

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**BOND EXPENDITURES – 2005 BOND REFERENDUM**

**DECEMBER 7, 2011**

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INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District), solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for Construction Manager at Risk contracts (the Bond Expenditures). The District's management is responsible for the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

**Procedure:** Obtain management's reconciliation of the total authorized amount of bonds issued pursuant the 2005 referendum and ensure that the total amount of bonds issued does not exceed the amount authorized.

**Finding:** **We obtained management's reconciliation of the total authorized amount of bonds pursuant the 2005 referendum and noted that the total amount of bonds issued pursuant to the referendum does not exceed the amount authorized.**

**Procedure:** Obtain a detailed listing of expenditures paid from each bond issuance and select a sample of 40 non-contractor expenditures paid from the bond proceeds to supporting invoices. Determine if each invoice was approved for payment and that the purpose of the expense was a documented purpose of the issuance of the bonds.

**Finding:** **We obtained a detailed listing of expenditures paid from each bond issuance and selected a sample of 40 non-contractor expenditures paid from the bond proceeds. For each selection we obtained the related invoices, noting all were properly approved for payment and that the purpose of the expenditure was a documented purpose of the bond issuance. No exceptions were noted.**

**Procedure:** Obtain a copy of management's "Project Cost Summary Report" and (1) agree the project budget totals to the total amount of bonds issued pursuant to the 2005 referendum, (2) agree project expenditures to the District's general ledger through September 2011 and (3) agree the added value work performed to Perspectiva's January 2011 "Program Summary Status Report".

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**Finding:** We obtained a copy of management's "Project Cost Summary Report" (presented in Attachment A) and agreed the budgeted project totals to the total amount of bonds issued pursuant to the 2005 referendum and agreed the project expenditures to the District's general ledger through September 2011 without exception. We noted that the District's "Project Cost Summary Report" reported \$185,309 less added value work than the Perspectiva January 2011 "Program Summary Status Report".

**Procedure:** For each construction project noted in management's "Project Cost Summary Report" obtain management's status report for each project and agree total construction costs for each project to the "Project Cost Summary Report" and to Perspectiva's January 2011 "Program Summary Status Report".

**Finding:** We obtained management's status report for each construction project noted in management's "Project Cost Summary Report" (Presented in Attachment B) and agreed total construction costs to the "Project Cost Summary Report" and to Perspectiva's January 2011 "Program Summary Status Report". No exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**ATTACHMENT – A  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
PROJECT COST SUMMARY REPORT**

Project Name	Project Budget	Project Expense Thru September 2011	Additional Value Thru January 2011
<b>Construction Projects</b>			
Amount included with New Elementary School for 750 students; Classroom addition at La Porte Elementary School and Classroom addition at La Porte Junior High School no breakdown per project total	\$ 20,659,917	\$ -	\$ -
Amount included with New Elementary School for 750 students; Classroom addition at Reid Elementary School and Classroom addition at Lomax Junior High School; Land purchase no breakdown per project	25,027,076	-	-
Athletic Facility Renovations	16,892,698	-	-
Bayshore Elementary Renovations	2,013,266	-	-
La Porte High School Renovations	33,756,742	-	-
Ag Science/Support Services	18,460,334	15,357,964	1,156,926
Baker 6th Grade Campus	6,285,883	7,053,449	2,293,893
College Center	813,736	1,194,002	248,839
College Park Elementary	2,735,948	2,657,973	766,532
De Walt Alternative	1,256,946	806,513	411,253
Instructional Technology Center	3,712,174	6,070,144	1,943,295
La Porte Elementary Renovations	678,995	1,019,015	749,519
La Porte Junior High Renovations	2,190,616	7,347,112	2,220,412
Lomax Elementary	4,035,631	2,502,015	352,183
Lomax Junior High Renovations/Classroom Addition	6,233,453	11,303,151	3,192,730
LPISD Administration	361,300	575,437	575,437
Reid Elementary Renovations	6,010,868	7,384,054	2,758,285
Rizzuto Elementary	6,914,443	8,434,263	3,012,347
Bayshore Elementary (Old)	-	272,320	-
Bayshore Elementary (New)	-	20,101,766	3,481,679
Demolition-Nutrition Bldg/Old DeWalt/Tech Center	-	288,760	288,760
Heritage Elementary	-	14,999,732	187,930
La Porte High School - Baseball Renovations	-	1,534,822	62,100
La Porte High School - Package 1A/1B/Kitchen/Cafeteria/Student Center/B Wing Renovations	-	7,552,976	246,888
La Porte High School - Package 2 Phase 1/Vocational Wing/Band Hall/Girls Gym/Admin Area	-	5,439,633	1,453,452
La Porte High School - Physical Education Center	-	6,375,612	1,688,100
La Porte High School - Stadium/Tennis Courts/Parking Lot	-	7,036,499	90,815
La Porte High School - Theater Renovations/Lobby Addition	-	7,329,086	1,344,389
LPHS Package 2 Phase 2: Competition Gym/Pool Building	-	4,230,662	404,800
LPHS-Partial Roof Replacement	-	1,219,512	-
Parking Lot Additions/DeWalt & Lomax Elementary	-	381,190	381,190
<b>Non-Construction Projects</b>			
Land Acquisition	-	6,158,069	-
Inflation adjustment for Projects Completed Within 5 Years	3,952,921	-	-
Student Technology Initiative	5,000,000	-	-
Facility Maintenance	16,700,000	10,036,568	-
Technology	18,255,288	13,338,151	-
Transportation	1,232,000	1,111,823	-
5th Street Rebuild	-	285,170	285,170
Misc Bond Construction	-	25,513	25,513
Project Management Consulting	-	3,576,932	3,576,932
	<u>\$ 203,180,235</u>	<u>\$ 182,999,888</u>	<u>\$ 33,199,369</u>

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS**

<b>Demolition Bayshore Elementary</b>	
Project Status:	Completed
Project Name:	Demolition Bayshore Elementary
Project Number:	8F
Address:	301 Fairfield La Porte, Texas 77571
Square Footage	N/A
Occupancy	N/A
Substantial Completion:	
Type of Construction	Demolition
Original Scope	
Renovation:	not done
Additional Improvements:	
Demolition	
Construction Cost:	\$272,319
Project Type:	
Delivery Type:	
Architectural Firm:	
Construction Manager:	

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	\$	-
Construction Cost	\$	272,320

General Ledger Totals By Year		
2006	\$	-
2007		-
2008		-
2009		46,936
2010		47,880
2011		177,504
	<u>\$</u>	<u>272,320</u>

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>Bayshore Elementary School</b>	
Project Status:	Completed
Project Name:	Bayshore Elementary School
Project Number:	9F
Address:	800 McCabe Road La Porte, Texas 77571
Square Footage	99,028 sf
Occupancy	Student = 750
Substantial Completion:	December 17, 2009
Type of Construction	Fully sprinklered, noncombustible exterior concrete masonry unites (Cat 4 windstorm rating) -Type IB (fire rated assemblies)
Original Scope	
Elementary #8 to absorb district growth-capacity 750 students	
Additional Improvements:	
Building structure/envelope designed as a "hardened" structure	
Additional classrooms 3,759 sq ft	
Equipped with an emergency generator	
Emergency exit to highway 146	
Import select fill at pad to raise floor elevation 8 feet	
Landscape berms along highway 146	
Incentive for accelerated schedule	
Construction Cost:	\$20,101,766
Project Type:	New Construction
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	*
Construction Cost	\$ 20,101,766
	General Ledger Totals By Year
	2006 \$ -
	2007 -
	2008 -
	2009 8,643,094
	2010 11,490,736
	2011 (32,064)
	<u>\$ 20,101,766</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at La Porte Elementary School and Classroom addition at La Porte Junior High School no breakdown per project total \$20,659,917

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>College Park Elementary</b>	
Project Status:	Completed
Project Name:	College Park Elementary
Project Number:	9E/9H
Address:	4315 Luella Avenue Deer Park, Texas 77536
Square Footage	Existing Building 64,500 sf Kitchen addition 1,300 sf Total 65,800 sf
Occupancy	Student = 457
Substantial Completion:	August 16, 2010
Type of Construction	Type 1B (existing fire rated assemblies) - The building is currently fully sprinklered. The sprinkler system was expanded at the kitchen addition to provide full coverage. All fire rated assemblies are to remain as before.
<b>Original Scope</b>	
Exterior site work/minimal masonry repair on exterior of building Provide HC ramp to stage-platform lift to be installed Add thermostatic mixing valves/replace galvanized plumbing pipe Install new MDF/IDF air conditioning units Replace exterior building waterproofing Renovations to College Park Elementary-kitchen/cafeteria, includes complete kitchen renovation, new food service equipment, complete cafeteria renovation and new MEP support Install new marker boards in each classroom	
<b>Additional Improvements:</b>	
Data cabling replacement throughout Add security cameras to the building Upgrade the building intrusion detection system Upgrade the building access control system Upgrade the fire alarm system Temperature comfort at Admin-dedicated DX HVAC system to be added Issues with existing PA system Install projector/presentation station in each classroom	
Construction Cost:	\$2,657,973
Project Type:	New Construction/Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	\$ 2,735,948
Construction Cost	\$ 2,657,973

General Ledger Totals By Year

2006	\$ -
2007	-
2008	-
2009	-
2010	1,904,570
2011	753,403
	<u>\$ 2,657,973</u>

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>Heritage Elementary School</b>	
Project Status:	Completed
Project Name:	Heritage Elementary School
Project Number:	YE
Address:	4301 East Blvd Deer Park, Texas 77536
Square Footage	95,269 sf
Occupancy	Student = 750
Substantial Completion:	August 14, 2007
Type of Construction	Fully sprinklered, noncombustible-Type 1B (fire rated assemblies)
<b>Original Scope</b>	
New elementary school, accommodates students from pre-kindergarten through 5th grade The new school contains thirty-eight regular classrooms, library, cafeteria, special education classrooms, science, music and computer classrooms Gymnasium with stage and administrative offices Site amenities include faculty and visitor parking, play fields with a paved walking track and a concrete paved play area	
<b>Additional Improvements:</b>	
Data cabling for presentation stations and classroom projectors added to campus as a separate technology package	
Construction Cost:	\$14,999,732
Project Type:	New Construction
Delivery Type:	Competitive Sealed Proposal
Architectural Firm:	PBK Architects
Construction Manager:	Gamma Construction

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2007 with 18% and 2 years of inflation \*  
Construction Cost \$ 14,999,732

General Ledger Totals By Year		
2006	\$	2,131,457
2007		11,481,448
2008		1,322,396
2009		38,853
2010		-
2011		25,578
	\$	<u>14,999,732</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at Reid Elementary School and Classroom addition at Lomax Junior High School; Land purchase no breakdown per project total \$25,027,076

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>La Porte Elementary Renovations</b>	
Project Status:	Completed
Project Name:	La Porte Elementary
Project Number:	9G
Address:	725 S Broadway La Porte, Texas 77571
Square Footage	Existing Building 86,624 sf Detached gym 6,556 sf Total 93,180 sf
Occupancy	Student = 558
Substantial Completion:	August 16, 2010
Type of Construction	Type IIB-Noncombustible/unprotected-sprinklered (formerly Type IV-Unprotected and sprinklered-under 1994 SBC) The building is currently fully sprinklered, no fire rated assemblies are noted in the original documents.
<b>Original Scope</b>	
Replace carpet outside pod restrooms with ceramic tile	
Replace vinyl wall covering outside restrooms with ceramic tile wainscot	
Replace plastic window sill trim/replace exterior building sealants	
<b>Additional Improvements:</b>	
Remove and replace existing vinyl wall covering throughout	
Remove existing moveable partitions	
Provide a fire extinguishing system for an existing stove in the kindergarten wing	
Replace minimal amount of cracked ceramic tile in main hallway	
Replace building envelope on gymnasium with new insulated boards and new roof	
Install projector/presentation station in each classroom	
NOTE: Due to added space at new elementary-classroom addition not included within scope of work	
Construction Cost:	\$1,019,015
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	VLK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	\$ 678,995
Classroom Addition 2005 Bond Authorization	*
Total Bond allocation for La Porte Jr. High	<u>\$ 678,995</u>
Construction Cost	\$ 1,019,015

General Ledger Totals By Year

2006	-
2007	-
2008	-
2009	-
2010	502,690
2011	495,877
2012	20,448
	<u>1,019,015</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at La Porte Elementary School and Classroom addition at La Porte Junior High School no breakdown per project total \$20,659,917

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>Lomax Elementary Renovations</b>	
Project Status:	Completed
Project Name:	Lomax Elementary
Project Number:	9C (7A Partial Roofing Package)
Address:	10615 N Avenue L La Porte, Texas 77571
Square Footage	Main Campus, 79,902 sf Total Building (to include Gym) 86,495 sf
Occupancy	Student = 597
Substantial Completion:	August 21, 2008
Type of Construction	<p>The original structure was permitted in 1977 under the 1976 edition of the standard building code. The construction type in the educational occupancy area was Type V - 1 hour and the construction type in the assembly occupancies was Type VI, Unprotected.</p> <p>Existing columns area fireproofed as required for a 1 hour rating and the roof/ceiling assembly also for a 1 hour rating. The original building was not equipped with a fire sprinkler system; however, a fire sprinkler system has since been added. A fire alarm system has also been added. Existing column fireproofing was not altered. In areas where ceilings were replaced, the new ceiling is fire rated. The existing fire sprinkler and fire alarm systems were reinstated in the renovated areas.</p>
Original Scope	<p>Investigate/stabilize movement in concrete slab Renovations to classrooms and the admin area Renovations include marker boards, new sinks, casework New canopy on east side Air conditioning units at the MDF room Repair roof/flashing at clerestories Renovate (4) sets of student restrooms</p>
Additional Improvements:	<p>Structural investigation-emergency repairs for concrete slab at bus drop Clerestory replacement to address water intrusion Raise foundation at front section of building (scope bust beyond original bond)</p>
Construction Cost:	\$2,502,015
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	SBWV Architects
Structural Engineer:	CSF Consulting LP
Construction Manager:	Sterling Structure LP

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**Lomax Elementary Renovations - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/2008 with 18% and 3 years of inflation   \$    4,035,631

Construction Cost   \$    2,502,015

General Ledger Totals By Year

2006	\$	-
2007		-
2008		772,957
2009		1,613,148
2010		28,000
2011		17,798
		<u>2,431,903</u>
		70,112
	\$	<u><u>2,502,015</u></u>

Plus Roofing Package

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

**Reid Elementary Renovations**

Project Status: Completed  
 Project Name: Reid Elementary  
 Project Number: 9B/7A Partial  
 Address: 10001 West Fairmont Parkway  
 La Porte, Texas 77571  
 Square Footage: Main Campus 66,000 sf Total Building (to include Gym) 72,450 sf  
 Occupancy: Student = 505  
 Substantial Completion: August 16, 2010

Type of Construction Fully Sprinklered, noncombustible - Type 1B (Fire rated assembly)

With these new components in place, Reid Elementary will be safer than when this project started, thus satisfying IBC Section 3410.2.4

- 1 hr. rated ceiling grid and tiles to be installed throughout the facility.
- All light fixtures to be boxed.
- Sprinkler system to be expanded to cover the entire facility
- Fire walls and dampers (with fusible links) being installed at mechanical room.

**Original Scope**

Replace steel lintels at library and cafeteria windows  
 Replace ceiling tile, grid and lighting throughout entire school  
 Renovate (3) sets of student restrooms complete, provide (2) restrooms at classroom 9, provide (1) single restroom and HC shower at life skills classroom  
 Replace HVAC Equipment/DDC upgrade/new fire alarm system  
 Replace kitchen walk-ins/reach-in coolers  
 Need dedicated MDF/IDF rooms  
 New fire sprinklers at hallways, cafeteria, library, office and restrooms  
 Install new marker boards in each classroom  
 New classroom addition

**Additional Improvements:**

Exterior Canopy  
 Building envelope replacement  
 Added MEP work scope-replace all systems above ceiling  
 Rated ceiling tile and grid per building code  
 Data cabling replacement  
 New ceiling mounted projectors in classrooms  
 NOTE: Due to added space at new elementary-classroom addition not included within scope of work

Construction Cost: \$7,384,054  
 Project Type: Renovation  
 Delivery Type: Construction Manager at Risk  
 Architectural Firm: PBK Architects  
 Construction Manager: Tellepsen Builders

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**Reid Elementary Renovations - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	\$ 6,010,868
Classroom Addition 2005 Bond Authorization	*
Total Bond allocation for La Porte Jr. High	<u>\$ 6,010,868</u>
Construction Cost	\$ 7,384,054
General Ledger Totals By Year	
2006	\$ -
2007	-
2008	499,399
2009	-
2010	4,707,697
2011	<u>2,176,958</u>
	<u>\$ 7,384,054</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at Reid Elementary School and Classroom addition at Lomax Junior High School; Land purchase no breakdown per project total \$25,027,076

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>Rizzuto Elementary Renovations</b>	
Project Status:	Completed
Project Name:	Rizzuto Elementary
Project Number:	9D (7A Partial Roofing Package)
Address:	3201 Farrington Blvd. La Porte, Texas 77571
Square Footage	Main Campus, 80,000 sf Total Building (to include Gym) 85,563 sf
Occupancy	Student = 589
Substantial Completion:	August 16, 2010
Type of Construction	Fully sprinklered, noncombustible - Type 1B (fire rated assemblies.)  With these new components in place, Rizzuto Elementary will be safer than when this project started, thus satisfying IBC Section 3410.2.4 <ul style="list-style-type: none"> <li>● 1 hr. rated ceiling grid and tiles to be installed throughout the facility.</li> <li>● All light fixtures to be boxed.</li> <li>● All return air grills to have fire dampers (with fusible links) installed.</li> <li>● Fire walls and dampers (with fusible links) being installed at mechanical room.</li> </ul>
<b>Original Scope</b>	
Replace ceiling tile, grid and lighting throughout Replace carpet and rubber base throughout Repair casework throughout (Allowance) Renovate (6) sets of student restrooms complete includes (4) student, (1) admin & (1) gymnasium Replace HVAC Equipment/DDC upgrade Electrical circuit upgrade/receptacle additions to admin Replace steel lintels at the library and cafeteria windows install new waterproofing Electrical Switchgear replacement and selected electrical panel replacement Galvanized pipe replacement/install new IDF air conditioning units Install new marker boards in each classroom	
<b>Additional Improvements:</b>	
Exterior canopy Building envelope replacement. Added MEP work scope - replace all systems above ceiling Rated ceiling tile and grid per building code Data cabling replacement New ceiling mounted projectors in classrooms	
Construction Cost:	\$8,434,263
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**Rizzuto Elementary Renovations - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years Inflation	\$	6,914,443
Construction Cost	\$	8,434,263

General Ledger Totals By Year

	2006	\$	-
	2007		-
	2008		600
	2009		-
	2010		5,367,411
	2011		2,470,541
			<u>7,838,552</u>
Plus Roofing Package			595,711
		\$	<u><u>8,434,263</u></u>

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

<b>Baker 6th Grade Campus Renovations</b>	
Project Status:	Completed
Project Name:	Baker 6th Grade Campus
Project Number:	6A (6B Partial)
Address:	9800 Spencer Highway La Porte, Texas 77571
Square Footage	Main Campus 128,000 sq ft, total 140,060 sq ft
Occupancy	
Substantial Completion:	August 20, 2007; August 22, 2008
Type of Construction	Fully sprinklered, noncombustible - Type IIB Gym #2 - not sprinklered - metal building - Type IIB
<b>Original Scope, 2007</b>	
Remove/replace existing HVAC equipment	
Site concrete paving	
Markerboard in classrooms	
Intercom system	
Fire alarm system replacement	
Repair roof/flashing at clerestories	
Renovate (4) sets of student restrooms	
<b>Original Scope, 2008</b>	
Renovate existing student restrooms (5)	
Replace kitchen freezer/cooler	
Replace and increase size of grease trap	
Renovate auxiliary gym 2	
Replace carpet as required	
<b>Additional Improvements:</b>	
Structural investigation-emergency repairs for concrete slab at bus drop	
Clerestory replacement to address water intrusion	
Raise foundation at front section of building (scope bust beyond original bond)	
Construction Cost:	\$7,053,449
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	Cre8 Architects
Construction Manager:	Sterling Structure LP

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**Baker 6th Grade Campus Renovations - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/with 18% and 2 years for 2007 and 3 year for 2008 of inflation	\$ 6,285,883
Construction Cost	\$ 7,053,449

General Ledger Totals By Year	
2006	\$ -
2007	2,406,006
2008	3,514,394
2009	1,111,972
2010	21,077
2011	-
	<u>\$ 7,053,449</u>

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

<b>La Porte Jr. High: Classroom Addition &amp; Renovation</b>	
Project Status:	Completed
Project Name:	La Porte Junior High School
Project Number:	6C/8A
Address:	401 S Broadway La Porte, Texas 77571
Square Footage	Existing Building 134,443 sf classroom addition 8,848 sf total 143,291
Occupancy	Student = 536 (max.)
Substantial Completion:	August 16, 2010
Type of Construction	Existing Building: Type IIB - Noncombustible/unprotected - sprinklered (formerly Type IV - unprotected and full sprinklered - under 1994 SBC) No fire rated assemblies are noted in the original documents New Classroom Addition: Type IIA - noncombustible (1 hr fire rated assemblies) - fully sprinklered
<b>Original Scope</b>	
6 Classroom Addition Renovate existing football field house (approved under district wide athletics) Perform minimal concrete slab repair throughout Replace all exterior doors throughout Replace minimal amount of stained ceiling tile throughout - corridors only Perform minimal replacement of vinyl composition tile throughout Repair and paint boys and girls lockers Replace or repair casework and counter tops at selected classrooms MEP repair work throughout Security cameras (upgrade) - corridors only Remove existing chalkboards and install new marker boards	
<b>Additional Improvements:</b>	
Renovate existing science labs 32, 34, 37, and 38 Scope change - classrooms to science rooms Remove existing folding partitions in classrooms Remove existing student lockers - work to affect corridor walls and floors where existing lockers are to be removed Provide a vent for the existing kiln Provide single unisex restroom for special education Remove/replace existing roof throughout Install projector/presentation station in each classroom	
Construction Cost:	\$7,347,112
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	VLK Architects
Construction Manager:	Tellepsen Builders

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**La Porte Jr. High: Classroom Addition & Renovation  
 - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/with 18% and 2 years for 2007 and 3 year for 2008 of inflation	\$ 2,190,616
Classroom Addition 2005 Bond Authorization	*
Total Bond allocation for La Porte Jr. High	<u>\$ 2,190,616</u>

Construction Cost \$ 7,347,112

General Ledger Totals By Year	
2006	\$ -
2007	-
2008	33,179
2009	-
2010	5,540,339
2011	1,773,594
	<u>\$ 7,347,112</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at La Porte Elementary School and Classroom addition at La Porte Junior High School no breakdown per project total \$20,659,917

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>Lomax Jr. High Renovations/Classroom Addition</b>	
Project Status:	Completed
Project Name:	Lomax Junior High School
Project Number:	6B/8A Partial/7A Partial
Address:	9801 North Avenue L La Porte, Texas 77571
Square Footage	Existing 126,015 sf Classroom Addition 4,900 sf, Field House Addition 7,750 sf Total 138,655 sf
Occupancy	
Substantial Completion:	August 15, 2008 Renovation August 15, 2009 Addition
Type of Construction	Fully sprinklered, noncombustible - Type IIA Note: 2 hr fire rated area separation wall-separated new classroom addition from rest of building with double set of doors on hold open magnetic locks.
<b>Original Scope</b>	
Replacement of the perimeter fence Re-surface tennis courts New marker boards in all classrooms Mechanical renovations at Admin Air conditioning units at the MDF room Replace existing air handler units Classroom addition New field house Restroom and accessibility upgrades Increase in parking area Remove/replace existing HVAC equipment Low voltage replacement	
<b>Additional Improvements:</b>	
Additional chiller Replace all MEP systems above ceiling-upgrades beyond bond scope New fire lane Exterior accessed public restrooms/concession building Replace all existing drinking fountains Remove existing locker-provide abuse resistant gyp walls Replace additional damaged doors Replace existing fire alarm system Replace data/voice Convert 4x4 ceiling grid in classrooms to 2x2 New cat 6 wiring throughout with new security cameras Relocate the existing intercom system Remove and replace existing exterior metal panel system with new wall system Install new projectors/presentation stations in each classroom	
Construction Cost:	\$11,303,151
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	VLK Architects
Construction Manager:	Sterling Structure LP

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

**Lomax Jr. High Renovations/Classroom Addition - Continued  
 Project Account Summary**

Construction Budget - 2005 Bond Authorization/with 18% and 3 years for 2008 and 4 year for 2009 of inflation	\$ 6,233,453
Classroom Addition 2005 Bond Authorization	*
Total Bond allocation for Lomax Jr. High	<u>\$ 6,233,453</u>
 Construction Cost	 \$ 11,303,151

General Ledger Totals By Year	
2006	\$ -
2007	-
2008	1,503,717
2009	6,826,109
2010	2,973,325
2011	-
	<u>\$ 11,303,151</u>

\* Amount included with New Elementary School for 750 students; Classroom addition at Reid Elementary School and Classroom addition at Lomax Junior High School; Land purchase no breakdown per project total \$25,027,076

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

<b>LPHS-Theater Renovations/Lobby Addition</b>	
Project Status:	Completed
Project Name:	LPHS Theater Renovation
Project Number:	5T
Address:	301 E Fairmont Parkway La Porte, Texas 77571
Square Footage	Theater Total 31,419 sf back of house/lobby addition 10,919 sf
Occupancy	700 fixed seats, with 8 wheel chair spaces
Substantial Completion:	March 17, 2008
Type of Construction	Fully sprinklered/standpipe system at stage-noncombustible Type IIB
<b>Original Scope</b>	
New lobby, restrooms, classrooms, seating, backstage, dressing rooms, shop area	
New sound booth lighting, sound system	
Electrical upgrade	
HVAC equipment replacement	
<b>Additional Improvements:</b>	
Enlarge lobby addition and back of house	
Theater roof replacement	
Sound system/orchestra pit cover/stage curtains	
Construction Cost:	\$7,329,086
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation      See Summary

Construction Cost      \$      7,329,086

General Ledger Totals By Year	
2006	\$      -
2007	1,834,926
2008	5,268,512
2009	217,621
2010	417
2011	7,610
	<u>\$      7,329,086</u>



**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

<b>LPHS-Vocational Wing/Band Hall/Girls Gym/Admin Area</b>	
Project Status:	Completed
Project Name:	LPHS Package 2 phase 1
Project Number:	5C
Address:	301 E Fairmont Parkway La Porte, Texas 77571
Square Footage	Existing Campus 309,727
Occupancy	
Substantial Completion:	Renovations August 11, 2008; Fire Alarm upgrade January 5, 2009; Exterior Masonry Std Ctr March 23, 2009; Admin repairs June 29, 2009
Type of Construction	Fully sprinklered noncombustible-Type 1B (fire rated assemblies)
Original Scope	
MEP upgrades to the Vocational wing, Band Hall, Girls gym Cosmetic improvements (general paint, ceiling tile, carpet) Renovations to life skills	
Additional Improvements:	
Technology cabling in vocational wing Chato dance studio flooring replacement Various MEP upgrades Underground utilities-PEC Administration offices-emergency repairs Student center-wall modifications	
Construction Cost:	\$5,439,633
Project Type:	Renovations
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	See Summary
Construction Cost	\$ 5,439,633
General Ledger Totals By Year	
2006	\$ -
2007	-
2008	3,267,238
2009	2,160,988
2010	11,407
2011	-
	<u>\$ 5,439,633</u>

**ATTACHMENT – B  
 LA PORTE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION PROJECT STATUS REPORTS  
 (CONTINUED)**

<b>La Porte High School-Partial Roof Replacement</b>	
Project Status:	Completed
Project Name:	LPHS-Partial Roof Replacement
Project Number:	7A (Partial)
Address:	301 Fairmont Parkway La Porte, Texas 77571
Square Footage	N/A
Occupancy	N/A
Substantial Completion:	June 16, 2011
Type of Construction	Main Campus-Type IB fully sprinklered
Original Scope	
Partial roof replacement of existing La Porte High School at Admin area as well as roof overlay at Freshmen Field house/Main field house	
Additional Improvements:	
Construction Cost:	\$1,219,512
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Roof Consultants
Construction Manager:	Century Roofing

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	See Summary
Construction Cost	\$ 1,219,512

General Ledger Totals By Year	
2006	\$ -
2007	-
2008	552,890
2009	-
2010	-
2011	666,622
	<u>\$ 1,219,512</u>

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>La Porte High School-Stadium, Tennis Courts, Parking Lot</b>	
Project Status:	Completed
Project Name:	LPHS Stadium Renovation
Project Number:	5K
Address:	301 E Fairmont Parkway La Porte, Texas 77571
Square Footage	Stadium -Visitor/Field House total 9,360 sf 3,065 sf Visitor; 4,240 sf Home; 2,055 sf Visitor Dressing
Occupancy	
Substantial Completion:	May 17, 2007
Type of Construction	Outdoor facilities-Type 5B noncombustible
Original Scope	
Stadium	
Tennis Courts	
Parking lot in front of field house	
Additional Improvements:	
Structure/Electrical for the stadium score board	
Additional mechanical and electrical upgrades	
Construction Cost:	\$7,036,499
Project Type:	Renovation
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

### Project Account Summary

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation

See Summary

Construction Cost \$ 7,036,499

#### General Ledger Totals By Year

2006	\$	128,954
2007		6,200,712
2008		706,051
2009		3,740
2010		-
2011		(2,958)
	\$	<u>7,036,499</u>

**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

La Porte High School Baseball Field Renovations	
Project Status:	Completed
Project Name:	Baseball Field Renovation
Project Number:	5B/YB Partial
Address:	
Square Footage	Concession/RR 1,385 sf Press box 250 sf Home dugout 871 sf Visitor dugout 604 sf
Occupancy	
Substantial Completion:	February 22, 2007
Type of Construction	Noncombustible-Type IIB
Original Scope	
Baseball field renovations-dugouts, fields, press box	
Replace existing batting cages (2)	
Additional Improvements:	
Drainage improvements	
Construction Cost:	\$1,534,822
Project Type:	Renovation
Delivery Type:	Competitive Sealed Proposal
Architectural Firm:	cre8 Architects
Construction Manager:	Brothers Construction

### Project Account Summary

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	See Summary
Construction Cost	\$ 1,534,822

General Ledger Totals By Year	
2006	\$ 71,755
2007	1,005,300
2008	40,413
2009	417,354
2010	-
2011	-
	<u>\$ 1,534,822</u>



**ATTACHMENT – B  
LA PORTE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION PROJECT STATUS REPORTS  
(CONTINUED)**

<b>La Porte High School-Physical Education Center</b>	
Project Status:	Completed
Project Name:	LPHS Physical Education Center
Project Number:	5E
Address:	301 E Fairmont Parkway La Porte, Texas 77571
Square Footage	21,951 sf
Occupancy	250 seats at bleachers
Substantial Completion:	August 1, 2009
Type of Construction	Fully sprinklered noncombustible-I type IB (fire rated assemblies)
NOTE: The PEC was designed to be a fully rated building. However, a rated ceiling tile/lights was not required for this building since the roof/ceiling assembly was provided by the fire proofing of roof/ceiling structure as allowed by the building code.	
<b>Original Scope</b>	
Demolish existing old boys gym Construct new 16,00 sq. ft. auxiliary P.E. gym with two regulation basketball courts Bleachers for 250 spectators Two sets of restrooms Locker rooms Storage and offices	
<b>Additional Improvements:</b>	
Added 6,000 sq. ft.-P.E. classroom, athletic director's office, reception/conference room, technology room (NOC)/Mechanical Mezzanine Relocate existing 8" water main Secondary entry and south radius wall Additional miscellaneous items added to scope	
Construction Cost:	\$6,375,612
Project Type:	New Construction
Delivery Type:	Construction Manager at Risk
Architectural Firm:	PBK Architects
Construction Manager:	Tellepsen Builders

**Project Account Summary**

Construction Budget - 2005 Bond Authorization/2010 with 18% and 5 years of inflation	See Summary
Construction Cost	\$ 6,375,612
General Ledger Totals By Year	
	2006 \$ -
	2007 -
	2008 315,643
	2009 5,842,328
	2010 223,374
	2011 (5,733)
	<u>\$ 6,375,612</u>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**COMEX CORPORATION – LA PORTE HIGH SCHOOL BATTING CAGE  
REPLACEMENT PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for the District's Construction Manager at Risk contract with Comex Corporation (Comex) (the Bond Expenditures) for the La Porte High School Batting Cage Replacement project. The District's management is responsible for the presentation of the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Comex

Project: La Porte High School Batting Cage Replacement

**Procedure:** Obtain and read a copy of the executed contract between Comex and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 4 contractor billings representing 100% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting total cost of work of \$324,791.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 7 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **We reviewed the final job cost detail report noting that 95% of the total payroll expense charged to the project was comprised of two employees, a project manager and a project supervisor. As both of these employees are salaried, timesheets do not exist. We confirmed that the project manager's time was allocated 50% to the job and the project supervisor's time was allocated 100% to the job based on Comex's salary allocations. For each employee we verified their pay rate to their paystub for the pay-period ending February 15, 2009. We agreed these employees total payroll expense to the job cost detail report without exception.**

**Procedure:** For a sample of 1 administrator, 1 project manager and 1 project supervisor charged to the job, obtain the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **We obtained the detail supporting the applied burden rate from Comex for 1 employee of each classification as noted above. We recalculated the amount of burden charged to the project based on these rates and noted a difference of \$10 from the final job cost detail. This difference represents an under-billing to the District.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

Page 3

**Finding:** We reviewed the executed contract between Comex and the District and noted a construction manager fee of 3% of the total cost of work. Based on the total cost of work incurred, we recalculated a construction manager fee of \$9,744, which agrees to the amount billed to the district.

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount based on the total cost of work plus the construction manager's fee, which totaled \$334,535. We noted that the total amount billed was \$334,926, resulting in a difference of \$391.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's guaranteed maximum price of \$382,968. The net savings to the District totaled \$48,042. We obtained a copy of the AIA Document G701-2001 Change Order #001, signed by the architect, construction manager and the District's contract representative, which identified a total deductive change order and total project savings of \$48,042.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**MORGANTI TEXAS, INC. – LA PORTE ISD TECHNOLOGY CENTER  
PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for the District's Construction Manager at Risk contract with Morganti Texas, Inc (Morganti) (the Bond Expenditures) for the La Porte ISD Technology Center project. The District's management is responsible for the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Morganti

Project: La Porte ISD Technology Center

**Procedure:** Obtain and read a copy of the executed contract between Morganti and the District and gain an understanding of and document the type of contract.

**Finding:** We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP) and fixed contractor's fee.

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** We selected 12 contractor billings representing 100% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting total cost of work of \$5,413,658.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 20 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **We selected a sample of 2 pay periods recorded in the final job cost detail report and obtained copies of the approved time sheets and paystubs. We agreed the payroll expense to the amount paid and to the final job cost detail report without exception.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job, obtain the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per review of the contract, all payroll related costs of project managers and project supervisors are included as a fixed amount in General Conditions. Based on terms of the contract, Morganti is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing related to project managers and project supervisors was performed. We obtained the detail supporting the applied burden rate for the laborer from the construction manager and agreed the total burden charged to the project to the final job cost detail report without exception.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

Page 3

**Finding:** We reviewed the executed contract between Morganti and the District noting that the construction manager fee is included as a stated fixed fee of \$198,660. We agreed this amount to the amount billed to the District.

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total cost of work plus agreed upon construction manager fixed fees, which totaled \$5,413,658. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's guaranteed maximum price of \$5,676,000. The net savings to the District totaled \$262,342. We obtained a copy of the AIA Document G701-2001 Change Order #001, signed by the architect, construction manager and the District's contract representative, which identified a total deductive change order and total project savings of \$262,342.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**STERLING STRUCTURES, L.P. – BAKER 6<sup>TH</sup> GRADE CENTER  
RENOVATIONS PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for the District's Construction Manager at Risk contract with Sterling Structures, L.P. (Sterling) (the Bond Expenditures) for the Baker 6<sup>th</sup> Grade Center Renovations project. The District's management is responsible for the presentation of the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Sterling

Project: Baker 6<sup>th</sup> Grade Center Renovations

**Procedure:** Obtain and read a copy of the executed contract between Sterling and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 6 contractor billings representing 100% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting a total project cost of \$1,722,268.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 10 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **Per review of the executed contract, all labor related costs are included as a fixed amount in General Conditions. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per review of the executed contract, all labor related costs are included as a fixed amount. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** **We reviewed the executed contract between Sterling and the District and noted a construction manager fee of 6.5% of the total cost of work. Based on the total cost of work as noted in the above procedures, we recalculated a construction manager fee of \$111,947, which agrees to the amount billed to the district.**

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total cost of work of \$1,722,268, plus the construction manager's fee of \$111,947, plus bond and insurance costs of \$59,680, which are not part of the cost of work under the contract, and subtracted unused contingencies, which are contractually required to be returned to the District, of \$123,218 for a total contract amount of \$1,770,677. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the guaranteed maximum price of \$1,893,895. The net savings to the District totaled \$123,218. We obtained copies of the AIA Document G701-2001 Change Order #001 and #002, signed by the architect, construction manager and the District's contract representative, who identified total deductive change orders and total project savings of \$123,218.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**STERLING STRUCTURES, L.P. – LOMAX JUNIOR HIGH, PHASE I  
PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for the District's Construction Manager at Risk contract with Sterling Structures, L.P. (Sterling) (the Bond Expenditures) for the Lomax Junior High, Phase 1 project. The District's management is responsible for the presentation of the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Sterling

Project: Lomax Junior High, Phase I

**Procedure:** Obtain and read a copy of the executed contract between Sterling and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price.**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 6 contractor billings representing 50% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting a total project cost of \$741,956.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 8 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **Per review of the executed contract, all labor related costs are included as a fixed amount in General Conditions. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per review of the executed contract, all labor related costs are included as a fixed amount. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** **We reviewed the executed contract between Sterling and the District and noted a construction manager fee of 6.5% of the total cost of work. Based on the total cost of work as noted in the above procedures, we recalculated a construction manager fee of \$48,227, which agrees to the amount billed to the district.**

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total cost of work of \$741,956, plus the construction manager's fee of \$48,227, plus bond and insurance costs of \$31,773, which are not part of the cost of work under the contract, and subtracted unused contingencies, which are contractually required to be returned to the District, of \$99,910 for a total contract amount of \$722,046. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's guaranteed maximum price of \$821,956. The net savings to the District totaled \$99,910. We obtained a copy of the AIA Document G701-2001 Change Order #001, signed by the architect, construction manager and the District's contract representative, which identifies a total deductive change order and total project savings of \$99,910.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**STERLING STRUCTURES, L.P. – LOMAX JUNIOR HIGH, PHASE II  
PROJECT**

**DECEMBER 7, 2011**



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for the District's Construction Manager at Risk contract with Sterling Structures, L.P. (Sterling) (the Bond Expenditures) for the Lomax Junior High, Phase II project. The District's management is responsible for the presentation of the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Sterling

Project: Lomax Junior High, Phase II

**Procedure:** Obtain and read a copy of the executed contract between Sterling and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 9 contractor billings representing 64% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting a total project cost of \$8,586,249.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 25 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **Per review of the executed contract, all labor related costs are included as a fixed amount in General Conditions. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per review of the approved contract, all labor related costs are included as a fixed amount. Based on the terms of the contract, Sterling is not required to provide supporting documentation for expenses which are stated fixed amounts. As such, no further testing was performed.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** **We reviewed the executed contract between Sterling and the District and noted a construction manager fee of 5.25% of the total cost of work. Based on the total cost of work as noted in the above procedures, we recalculated a construction manager fee of \$450,777, which agrees to the amount billed to the district.**

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total cost of work of \$8,586,249, plus the construction manager's fee of \$450,777, plus bond and insurance costs of \$272,009, which are not part of the cost of work under the contract, and subtracted unused contingencies, which are contractually required to be returned to the District, of \$444,908 for a total contract amount of \$8,864,127. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the guaranteed maximum price of \$9,309,035. The net savings to the District totaled \$444,908. We obtained a copy of the AIA Document G701-2001 Change Order #001, signed by the architect, construction manager and the District's contract representative, which identifies a total deductive change order and total project savings of \$444,908.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**TELLEPSEN BUILDERS, L.P. – BAYSHORE ELEMENTARY PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for The District's Construction Manager at Risk contracts with Tellepsen Builders, L.P. (Tellepsen) (the Bond Expenditures) for the Bayshore Elementary project. The District's management is responsible for the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Tellepsen

Project: Bayshore Elementary

**Procedure:** Obtain and read a copy of the executed contract between Tellepsen and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 8 contractor billings representing 67% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting total cost of work of \$17,823,924.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 32 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **We selected 6 labor subcategories recorded in the final job cost detail report and recalculated each subcategory's total payroll expense by obtaining copies of approved time sheets and hourly labor rates per Exhibit A 'Billable Rates Summary' from the approved contract. We agreed each subcategory's total payroll expense to the final job cost detail report without exception.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per the approved contract at section 6.1.2.1, employee burden rates are included in the standard hourly labor rates as stated in Exhibit A 'Billable Rates Summary'. We recalculated total payroll expense, including burden, for selected pay periods as noted in the above procedure and agreed the expense to the final job cost detail report without exception.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** We reviewed the executed contract between Tellepsen and the District and noted a fixed construction manager fee of 3% of the estimated total cost of work per the contract. Based on the total estimated cost of work per the contract, we recalculated a construction manager fee of \$547,245, which agrees to the amount billed to the district.

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total actual cost of work of \$17,823,924 plus the construction manager's fee of \$547,245, for a total contract amount of \$18,371,169. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's guaranteed maximum price of \$18,788,792. The net savings to the District totaled \$417,623. We obtained a copy of the AIA Document G701-2001 Change Order #001, signed by the architect, construction manager and the District's contract representative, which identified a total deductive change order and total project savings of \$417,623.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**TELLEPSEN BUILDERS, L.P. – LA PORTE ISD OPERATIONS CENTER  
AND AG SCIENCES CENTER PROJECT**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for The District's Construction Manager at Risk contracts with Tellepsen Builders, L.P. (Tellepsen) (the Bond Expenditures) for the La Porte ISD Operations Center and Ag Sciences Center project. The District's management is responsible for the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Tellepsen

Project: La Porte ISD Operations Center and Ag Sciences Center

**Procedure:** Obtain and read a copy of the executed contract between Tellepsen and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 7 contractor billings representing 50% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative without exception.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting total cost of work of \$13,378,469.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 20 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check and the approved pay application and related invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and documented pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **We selected 5 labor subcategories recorded in the final job cost detail report and recalculated each subcategory's total payroll expense by obtaining copies of approved time sheets and hourly labor rates per Exhibit A 'Billable Rates Summary' from the approved contract. We agreed each subcategory's period's total payroll expense to the final job cost detail report noting no exceptions.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per the approved contract at section 6.1.2.1, employee burden rates are included in the standard hourly labor rates as stated in Exhibit A 'Billable Rates Summary'. We recalculated total payroll expense, including burden, as noted in the above procedure and agreed the expense to the final job cost detail report noting no exceptions.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** We reviewed the executed contract between Tellepsen and the District and noted a fixed construction manager fee of 4.6% of the estimated total cost of work per the contract. Based on the total estimated cost of work per the contract, we recalculated a construction manager fee of \$656,968. The fee we recalculated agrees to the amount billed to the district.

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount consisting of the total actual cost of work of \$13,378,469 plus the construction manager's fee of \$656,968, for a total contract amount of \$14,035,437. We noted that this balance agrees to the amount billed to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's original guaranteed maximum price of \$14,938,880. The net savings to the District totaled \$903,443. We obtained a copy of the AIA Document G701-2001 Change Order #002, signed by the architect, construction manager and the District's contract representative, which identified total deductive change orders and total project savings of \$903,443.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**TELLEPSEN BUILDERS, L.P. – LA PORTE ISD STADIUM  
IMPROVEMENTS, HIGH SCHOOL RENOVATIONS AND OTHER  
PROJECTS**

**DECEMBER 7, 2011**



INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
La Porte Independent School District  
La Porte, TX

We have performed the procedures enumerated below, which were agreed to by the La Porte Independent School District (the District) solely to assist the District with respect to accounting for expenditures from the 2005 bond authorization for The District's Construction Manager at Risk contracts with Tellepsen Builders, L.P. (Tellepsen) (the Bond Expenditures) for the La Porte ISD Stadium Improvements, High School Renovations and Other Projects. The District's management is responsible for the Bond Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Construction Manager: Tellepsen

Project: La Porte ISD Stadium Improvements (#260025), High School Renovations (#280005 and #280023) and Other Projects (#260125, #260225, #260225.03, #260425 and #280012)

**Procedure:** Obtain and read a copy of the executed contract between Tellepsen and the District and gain an understanding of and document the type of contract.

**Finding:** **We obtained and read a copy of the executed contract and contract amendments between the parties and determined that it's a cost plus contract with a guaranteed maximum price (GMP).**

**Procedure:** Select a sample of contractor billings received by the District and obtain the schedule of values supporting each billing and determine if the schedule of values was approved by the architect and the District's contract representative.

**Finding:** **We selected 18 contractor billings representing 53% of the total billings received by the District as well as the supporting schedule of values noting all were properly approved by the architect and the District's contract representative.**

**Procedure:** Obtain a copy of the final job cost detail report, noting the final cost of the project.

**Finding:** **We obtained a copy of the final job cost detail report noting total cost of work of \$33,543,508.**

**Procedure:** From the final job cost detail report, select a sample of sub-contractor expenses of the contract and determine that support exists for the expenditure.

**Finding:** **We selected a sample of 40 expenditures covering the various types of sub-contractor expenses of the contract. For each selection we obtained a copy of the related check, approved pay application and invoices to support the expenditure. We noted no exceptions.**

**Procedure:** Select a sample of payroll expenditures to determine that payroll expenses charged to the job and included in the final job cost detail report are supported by an approved timesheet and actual pay rate. Agree this amount to the amount paid and posted to the final job cost detail report.

**Finding:** **We selected 10 labor subcategories recorded in the final job cost detail report and recalculated each subcategory's total payroll expense by obtaining copies of approved time sheets and pay stubs. During our testing, we encountered 6 instances where employee time sheets related to work performed in 2007 were not available, however, based on information from the employee's paystub we were able to agree each subcategory's total payroll expense to the final job cost detail report without exception. Additionally, during our testing we discovered \$4,464 of severance pay that was improperly charged to the job. This amount has been refunded to the District.**

**Procedure:** For a sample of 1 laborer, 1 project manager and 1 project supervisor charged to the job request the documentation supporting the burden rate applied to the employee and agree the supported burden rates to the burden rate charged in the final job cost detail report.

**Finding:** **Per section 11.4 of the approved contract, labor burden is applied at 48% of the employee's hourly rate. We selected 3 pay periods which included at a minimum one laborer, one project manager and one supervisor and recalculated the total burden expense and agreed the amount to the final job cost detail report without exception.**

**Procedure:** Recalculate the compensation to be paid to the construction manager under the terms of the contract based on the total cost of work and agree to the amount billed to the District.

**Finding:** We reviewed the executed contract and contract amendments between Tellepsen and the District and noted a fixed construction manager fee of 2.5% of the estimated total cost of work for jobs #280005, #260025, #260425, #260125, #260225 and #260225.03 and a fixed fee of 4.25% of the estimated total cost of work for jobs #280012 and 280023. Based on the total estimated cost of work per the contract and contract amendments plus additive change orders we recalculated total construction manager fees of \$1,023,616. We noted a \$36,693 difference between our recalculation and the amount actually billed to the District of \$1,060,309. This difference was caused by an error in the construction manager's calculation of total construction manager fees. As a result of our procedures, we understand Tellepsen has contacted the District related to this overbilling and is in process of reimbursing the District.

**Procedure:** Recalculate the total contract amount based on the total cost of work plus the total fee to the construction manager and agree to the amount billed to the District.

**Finding:** We recalculated the total contract amount by taking the total actual cost of work of \$33,543,508 plus charges to the District totaling \$157,244, which were subsequently refunded as a result of our procedures, plus the construction manager's fee of \$1,023,616, for a total contract amount of \$34,724,368. We noted a \$36,693 difference between our recalculation and the amount actually billed to the District of \$34,761,061. The difference in total contract amount relates to overbillings of construction manager fee as described in the previous procedure. We further noted that the charges to the District of \$157,244 is comprised of the following: overbilling of builder's risk insurance of \$122,509, overbilling of overhead costs of \$30,271, and overbilling of severance pay of \$4,464. All of these charges have been refunded to the District.

**Procedure:** Determine that the total amount paid by the District did not exceed the guaranteed maximum price of the contract and that any savings were reflected in a deductive change order in accordance with the terms of the contract.

**Finding:** We recalculated the contract savings due to the District by subtracting the construction manager's total project billings from the contract's guaranteed maximum price of \$35,364,389. The net savings to the District totaled \$603,328. We obtained copies of the final AIA Document G701-2001 Change Orders which were signed by the architect, construction manager and the District's contract representative, which identified total deductive change orders and total project savings of \$603,328.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Bond Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
December 7, 2011