



# **GISD**

*We Educate Today...  
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# **Financial Report Card**

*An Overview of  
GISD's Finance  
Performance  
Results*

**GREENVILLE INDEPENDENT SCHOOL DISTRICT ♦ JANUARY 2013**

**Just as shareholders in a business are entitled to assurance that the business is operating in an ethical and fiscally responsible manner, we believe that those who invest their children and tax dollars in Greenville Independent School District are entitled to that same level of accountability.**

**Because school district finance differs from business and personal finance in so many ways, people often find it a challenge to assess whether a district is being a good steward of the tax dollars entrusted to them. We hope this report will prove to be a valuable tool in your evaluation of our financial performance.**

## **What the Experts Say about GISD's Financial Strength and Standards**

### **GISD Awards for Budget Excellence**

ASBO and GFOA award Districts who demonstrate the continuing commitment of the school district, the Board of Trustees, and staff in achieving the highest standards of school district budgeting. GISD was awarded the MBA from ASBO in 2011-12. The Finance Department again applied for the award in 2012-13 in addition to the Distinguished Budget Award from GFOA.



### **Texas Leadership Circle Gold Award**

The Comptroller Leadership Circle program recognizes local governments across Texas that are striving to meet a high standard for financial transparency online. For FY 2011-12, Greenville ISD was awarded the "GOLD" member designation, the highest rating awarded, which demonstrates GISD's continued efforts to provide taxpayers a transparent look at where their dollars go.



### **TASBO Award of Merit for Purchasing**

The District recently applied to the Texas Association of School Business Officials (TASBO) for the **Award of Merit (AOM)**. Recipients of the AOM demonstrate their continuous ability to utilize sound purchasing management policies and promote effective use of school resources. The District was awarded the AOM for the 2<sup>nd</sup> year in a row in December 2012.

## Greenville Independent School District Financial Strength & Taxpayer Accountability



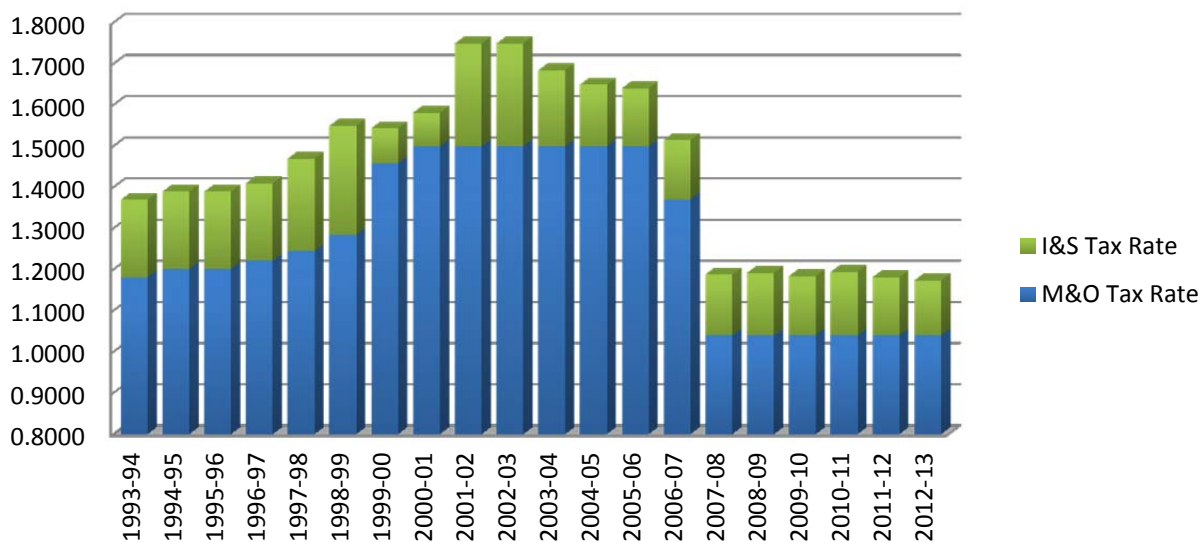
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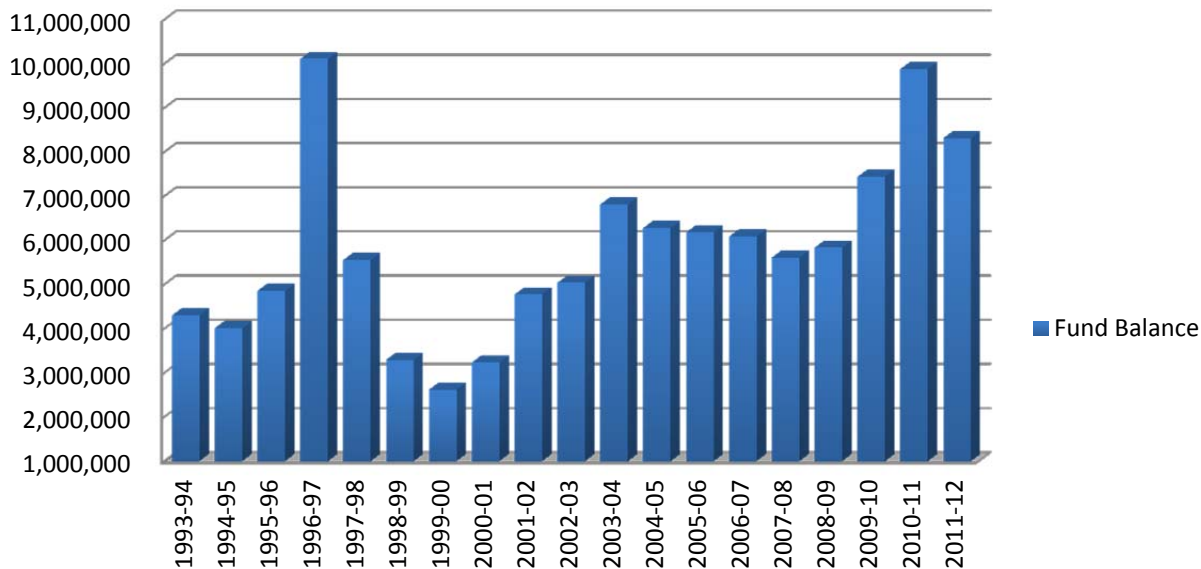
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**GISD with One of Highest Fund Balances  
AND Lowest Tax Rate in 20 Years !!**

**GISD Tax Rate History**



**GISD Fund Balance History**



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\*\* Represents Contractual Obligations Payable (i.e. loans) recorded in General Fund at year end but unspent at year end. See proceeding year for decrease in Fund Balance.



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## 2012-13 General Operating Budget

|  |                |       |
|--|----------------|-------|
| Instruction                                | \$ 19.43       | 56.3% |
| Instructional Leadership                   | \$ 4.12        | 11.9% |
| Guidance/Counseling & Social Work Services | \$1.17         | 3.4%  |
| Health Services                            | \$0.29         | 0.8%  |
| Student Transportation                     | \$1.18         | 3.2%  |
| Extracurricular Activities                 | \$1.18         | 3.2%  |
| General Administration                     | \$1.67         | 4.9%  |
| Support Services                           | \$3.61         | 10.5% |
| Security Services                          | \$0.19         | 0.6%  |
| Information Technology                     | \$0.82         | 2.4%  |
| Other                                      | <u>\$0.96</u>  | 2.8%  |
| <b>Total (in millions)</b>                 | <b>\$34.49</b> |       |

## 2012-13 General Operating Budget by Object

|                            |                |       |
|----------------------------|----------------|-------|
| Payroll                    | \$28.50        | 82.6% |
| Contracted Services        | \$2.81         | 8.1%  |
| Supplies & Materials       | \$1.46         | 1.4%  |
| Other Operating            | <u>\$1.72</u>  | 1.7%  |
| <b>Total (in millions)</b> | <b>\$34.49</b> |       |

## Greenville Independent School District 2012-13 Budget Highlights

|                            | General<br>Operating<br>Fund | Debt<br>Service<br>Fund | Child<br>Nutrition<br>Fund |
|----------------------------|------------------------------|-------------------------|----------------------------|
| <b>Revenues</b>            |                              |                         |                            |
| Locally Funded             | \$ 17,616,978                | \$ 2,029,031            | \$ 519,111                 |
| State Funded               | 15,440,465                   | -                       | 16,000                     |
| Federally Funded           | 764,588                      | -                       | 1,898,250                  |
| <b>Total</b>               | <b>33,822,031</b>            | <b>2,029,031</b>        | <b>2,433,361</b>           |
| <b>Expenditures</b>        | 34,496,625                   | 2,029,031               | 2,364,640                  |
| Other Sources (Uses)       | -                            | -                       | -                          |
| Net Change in Fund Balance | \$ (674,594)                 | \$ -                    | \$ 68,721                  |

## 2012 Assessed Property Value

- Total Taxable Property Value ..... \$1.55 Billion

## 2012-13 Adopted Tax Rate

- Maintenance & Operations ..... \$1.0400
- Debt Service ..... \$0.1337
- Combined Rate ..... \$1.1737
- Combined Rate Decrease from 2010-11..... \$0.0079

## General Expenditures Information

- Total General Fund Budget ..... \$34,496,625
- General Fund Budget Per Student ..... \$ 7,615

## GISD Salary & Benefits Package

- TASB performed in-depth study of GISD's salary structures. In conjunction with that study the following adjustments were approved by the Board of Trustees, effective for 2011-12:
  - Increasing beginning teacher's base salary to \$38,000
  - Providing equity adjustments to teacher's pay scale
  - Providing adjustments to employee pay structures
- Health Insurance Plan:
  - Maintained Monthly Health Insurance contribution to \$325.00/month

## Greenville Independent School District Multi-Year Budget Reductions



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### 2010-11 BUDGET REDUCTIONS & REVENUE ENHANCEMENTS

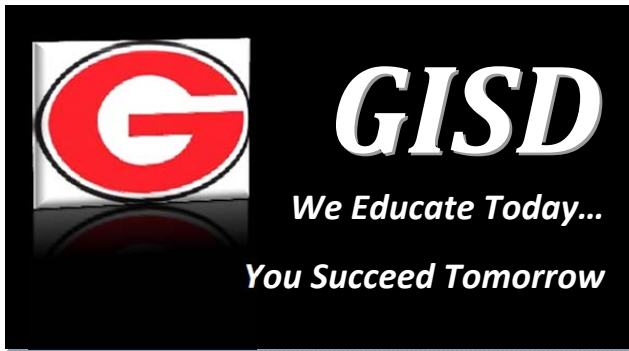
- **5<sup>th</sup> year of operating with Low Target Revenue)**
- Reduction – Relocated Travis Elementary to SGC - ~\$250,000
- Reduction – Continued staff Reductions through attrition - ~\$500,000
- Reduction – Implemented Campus/Departmental budget reductions of 7 % - ~\$100,000
- Reduction – Implemented Other budget consolidations and reductions - ~\$200,000
- Reduction – Froze District's health insurance contribution amount - ~\$50,000
- Reduction – Entered into Energy Performance Contract reducing utility costs paid with \$3,050,000 in QSCB bonds at 0.0% interest at no cost to taxpayer - \$250,000 per year utility savings
- Reduction – Transportation Director consolidation of duties - ~\$35,000
- Reduction – Student Services Director consolidation of duties - ~\$35,000
- Revenue Enhancement – Applied and was awarded the ACE grant ~\$5,000,000 over 5 years

### 2011-12 BUDGET REDUCTIONS & REVENUE ENHANCEMENTS

- **CUT ~\$1,700,000 by 82<sup>nd</sup> State Legislative session**
- Reduction – Implemented Campus/Departmental budgets reductions of 5% - ~\$150,000
- Reduction – Continued staff reductions through attrition - ~\$700,000
- Reduction – Implemented hiring freeze for non-critical positions – contributed to savings above
- Reduction – Implemented salary freeze – contributed to savings above
- Reduction – Offered Early Exit Incentive program – contributed to savings above
- Reduction – Kept non-critical positions open for 30 days - ~\$40,000
- Reduction – Reviewed all stipends/reduced all stipends by 10% - ~\$50,000
- Reduction – Reduced sub pay to align with others in county/surrounding area - ~\$70,000
- Reduction – Eliminated Parent Center - ~\$30,000
- Reduction – Required 100% of staff to enroll in Direct Deposit - ~\$10,000
- Reduction – Eliminated software application overlaps - ~\$10,000
- Reduction – Refunded Series 2001 bonds for lower interest rate - ~\$225,000 in savings over life of bonds
- Reduction – Opened less campus sites for summer school - ~\$10,000
- Reduction – Adjusted maintenance vehicle usage - ~\$10,000
- Revenue Enhancement – Applied and was awarded the TLI grant ~\$7,000,000 over 5 years
- Revenue Enhancement – Claimed indirect costs on federal funds - ~\$120,000
- Revenue Enhancement – Claimed indirect costs on student nutrition fund - \$185,000

### 2012-13 BUDGET REDUCTIONS & REVENUE ENHANCEMENTS

- **CUT ~\$800,000 by 82<sup>nd</sup> State Legislative session**
- Reduction – Developed and implemented staffing ratios to efficiently staff campuses ~\$700,000
- Reduction – Continued staff reductions through attrition – contributed to savings above
- Reduction – Implemented salary freeze – contributed to savings above
- Reduction – Offered Early Exit Incentive program – contributed to savings above
- Reduction – Froze District's health insurance contribution amount - ~\$75,000
- Reduction – Mid-year reconciliation of campus enrollment allotments - TBD
- Reduction – Re-structured Librarian positions to Media Specialist paraprofessional positions - ~\$60,000



## Greenville Independent School District Multi-Year Budget Reductions

### **(CONT.) – 2012-13 BUDGET REDUCTIONS & REVENUE ENHANCEMENTS**

- Reduction – Re-structured Instructional Technologist position to Technician position - ~\$20,000
- Reduction – Reviewed stipends and made adjustments - ~\$40,000
- Reduction – Implemented employee absence tracking system - TBD
- Reduction – Reduced administrative staff development - ~\$10,000
- Reduction – Used GEUS grant money and QSCB funds to take office area off of GHS water loop - ~\$30,000
- Reduction – Moved Cabinet Administrator to half-time - \$50,000
- Reduction – Paid off and cut VOIP lease - ~\$45,000
- Reduction – Cut COPS grant out of budget - ~\$50,000
- Revenue Enhancement – Claimed indirect costs on federal funds - ~\$120,000
- Revenue Enhancement – Claimed indirect costs on student nutrition fund - ~\$185,000
- Revenue Enhancement – Created Bus Advertising Campaign - TBD
- Revenue Enhancement – Sold T.A. Cotton Ford Stadium sponsorship - ~\$25,000 over 3 years
- Revenue Enhancement – Launched website advertising campaign - TBD
- Revenue Enhancement – Entered into apparel contract agreement with CVS and Wal-Mart - TBD
- Revenue Enhancement – Launched “Spread the Red” advertising/newsletter/t-shirt selling campaign - TBD
- Revenue Enhancement – Contracted with ‘School Spirit Pays’ for credit card processing fees - TBD
- Revenue Enhancement – Contracted with BusGuard to install stop-arm cameras on buses – TBD
- Revenue Enhancement – Contracted with Ohiopyle Prints for License Fee Revenue for t-shirt sales – TBD
- Revenue Enhancement – Contracted with Pel Industries for License Fee Revenue for t-shirt sales – TBD
- Revenue Enhancement – Applied and was awarded TPTA clean school bus grant totaling - ~\$282,088
- Revenue Enhancement – Applied and was awarded Technology grant for iPads - ~\$100,000
- Revenue Enhancement – Applied and was awarded Loss Prevention Grant from TASB - ~\$4,000

### **2013-14 POSSIBLE REDUCTIONS & REVENUE ENHANCEMENTS**

- Revenue Enhancement – Continue to apply for TPTA clean school bus grant
- Revenue Enhancement – Continue to apply for Loss Prevention Grant from TASB
- Revenue Enhancement – Continue bus advertising campaign
- Revenue Enhancement – Continue website advertising campaign
- Revenue Enhancement – Continue claiming indirect costs on federal funds
- Revenue Enhancement – Continue claiming indirect costs on student nutrition fund
- Reduction – Review staffing levels with staffing ratios template
- Reduction – Continue reviewing for software overlaps than can be eliminated
- Reduction – Freeze District’s health insurance contribution
- Reduction – Review non-critical positions for possible attrition



## Greenville Independent School District Finance Department Projects

### Redesigned Finance Department Webpage for Increased Transparency



With recent funding reductions for Education in the State of Texas, it is more important than ever to make certain that every taxpayer dollar is spent in the most efficient, effective and meaningful way possible. With that goal in mind, it is also extremely important for GISD to be as transparent as possible with its board, staff, parents and community about where the District is spending the dollars it has been entrusted with.

The Finance Department has worked diligently over the last couple of months to redesign the Department webpage to accomplish the aforementioned goals. The revamping of the webpage provides links to budget reports, board presentations, audited financial statements, monthly check registers and much more. We encourage anyone interested in learning more about

GISD's finances to check out the Finance Department webpage at <http://www.greenvilleisd.com/Page/46>

### 100% of GISD Employees Enrolled in Direct Deposit

In conjunction with the 2011-12 Budget planning process, requiring 100% of GISD employees to enroll in direct deposit was identified as a cost-saving solution. We are pleased to announce that all GISD employees are enrolled in the direct deposit program with a very few exceptions. We are confident this will continue to save the District and its taxpayers thousands of dollars annually in paper and processing costs.



### Refunded Series 2001 Bond Issuance Saving GISD \$225 K over remaining life of Bonds

| Greenville ISD                |                        |                        |                        |                      |
|-------------------------------|------------------------|------------------------|------------------------|----------------------|
| Unlimited Tax Refunding Bonds |                        |                        |                        |                      |
| Series 2011                   |                        |                        |                        |                      |
| Debt Service Comparison       |                        |                        |                        |                      |
| Date                          | Total P + I            | Net New D/S            | Old Net D/S            | Savings              |
| 8/31/2011                     | 98,509.44              | 98,509.44              | 99,241.25              | 731.81               |
| 8/31/2012                     | 125,050.00             | 125,050.00             | 140,932.50             | 15,882.50            |
| ...                           | ...                    | ...                    | ...                    | ...                  |
| ...                           | ...                    | ...                    | ...                    | ...                  |
| ...                           | ...                    | ...                    | ...                    | ...                  |
| 8/31/2025                     | 129,600.00             | 129,600.00             | 143,250.00             | 13,650.00            |
| 8/31/2026                     | 124,800.00             | 124,800.00             | 141,750.00             | 16,950.00            |
| <b>Total</b>                  | <b>\$ 1,995,684.44</b> | <b>\$ 1,995,684.44</b> | <b>\$ 2,220,816.25</b> | <b>\$ 225,131.81</b> |

## Greenville Independent School District Finance Department Projects

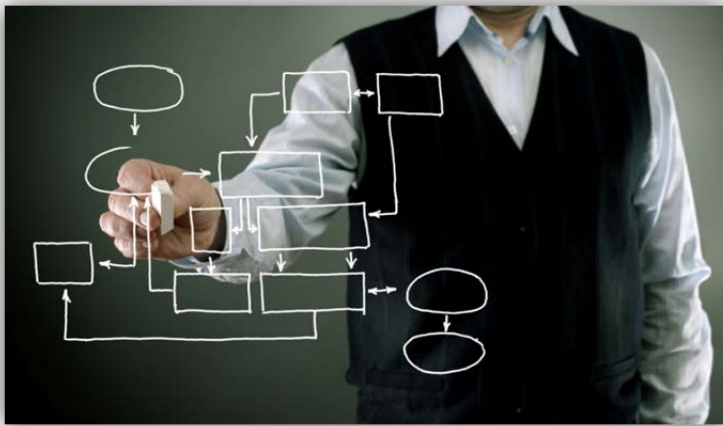


### Annual Investment Report in accordance with Public Funds Investment Act 2256

In compliance with the Public Funds Investment Act of the Texas Government Code Section 2256, the Finance Department prepared the Annual Investment Report for the Board of Trustee's consideration at the February 2013 regularly scheduled board meeting. This report is intended to summarize for the Board and community the performance of the District's investment portfolio over the last fiscal year. Additionally, any changes to the District's investment policy are made during this meeting.

A breakdown of the District's investment portfolio as of 12/31/2012 is show below:

| Fund Type               | Market Value | Percentage of Portfolio |
|-------------------------|--------------|-------------------------|
| Lone Star               | \$6,775,672  | 52.0%                   |
| Texas CLASS             | 4,858,261    | 37.3%                   |
| Certificates of Deposit | 484,916      | 3.7%                    |
| Money Market            | 911,439      | 7.0%                    |
| TOTALS                  | \$13,030,288 | 100.0%                  |



### Developed Finance Department Policy & Procedures Manual – Booster Club & Parent Organization Manual

The Finance Department recently developed an updated version of its policy and procedures manual in order to consistently and thoroughly monitor the District's financial operations in regards to areas including; finance, purchasing, payroll, competitive bidding, accounting, activity funds, etc.

This document provides in-depth, step-by-step procedures that are tied to applicable board policies and will aide in employees

or departments interpretation of the appropriate procedures that should be followed in GISD. The manual will be made available on the Finance Department's webpage and at trainings offered at the beginning and throughout the school year.

Additionally, the Finance Department recently created and developed a Booster Club & Parent Organization Manual to clearly define the relationship between booster clubs and parent organizations and the school district. This manual provides guidance and best practice recommendations for those clubs regarding fundraisers, handling of funds, etc. Manuals can be found at the following link: <http://www.greenvilleisd.com/Page/225>



# GISD

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## Greenville Independent School District Finance Department Staff

### Finance Department Organizational Chart



\* CPA – Certified Public Accountant

\*\* CTSBO – Certified Texas School Business Official

\*\*\* CTSBS – Certified Texas School Business Specialist

### Finance Department Training Hours

Chief Financial Officer – ~47 hours

Chief Purchasing Agent – ~20 hours

Finance Supervisor – ~31 hours

Payroll Specialist – ~18 hours

Accounts Payable Specialist – ~18 hours



## Greenville Independent School District Other Financial Highlights

### GISD Receives “Superior” F.I.R.S.T. Rating

Greenville ISD received a “Superior Achievement” rating under the state’s Schools FIRST financial accountability rating system. The “Superior Achievement” rating is the state’s highest rating that can be obtained by a school district, demonstrating the quality of GISD’s financial management and reporting systems. A copy of the District’s most recent FIRST report can be found at the following link:

<http://www.greenvilleisd.com/Page/224>

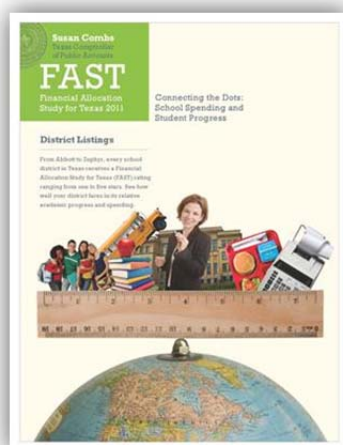


### GISD Receives Strong F.A.S.T. Ratings

The Financial Allocation Study of Texas (FAST) measures how spending in every Texas public school district and campus translates to student academic progress. Updated data for the third year of FAST ratings was released in September 2012. The Comptroller’s FAST study also identifies and shares cost-effective practices that could benefit campuses and districts across the state. For 2012, Greenville ISD received 3 stars out of a possible 5 stars.

A copy of the District’s most recent FAST report can be found at the following link:

<http://www.greenvilleisd.com/Page/224>



### GISD Receives Unqualified (Best) Audit Opinion in 2011-12

The District’s independent auditors, issued an **“unqualified opinion”** on Greenville ISD’s August 31, 2012 Annual Financial Report. That is the highest level of assurance given by an auditor. It certifies that the District’s financial statements are an accurate representation of the District’s financial condition and are presented in conformity with generally accepted accounting principles.

The District’s audit report was presented to and approved by the Board of Trustees on December 18, 2012. A copy of the audited financial statements can be found at the following link:

<http://www.greenvilleisd.com/Page/223>





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## Greenville Independent School District Other Financial Highlights

### Summary of QSCB Interest Subsidy Reimbursements



Qualified School Construction Bonds (QSCBs) are a U.S. debt instrument created by Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009. QSCBs allow school districts to borrow funds at or near zero percent interest through a direct-pay subsidy reimbursement program. In other words, the District receives a refund from the U.S. Treasury for the interest portion of the semi-annual debt payment. The proceeds from the QSCB issuance must be used 100% for the rehabilitation, repair and equipping of schools.

GISD was awarded an allocation totaling \$3,050,000 in QSCBs by TEA in 2009 for the rehabilitation of school facilities. GISD issued the full \$3.05 million in December 2010 and began making payments in August 2011. The following is a summary of the debt service requirements and subsequent reimbursements relating to the QSCB issuance:

**\$ 3,050,000**

Greenville ISD

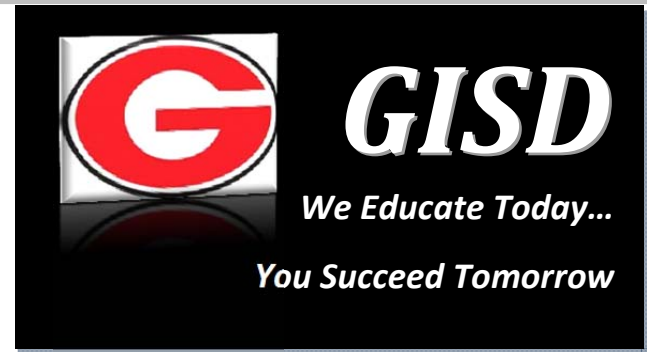
2010 Maintenance Tax Notes

QSCB

### Net Debt Service Schedule

| Date         | Principal              | Coupon | Interest               | Total<br>Payment Amount | Rebate                   | Total P&I              |
|--------------|------------------------|--------|------------------------|-------------------------|--------------------------|------------------------|
| 02/15/11     | -                      | -      | -                      | -                       | -                        | -                      |
| 08/15/11     | 30,000.00              | 5.460% | 111,020.00             | 141,020.00              | (111,020.00)             | 30,000.00              |
| 02/15/12     | 105,000.00             | 5.460% | 82,446.00              | 187,446.00              | (82,446.00)              | 105,000.00             |
| 08/15/12     | 105,000.00             | 5.460% | 79,579.50              | 184,579.50              | (79,579.50)              | 105,000.00             |
| 02/15/13     | 105,000.00             | 5.460% | 76,713.00              | 181,713.00              | (76,713.00)              | 105,000.00             |
| ...          | ...                    | ...    | ...                    | ...                     | ...                      | ...                    |
| ...          | ...                    | ...    | ...                    | ...                     | ...                      | ...                    |
| ...          | ...                    | ...    | ...                    | ...                     | ...                      | ...                    |
| 08/15/23     | 105,000.00             | 5.460% | 16,516.50              | 121,516.50              | (16,516.50)              | 105,000.00             |
| 02/15/24     | 100,000.00             | 5.460% | 13,650.00              | 113,650.00              | (13,650.00)              | 100,000.00             |
| 08/15/24     | 100,000.00             | 5.460% | 10,920.00              | 110,920.00              | (10,920.00)              | 100,000.00             |
| 02/15/25     | 100,000.00             | 5.460% | 8,190.00               | 108,190.00              | (8,190.00)               | 100,000.00             |
| 08/15/25     | 100,000.00             | 5.460% | 5,460.00               | 105,460.00              | (5,460.00)               | 100,000.00             |
| 02/15/26     | 100,000.00             | 5.460% | 2,730.00               | 102,730.00              | (2,730.00)               | 100,000.00             |
| <b>Total</b> | <b>\$ 3,050,000.00</b> |        | <b>\$ 1,339,520.00</b> | <b>\$ 4,389,520.00</b>  | <b>\$ (1,339,520.00)</b> | <b>\$ 3,050,000.00</b> |

## Greenville Independent School District Financial Outlook for GISD



### Funding Reductions from 82<sup>nd</sup> Legislature

Texas Senators and Representatives reported to Austin in January 2011 to begin the 82<sup>nd</sup> Texas Legislative Session. Awaiting our representatives in Austin was an impending biennium budget deficit estimated as high as \$27 Billion. What did that mean for Public Education? Public Education comprises approximately 40% of the state budget. With such a sizeable portion of the state budget, Public Education began the session facing a proposed \$10 Billion dollar cut to the Foundation School Program. After a full regular session and one special called session Public Education ended up losing \$4.0 Billion in state aid over the next biennium in addition to \$1.4 Billion in state discretionary grants being cut.

### The Effect of a \$5.4 Billion Cut to Greenville ISD

The ultimate outcome of all the negotiations was that Texas ISDs would need to absorb an approximate cut to the Foundation School Program (FSP) of \$4.0 Billion in addition to over \$1.4 Billion in state grants being cut. The mechanism for distributing these cuts was the advent of the Regular Program Adjustment Factor (RPAF). What the RPAF essentially did was reduce every school district's regular program allotment by a factor set in an appropriations committee, including low Target Revenue school districts like GISD. What followed resulted in Public Education not being fully funded according to state formulas for the first time since World War II.

The 82<sup>nd</sup> legislative session did nothing to address the following:

1. **Equity**, both for students and taxpayers (i.e. low-wealth districts are unable to gain access to the revenues of that high-wealth districts have);
2. **Arbitrary fund distribution scheme** (i.e. target revenue was meant as a temporary solution and has no rationale currently to why one school district receives more revenue than another);
3. **Adequacy** (i.e. school districts should be able to "provide all of their students with a *meaningful opportunity* to acquire the essential knowledge and skills reflected in...curriculum requirements...such that upon graduation, students are prepped to continue to learn in postsecondary education, training, or employment settings." TEX. EDUC. CODE §28.001; or that
4. Tax operates as an **unconstitutional state property tax**.

### Greenville ISD 2012-2013 Biennium Funding Reductions:

- \$2,500,000 loss in state funding over 2012-2013 biennium
- \$130,000/year loss in Technology Allotment funding
- \$450,000/year loss in Other State Discretionary Grants
- ARRA (Stimulus) Funds \$650,000/year since 2009
- SFSF (Stimulus) Funds \$1,300,000/year since 2009
- Education Jobs Funds \$783,817 for 2010-11





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## Greenville Independent School District Financial Outlook for GISD

### School Finance Litigation Update – Texas Taxpayer & Student Fairness Coalition

The Texas Taxpayer & Student Fairness Coalition (or the “Coalition”) representing public school districts, taxpayers and parents formally filed a lawsuit against the state in Travis County district court on October 10, 2011. The Coalition argues that the state’s public school finance system is unconstitutional because it doesn’t treat Texas taxpayers and school children fairly.

The lawsuit intends to attack the legislature’s actions on the following four fronts:

1. **Equity**, both for students and taxpayers (i.e. low-wealth districts are unable to gain access to the revenues of that high-wealth districts have);
2. **Arbitrary fund distribution scheme** (i.e. target revenue was meant as a temporary solution and has no rationale currently to why one school district receives more revenue than another);
3. **Adequacy** (i.e. school districts should be able to “provide all of their students with a *meaningful opportunity* to acquire the essential knowledge and skills reflected in...curriculum requirements...such that upon graduation, students are prepped to continue to learn in postsecondary education, training, or employment settings.” TEX. EDUC. CODE §28.001; or that
4. Tax operates as an **unconstitutional state property tax**.

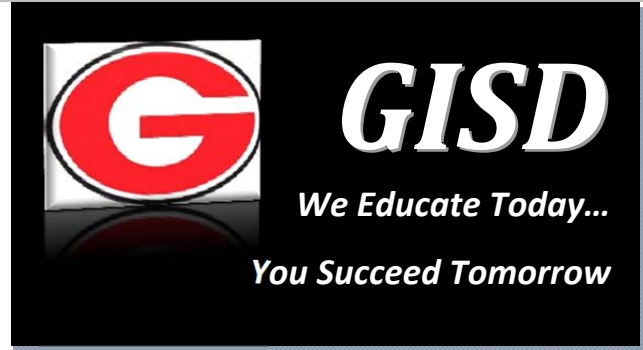


As of November 16, 2011, the Texas Taxpayer & Student Fairness Coalition represented more than one million students statewide, or about one-fourth. The Coalition’s member school districts range from large, urban districts to small, rural districts, and everything in between. Like the make-up of Texas, the Coalition’s members are varied and unique. The common thread that ties all these schools together, though, is that they are all currently underfunded and unfairly treated by our public school finance system. More than 320 school districts have joined the coalition so far. Districts can still join by passing a school board resolution. The coalition also represents individual taxpayers and parents. *Source: The Equity Center.*

On September 20, 2011, in a regularly scheduled board meeting, the GISD Board of Trustees unanimously approved and executed a resolution to join the Coalition and authorize appropriations not to exceed \$1 per WADA (i.e. about \$5,600).

The trial began in October 2012 with the plaintiffs presenting their respective cases, most of which deal with the issues numbered above. The state began presenting its case near the end of 2012 and continued through January 2013. A ruling is expected sometime during the month of January 2013. However, whatever decision is reached, it most certainly will be appealed by either party to the Texas Supreme Court for a final ruling. Therefore, a final decision will most likely not be reached until the summer or fall of 2013. If a decision is in favor of Texas ISDs then this will result in a special session being called by Governor Perry to reconvene the legislators to revamp the system to address the rulings by the Texas Supreme Court.

## Greenville Independent School District Financial Outlook for GISD



### 5-year Budget Outlook for GISD

With the most recent legislative funding cuts and the pending school finance litigation, budget projections over the next couple of years will present a challenge. When creating budget projections GISD incorporates many factors and considerations that encompass the projection, including, but not limited to; enrollment changes, current and future legislative changes, property value trends, staffing needs, and compensation and benefit package changes. The following table depicts the most recent budget projections over a 5-year period:

|                              | Audited<br>2011/12 | Revised<br>Budget<br>2012/13 | Projected<br>2013/14 | Projected<br>2014/15 | Projected<br>2015/16 |
|------------------------------|--------------------|------------------------------|----------------------|----------------------|----------------------|
| Total Revenues               | 31,964,921         | 33,822,031                   | 33,457,261           | 33,597,226           | 33,712,273           |
| Total Expenditures           | 33,714,516         | 34,496,625                   | 33,439,428           | 33,439,428           | 33,439,428           |
| Other Sources/Uses           | 182,260            | -                            | -                    | -                    | -                    |
| <b>NET INCREASE/DECREASE</b> | <b>(1,567,335)</b> | <b>(674,594)</b>             | <b>17,833</b>        | <b>157,798</b>       | <b>272,845</b>       |
| Beginning Fund Balance       | 9,883,661          | 8,316,326                    | 7,641,732            | 7,659,565            | 7,817,363            |
| <b>ENDING FUND BALANCE</b>   | <b>8,316,326</b>   | <b>7,641,732</b>             | <b>7,659,565</b>     | <b>7,817,363</b>     | <b>8,090,208</b>     |

### Fund Balance vs. Fund Balance in Days of Operations

The Texas Education Agency (TEA) recommends that school districts maintain a reserve fund balance equal to between two and three months (60-90 days) of operating expenditures.

At the end of the fiscal year for 2011-12 GISD's fund balance level would support 90 days of operations. With the revised budget for FY 2012-13, the fund balance in days of operations is expected to fall to 81 days of operations. At the end of FY 2015-16, the fund balance in days of operations is expected to be approximately 88 days of operations.

