day School for the Deaf	Greenville Independent School District	Deaf Education
Block Grant SSA	Education Service Center, Region X	ESEA Title II ESEA Title IV ESEA Title VI ESEA Title III ESEA Title I, Part C
McKinney Homeless	Greenville Independent School District	Stewart B. McKinney Homeless Funds

L. Revenue from Local and Intermediate Sources

During the year ended August 31, 2011, the District received revenue from local and intermediate sources consisting of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Property Tax Collections	\$ 16,313,448	\$ 2,413,928	\$ -	\$ 18,727,376
Investment Income	22,918	3,937	723	27,578
Food Service Income	-	-	453,204	453,204
Gifts and Bequests	-	-	14,705	14,705
Services to Other Districts	-	-	174,122	174,122
Co-curricular Activities	77,718	-	-	77,718
Other	196,011	-	262,060	458,071
<b>Total Local Revenue</b>	<b>\$ 16,610,095</b>	<b>\$ 2,417,865</b>	<b>\$ 904,814</b>	<b>\$ 19,932,774</b>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

M. General Fund Federal Revenue Sources

The District recorded federal revenue in the General Fund from the following federal programs or services:

School Health & Related Services	\$ 447,347
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N. Receivables

Receivables at August 31, 2011 for the District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Due from Other Governments	\$ 713,410	\$ -	\$ 863,777	\$ 1,577,187
Property Taxes	1,310,118	181,564	-	1,491,682
Less Allowance for Uncollectible Property Taxes	(131,012)	(18,156)	-	(149,168)
Other Receivables	2,669	-	-	2,669
 Net Receivables	 \$ 1,895,185	 \$ 163,408	 \$ 863,777	 \$ 2,922,370

O. Change in Accounting Principle

The District implemented Governmental Accounting Standard Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year. The Statement applies to the governmental fund types and reclassifies the beginning of year fund balances to reflect the appropriate nonspendable, restricted, committed, assigned and unassigned classifications. Note A provides the definitions and disclosures required by the new pronouncement.

P. Subsequent Events

The District's management has evaluated subsequent events through November 8, 2011, the date which the financial statements were available for use.



REQUIRED SUPPLEMENTARY INFORMATION

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 16,592,500	\$ 16,706,295	\$ 16,610,095	\$ (96,200)
5800	State Program Revenues	15,930,985	15,930,985	16,163,687	232,702
5900	Federal Program Revenues	175,000	175,000	561,143	386,143
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 32,698,485</b>	<b>\$ 32,812,280</b>	<b>\$ 33,334,925</b>	<b>\$ 522,645</b>
<b>EXPENDITURES</b>					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 18,960,611	\$ 19,014,611	\$ 16,952,749	\$ 2,061,862
0012	Instructional Resources and Media Services	485,358	485,358	463,591	21,767
0013	Curriculum and Staff Development	178,465	228,465	191,225	37,240
	Total Instruction and Instr. Related Services	<b>\$ 19,624,434</b>	<b>\$ 19,728,434</b>	<b>\$ 17,607,565</b>	<b>\$ 2,120,869</b>
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 479,906	\$ 508,906	\$ 488,469	\$ 20,437
0023	School Leadership	2,391,283	2,421,283	2,387,664	33,619
	Total Instructional and School Leadership	<b>\$ 2,871,189</b>	<b>\$ 2,930,189</b>	<b>\$ 2,876,133</b>	<b>\$ 54,056</b>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 1,229,940	\$ 1,239,940	\$ 1,198,486	\$ 41,454
0032	Social Work Services	51,670	51,670	39,495	12,175
0033	Health Services	363,951	363,951	333,859	30,092
0034	Student (Pupil) Transportation	971,127	1,598,545	1,531,167	67,378
0036	Cocurricular/Extracurricular Activities	1,147,332	1,147,332	1,059,886	87,446
	Total Support Services - Student (Pupil)	<b>\$ 3,764,020</b>	<b>\$ 4,401,438</b>	<b>\$ 4,162,893</b>	<b>\$ 238,545</b>
Administrative Support Services:					
0041	General Administration	\$ 1,526,424	\$ 1,546,424	\$ 1,415,658	\$ 130,766
	Total Administrative Support Services	<b>\$ 1,526,424</b>	<b>\$ 1,546,424</b>	<b>\$ 1,415,658</b>	<b>\$ 130,766</b>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 3,766,655	\$ 6,920,730	\$ 6,743,539	\$ 177,191
0052	Security and Monitoring Services	258,062	258,062	232,330	25,732
0053	Data Processing Services	692,199	692,199	618,911	73,288
	Total Support Services - Nonstudent Based	<b>\$ 4,716,916</b>	<b>\$ 7,870,991</b>	<b>\$ 7,594,780</b>	<b>\$ 276,211</b>
Ancillary Services:					
0061	Community Services	\$ 88,811	\$ 88,811	\$ 84,005	\$ 4,806
	Total Ancillary Services	<b>\$ 88,811</b>	<b>\$ 88,811</b>	<b>\$ 84,005</b>	<b>\$ 4,806</b>
Debt Service:					
0071	Principal on Long-term Debt	\$ 272,662	\$ 302,661	\$ 180,014	\$ 122,647
0072	Interest on Long-term Debt	7,680	121,476	119,082	2,394
0073	Debt Issuance Costs and Fees	-	35,789	35,789	-
	Total Debt Service	<b>\$ 280,342</b>	<b>\$ 459,926</b>	<b>\$ 334,885</b>	<b>\$ 125,041</b>
Intergovernmental Charges:					
0099	Other Intergovernmental Charges	\$ 355,000	\$ 355,000	\$ 342,153	\$ 12,847
	Total Intergovernmental Charges	<b>\$ 355,000</b>	<b>\$ 355,000</b>	<b>\$ 342,153</b>	<b>\$ 12,847</b>
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 33,227,136</b>	<b>\$ 37,381,213</b>	<b>\$ 34,418,072</b>	<b>\$ 2,963,141</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ (528,651)</b>	<b>\$ (4,568,933)</b>	<b>\$ (1,083,147)</b>	<b>\$ 3,485,786</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of Real or Personal Property	\$ -	\$ -	\$ 3,750	\$ 3,750
7913	Proceeds from Capital Leases	-	472,418	472,418	-
7914	Non-Current Loan Proceeds	-	3,050,000	3,050,000	-
<b>7080</b>	<b>Net Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 3,522,418</b>	<b>\$ 3,526,168</b>	<b>\$ 3,750</b>
1200	Net Change in Fund Balance	\$ (528,651)	\$ (1,046,515)	\$ 2,443,021	\$ 3,489,536
0100	Fund Balance - Beginning (September 1)	7,440,640	7,440,640	7,440,640	-
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b>\$ 6,911,989</b>	<b>\$ 6,394,125</b>	<b>\$ 9,883,661</b>	<b>\$ 3,489,536</b>

OTHER SUPPLEMENTARY INFORMATION

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 YEAR ENDED AUGUST 31, 2011

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates Maintenance	2 Debt Service	3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2010	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2011
XXXX	2002 and Prior Years	Various	Various	Various	\$ 210,070	\$ -	\$ 3,247	\$ 496	\$ (6,136)	\$ 200,191
2002	2003	1.5000	0.2500	904,223,029	50,153	-	1,325	221	(4,599)	44,008
2003	2004	1.5000	0.1847	951,470,470	53,492	-	1,371	169	(6,892)	45,060
2004	2005	1.5000	0.1500	1,006,091,212	62,801	-	3,278	328	(4,810)	54,385
2005	2006	1.5000	0.1410	1,009,459,841	84,125	-	7,874	740	(3,570)	71,941
2006	2007	1.3710	0.1443	1,171,126,707	102,095	-	14,154	1,492	(6,432)	80,017
2007	2008	1.0400	0.1484	1,261,426,108	101,910	-	19,460	2,762	(4,924)	74,764
2008	2009	1.0400	0.1525	1,408,001,093	253,919	-	59,352	8,687	(2,246)	183,634
2009	2010	1.0400	0.1444	1,393,254,118	529,947	-	212,374	29,389	(35,922)	252,262
2010	2011	1.0400	0.1548	1,567,107,757	-	18,723,803	15,765,936	2,344,162	(128,285)	485,420
<b>1000 TOTALS</b>					<b>\$ 1,448,512</b>	<b>\$ 18,723,803</b>	<b>\$ 16,088,371</b>	<b>\$ 2,388,446</b>	<b>\$ (203,816)</b>	<b>\$ 1,491,682</b>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST  
 GENERAL AND SPECIAL REVENUE FUNDS  
 YEAR ENDED AUGUST 31, 2011

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number		1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ -	\$ -	\$ 220,773	\$ 822,457	\$ -	\$ -	\$ 1,043,230
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							-
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							-
6211	Legal Services			77,768				77,768
6212	Audit Services				32,000			32,000
6213	Tax Appraisal and Collection		19,585					19,585
621X	Other Prof. Services			1,075				1,075
6220	Tuition and Transfer Payments							-
6230	Education Service Centers				2,818		17,700	20,518
6240	Contr. Maint. And Repair					25,000		25,000
6250	Utilities							-
6260	Rentals				5,059			5,059
6290	Miscellaneous Contr.			5,740	51,212			56,952
6310	Operational Supplies, Materials							-
6320	Textbooks and Reading			846				846
6330	Testing Materials							-
63XX	Other Supplies, Materials	502		5,650	23,656		1,111	30,919
6410	Travel, Subsistence, Stipends	8,936		12,269	15,994			37,199
6420	Ins. And Bonding Costs	16,141			1,014			17,155
6430	Election Costs	1,121						1,121
6490	Miscellaneous Operating	12,160		17,014	37,618			66,792
6500	Debt Service							-
6600	Capital Outlay							-
<b>TOTAL</b>		<b>\$ 38,860</b>	<b>\$ 19,585</b>	<b>\$ 341,135</b>	<b>\$ 991,828</b>	<b>\$ 25,000</b>	<b>\$ 18,811</b>	<b>\$ 1,435,219</b>

Total expenditures for General and Special Revenue Funds:

(9) \$ 45,577,324

LESS: Deductions and Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)

(10) \$ 3,893,893

Total Debt & Lease (6500)

(11) 334,885

Plant Maintenance (Function 51, 6100-6400)

(12) 3,565,118

Food (Function XX, 6341 and 6499)

(13) 863,457

Stipend (6413)

(14) -

Column 4 (above) - Total Indirect Cost

991,828

Subtotal

9,649,181

Net Allowed Direct Cost

\$ 35,928,143

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)

(15) 69,770,657

Historical Cost of Buildings over 50 years old

(16) -

Amount of Federal Money in Building Cost (Net of # 16)

(17) -

Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)

(18) -

Historical Cost of Furniture & Equipment over 16 years old

(19) -

Amount of Federal Money in Furniture & Equipment (Net of # 19)

(20) -

(8) Note A - No Function 53 expenditures and no Function 99 expenditures are included in this report on administrative costs.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 477,318	\$ 477,318	\$ 466,427	\$ (10,891)
5800 State Program Revenues	17,000	17,000	15,842	(1,158)
5900 Federal Program Revenues	<u>1,986,623</u>	<u>1,986,623</u>	<u>1,931,675</u>	<u>(54,948)</u>
<b>5020 Total Revenues</b>	<b><u>\$ 2,480,941</u></b>	<b><u>\$ 2,480,941</u></b>	<b><u>\$ 2,413,944</u></b>	<b><u>\$ (66,997)</u></b>
<b>EXPENDITURES</b>				
Current:				
Support Services - Student (Pupil):				
0035 Food Service	<u>\$ 2,383,719</u>	<u>\$ 2,383,719</u>	<u>\$ 2,291,049</u>	<u>\$ 92,670</u>
Total Support Services - Student (Pupil)	<u>\$ 2,383,719</u>	<u>\$ 2,383,719</u>	<u>\$ 2,291,049</u>	<u>\$ 92,670</u>
<b>6030 Total Expenditures</b>	<b><u>\$ 2,383,719</u></b>	<b><u>\$ 2,383,719</u></b>	<b><u>\$ 2,291,049</u></b>	<b><u>\$ 92,670</u></b>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 97,222</u>	<u>\$ 97,222</u>	<u>\$ 122,895</u>	<u>\$ 25,673</u>
1200 Net Change in Fund Balance	\$ 97,222	\$ 97,222	\$ 122,895	\$ 25,673
0100 Fund Balance - Beginning (September 1)	<u>496,564</u>	<u>496,564</u>	<u>496,564</u>	<u>-</u>
<b>3000 Fund Balance - Ending (August 31)</b>	<b><u>\$ 593,786</u></b>	<b><u>\$ 593,786</u></b>	<b><u>\$ 619,459</u></b>	<b><u>\$ 25,673</u></b>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 2,269,906	\$ 2,204,064	\$ 2,417,865	\$ 213,801
5800	State Program Revenues	120,000	175,000	110,328	(64,672)
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 2,389,906</b>	<b>\$ 2,379,064</b>	<b>\$ 2,528,193</b>	<b>\$ 149,129</b>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on Long-term Debt	\$ 305,000	\$ 1,505,058	\$ 275,923	\$ 1,229,135
0072	Interest on Long-term Debt	2,084,906	873,606	2,102,409	(1,228,803)
0072	Debt Issuance Costs and Fees	-	60,770	60,770	-
	Total Debt Service	<u>\$ 2,389,906</u>	<u>\$ 2,439,434</u>	<u>\$ 2,439,102</u>	<u>\$ 332</u>
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 2,389,906</b>	<b>\$ 2,439,434</b>	<b>\$ 2,439,102</b>	<b>\$ 332</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (60,370)</u>	<u>\$ 89,091</u>	<u>\$ 149,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7911	Capital-Related Debt Issued (Regular Bonds)	\$ -	\$ 1,505,000	\$ 1,505,000	\$ -
7916	Premium or Discount on Issuance of Bonds	-	86,252	86,252	-
8949	Other Uses	-	(1,530,167)	(1,530,167)	-
7080	Total Other Financing Sources and (Uses)	<u>\$ -</u>	<u>\$ 61,085</u>	<u>\$ 61,085</u>	<u>\$ -</u>
1200	Net Change in Fund Balance	\$ -	\$ 715	\$ 150,176	\$ 149,461
0100	Fund Balance - Beginning (September 1)	<u>1,385,393</u>	<u>1,385,393</u>	<u>1,385,393</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b><u>\$ 1,385,393</u></b>	<b><u>\$ 1,386,108</u></b>	<b><u>\$ 1,535,569</u></b>	<b><u>\$ 149,461</u></b>

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2011

<u>Data Control Codes</u>		<u>Response</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 unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weakness in internal codes?	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?	\$ 897,508



FEDERAL AWARDS SECTION

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2011

(01) Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(02A) Pass-Through Identifying Grant Number	(03) Federal Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through the Texas Education Agency:			
ARRA - ESEA Title I Part A - Improving Basic Programs*	84.389	10551003116905	\$ 163,605
ESEA Title I Part A - Improving Basic Programs*	84.010	10610101116905	2,019
ESEA Title I Part A - Improving Basic Programs*	84.010	11610101116905	1,791,004
Title I Part D Subpart 2 - Delinquent Programs	84.377	10610701116905001	163,522
ESEA Title II Part A - Teacher & Principal Training	84.367	10694501116905	3,370
Education Jobs Funds*	84.410	1155010116905	783,817
Summer School LEP	84.369	69551002	6,446
Carl D. Perkins Vocational Education	84.048	1142000611690510	69,210
IDEA-B Formula *	84.027	106600011169056600	3,239
IDEA-B Formula *	84.027	116600011169056600	927,300
ARRA - IDEA B Formula*	84.391	10554001116905	481,701
IDEA-B Preschool *	84.173	116610011169056610	50,973
ARRA - IDEA B Preschool*	84.392	10555001116905	5,549
ESEA Title II Part A - Teacher and Principal Training*	84.367	1169450116905	397,272
SLDS - Classroom Link to ISDS	84.372	10635002116905	4,372
21st Century Grant	84.287	116950167110024	16,719
ARRA - ESEA Title II Part D - Technology	84.386	10553001116905	3,093
ARRA - Title XIV - State Fiscal Stabilization*	84.394	10557001116905	85,188
ARRA - Title XIV - State Fiscal Stabilization*	84.394	11557001116905	1,314,903
			<u>\$ 6,273,302</u>
Total passed through the Texas Education Agency			
Passed through Education Service Center - Region X:			
ESEA Title III Part A - English Language Acquisition	84.365	11671001057950	\$ 82,024
ESEA Title III Subpart B - Homeless Children and Youth	84.196	114600017110001	31,604
			<u>113,628</u>
Total passed through Education Service Center - Region X			
			<u>\$ 113,628</u>
<b>Total Department of Education</b>			
			<u><b>\$ 6,386,930</b></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2011

(01) Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(02A) Pass-Through Identifying Grant Number	(03)  Federal Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Direct Program:			
Head Start	93.600	07CH6997/11	\$ 1,035,421
<b>Total Department of Health and Human Services</b>			<b>\$ 1,035,421</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program*	10.553	71401101	\$ 440,810
National School Lunch Program*	10.555	71301101	1,353,733
USDA Commodity Food Distribution	10.565	116006A	137,132
<b>Total Department of Agriculture</b>			<b>\$ 1,931,675</b>
<b>Total Expenditure of Federal Awards</b>			<b>\$ 9,354,026</b>

\* Denotes Major Programs

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

GREENVILLE INDEPENDENT SCHOOL DISTRICT  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED AUGUST 31, 2011

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greenville Independent School District and is presented on the modified accrual basis of accounting. Expenditures are recognized in the accounting period in which a fund liability occurs. Funds are considered earned to the extent of expenditures made.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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 basic financial statements.

B. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. No provision has been made for amounts on hand at August 31, 2011.

C. Subrecipients

The District provided federal awards to subrecipients as follows:

Commerce Independent School District	\$	107,737
Quinlan Independent School District		<u>90,094</u>
Total		<u>\$ 197,831</u>