



Little Elm ISD

Regular Meeting

Monday, December 16, 2019 6:30 PM

Agenda of Regular Meeting

The Board of Trustees Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD will be held December 16, 2019, beginning at 6:30 PM in the Zellars Center for Learning and Leadership.

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

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order Open Session in the Board Room at Zellars Center for Learning and Leadership on 300 Lobo Lane, Little Elm, Texas 75068.
2. Pledge of Allegiance
3. Invocation
4. Introduction and Roll Call
5. Superintendent Spotlight
 - A. Cesar Chavez Elementary
Presenter: Liz Miller
 - B. Little Elm High School - Students of the Month
Presenter: Renee Pentecost
 - C. Little Elm ISD Education Foundation Check Presentation
Presenter: Cecelia Jones
 - D. NISE Update
Presenter: Daniel Gallagher
 - E. Superintendent Recognition
Presenter: Daniel Gallagher
 - F. Introductions for New LEISD Leadership - Little Elm High School Principal Position
Presenter: Ross Roberts
6. Citizen Input
Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose
7. The Board will recess into Closed Meeting in PL1 as permitted by the Texas Open Meetings Act Code Subchapter 551.071, 551.072, and 551.074. The Board and Superintendent will discuss:
 - A. Consultation with Attorney
 1. To consult with its attorney when the Board seeks advice about pending or contemplated litigation or a settlement offer, or when they attorney will

have an ethical duty of confidentiality. (Tex. Gov't Code 551.071).

- a. Consultation with District legal counsel regarding TEA Docket No. 051-SE-1019.

B. Student Information

1. To deliberate a matter regarding a public school student if personally identifiable information about the student will necessarily be revealed by the deliberation unless an open meeting about the matter is requested in writing by the student's parent. (Tex. Gov't Code 551.0821).

- a. Deliberations regarding TEA Docket No. 051-SE-1019.

C. Personnel

D. Land

8. Reports of the Superintendent

- | | |
|--|----|
| A. Little Elm Police Department's Update to the LEISD Board of Trustees
Presenter: Ross Roberts | 6 |
| B. Fundraising Information for LEISD - Update
Presenter: Ross Roberts | 7 |
| C. Process for Challenging Instructional Materials
Presenter: Dr. Cyndy A. Mika | 8 |
| D. Orchestra Update
Presenter: Dr. Cyndy A. Mika | 36 |
| E. 2017 Bond Program Management Review
Presenter: Grant Anderson | 44 |
| F. 3rd Quarter 2019 Growth Report
Presenter: Rod Reeves | 68 |

9. Approval of Minutes 70

- A. Consider Regular Board Meeting Minutes - 11/18/2019
Presenter: Sonia S. Flores

10. Action Items

- | | |
|---|-----|
| A. Consider and take Possible Action on TEA Docket No. 051-SE-1019
Presenter: Daniel Gallagher | 76 |
| B. Consider TASB's Legal Update 114
Presenter: Clint Miller | 77 |
| C. Consider Annual Financial Report for Year Ended August 31, 2019
Presenter: Grant Anderson | 85 |
| D. Consider Financial Reports
Presenter: Grant Anderson | 184 |
| E. Consider Little Elm ISD Interlocal Summary Report
Presenter: Grant Anderson | 216 |

11. Consent Agenda

- | | |
|---|-----|
| A. Consider 2020-2021 Little Elm ISD Calendar
Presenter: Dr. Cyndy A. Mika | 218 |
| B. Consider Approval of 2019 Tax Roll
Presenter: Grant Anderson | 220 |

C. Consider Gifts and Donations Presenter: Grant Anderson	223
D. 2019/20 Capital Outlay Projects Presenter: Rod Reeves	225
E. Consider Declaring Technology Equipment Surplus and Authorizing for Disposal and Donation Presenter: Clay Walker	240
12. Board President Comments Presenter: David Montemayor	
13. Board Comments	
14. Superintendent Comments	
15. Adjournment	

If, during the course of the meeting, the Board of Trustees should determine that a closed meeting should be conducted, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq. The meeting will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section:

551.071	Private consultation with the Board's attorney.
551.072	Discussing purchase, exchange, lease, or value of real property.
551.073	Discussing negotiated contracts for prospective gifts or donations.
551.074	Discussing personnel or to hear complaints against personnel.
551.075	To confer with employees of the school district to receive information or to ask questions.
551.076	Considering the deployment, specific occasions, for or implementation of security personnel or devices.
551.082	Considering discipline of a public school child, or complaint or charge against personnel.
551.0821	Considering personally identifiable information about public school student.
551.083	Considering the standards, guidelines, terms, or conditions the board will follow, or will instruct its representatives to follow, in consultation with representatives of employees groups,
551.084	Excluding witnesses from a hearing.

Before any closed meeting is convened, the presiding officer will publicly identify the section or sections or the Act authorizing the closed meeting.

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed or executive session, then the final action, final decision, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon the reconvening of the public meeting, or

- (b) at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

Superintendent

Original copy of this agenda was posted on the bulletin board at the Little Elm ISD Administration Building 72 hours prior to the scheduled meeting.

Sonia S. Flores

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	LITTLE ELM POLICE DEPARTMENT'S UPDATE TO THE LEISD BOARD OF TRUSTEES				
Presenter or Contact Person:	Ross Roberts, Deputy Superintendent				
Policy/Code:	AE (Local)				
Strategic Plan Goal:	Community Engagement-We will communicate with the LEISD community to build trust, support, and involvement.				
Summary:	Chief Rodney Harrison will share a "state of the department" address to the LEISD Board of Trustees.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	N/A				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No recommendation is necessary.				

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	FUNDRAISING INFORMATION FOR LEISD - UPDATE				
Presenter or Contact Person:	Ross Roberts, Deputy Superintendent				
Policy/Code:	N/A				
Strategic Plan Goal:	N/A				
Summary:	LEISD Administration will update the LEISD Board of Trustees on information collected from various groups pertaining to our fundraising practices within LEISD.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	Fundraising Presentation				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No recommendation is necessary.				

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	PROCESS FOR CHALLENGING INSTRUCTIONAL MATERIALS				
Presenter or Contact Person:	Dr. Cyndy A. Mika, Assistant Superintendent for Curriculum and Learning Services				
Policy/Code:	EF(LEGAL), EF(LOCAL)				
Strategic Plan Goal:	We will engage each student in learning experiences that increase student growth and achievement.				
Summary:	The District will provide an update to the Board on process for challenging instructional materials.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	EF(Legal) EF(Local) Process for Challenging Instructional Materials Slide Deck Request to Challenge Materials Form Request to Challenge Materials Form_Spanish District Procedures for Reviewing Challenged Materials				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No motion is necessary.				



CHALLENGING INSTRUCTIONAL MATERIALS

LEISD *Challenging Instructional Materials*

Board Policy:

EF(LEGAL)

EF(LOCAL)

Regulations:

Texas School Procedures Reviewing Challenged
Materials Protocol

LEISD *Challenging Instructional Materials*

Timeline

Parent notifies principal of concern with instructional material.

Principal meets with parent(s) regarding options to resolve informally prior to formal challenge:

- The principal has the authority to offer another book/movie/materials to the concerned parent in place of the assigned materials. This should be done in consultation with the teacher of the class.
- If the parent wishes to challenge the material for all students, the formal process for challenging instructional materials shall be followed.

LEISD *Challenging Instructional Materials*

Formal Challenge of Instructional Materials

1. Challenges of instructional materials must be made on the Request to Challenge Materials Form. The completed Request to Challenge Materials Form should be submitted to the campus principal.
2. No request for reconsideration will be entertained if the school has already reviewed the matter within the last 12 months.

LEISD *Challenging Instructional Materials*

3. Within 10 school days of receipt of the Request to Challenge Materials Form, the principal will acknowledge receipt of the form and notify District Leadership of the challenge request, forwarding a copy of the form to District Leadership.

LEISD *Challenging Instructional Materials*

- 14 4. The Assistant Superintendent for Curriculum and Learning will establish a review committee composed of at least seven (7) people consisting of appropriate staff and local community members:
- Campus principal,
 - Library media personnel,
 - District curriculum designee,
 - Library Services staff,
 - Teacher representative of the content area, and
 - Additional members could include community member, parent, staff, another site administrator, or faculty.

LEISD *Challenging Instructional Materials*

6. The Review Committee's first meeting must be scheduled within twenty (20) school days of the District Leadership receipt of the Request to Challenge Materials Form.
7. The challenged material must remain in use pending a final decision.

LEISD *Challenging Instructional Materials*

16 Review Committee:

- Review the instructional material challenged in entirety
- Participate in open discussions regarding the challenged instructional material
- Make a recommendation based on majority rule

LEISD *Challenging Instructional Materials*

Notification:

- The Review Committee must notify the school administration and District Leadership in writing of the committee's recommendation within five (5) school days after the conclusion of its review.
- Within ten (10) school days of being notified of the committee's decision, the campus administrator will notify the complainant of the committee's decision.

LEISD *Challenging Instructional Materials*

For Consideration of an Appeal:

1. Within fifteen (15) days from notification of the decision of the school review committee, the challenger may appeal the decision by submitting in writing the wish to appeal to the Superintendent.
2. The Superintendent will notify in writing or send a copy of the wish to appeal to the Assistant Superintendent for Curriculum and Learning who will be in charge of the appeal process, overseen by the Superintendent.
3. The appeal will be handled in essentially the same manner as the initial request to review with different committee members.



Questions?

Process for Challenging Instructional Materials

Board Policy: EF(LEGAL), EF(LOCAL)

Regulations: Texas School Procedures Reviewing Challenged Materials Protocol

Forms: Administrative Regulations: Request to Challenge Materials

Administrative Regulations: Committee Challenged Materials Review

Administrative Regulations: Committee Challenged Review Vote

Administrative Regulations: Notification Challenged Material Finding

Administrative Regulations: Notification Final Challenge Material Finding

Timeline:

1. Parent notifies principal of concern with instructional material.
2. Principal meets with parent(s) regarding options to resolve informally prior to formal challenge:
 - The principal has the authority to offer another book/movie/materials to the concerned parent in place of the assigned materials. This should be done in consultation with the teacher of the class.
 - If the parent wishes to challenge the material for all students, the formal challenge of instructional materials process listed below will be followed.

Formal Challenge of Instructional Materials

1. Challenges of instructional materials must be made on the Request to Challenge Materials Form. The completed Request to Challenge Materials Form should be submitted to the campus principal.
2. No request for reconsideration will be entertained if the school has already reviewed the matter within the last 12 months.



3. Within ten (10) school days of receipt of the Request to Challenge Materials Form, the principal will acknowledge receipt of the form and notify District Leadership of the challenge request, forwarding a copy of the form to District Leadership.
4. The Assistant Superintendent for Curriculum and Learning will establish a review committee composed of at least seven (7) people consisting of appropriate staff and local community members. Required members should include: Campus principal, library media personnel, District curriculum designee, Library Services staff, teacher representative of the content area, and additional members could include community member, parent, staff, another site administrator, or faculty.
5. The Review Committee's first meeting must be scheduled within twenty (20) school days of the District Leadership receipt of the Request to Challenge Materials Form.
6. The challenged material must remain in use pending a final decision.

Guidelines for the Review Committee:

1. The District designee for curriculum will keep track of all pertinent dates related to the challenged materials and facilitate the committee review process.
2. Review the challenged material in its entirety, along with applicable District policies to ensure compliance with policy.
3. Participate in open discussion regarding the challenged instructional material.
4. Use a secret ballot for voting.
5. Make a recommendation based on majority rule.
6. Committee proceedings shall remain confidential. Only the recommendations are to be reported to the campus principal.



Notification of Recommendation:

1. The Review Committee must notify the school administration and District Leadership in writing of the committee's recommendation within five (5) school days after the conclusion of its review.
2. Within ten (10) school days of being notified of the committee's decision, the campus administrator will notify the complainant of the committee's decision.

For Consideration of an Appeal:

1. Within fifteen (15) days from notification of the decision of the school review committee, the challenger may appeal the decision by submitting in writing the wish to appeal to the Superintendent.
2. The Superintendent will notify in writing or send a copy of the wish to appeal to the Assistant Superintendent for Curriculum and Learning who will be in charge of the appeal process, overseen by the Superintendent.
3. The appeal will be handled in essentially the same manner as the initial request to review with different committee members.

Documentation
Request to Challenge Materials

Title of the item: _____

Type of material: ☐ Book ☐ Magazine ☐ Video/film ☐ Software ☐ Other: _____

Copyright/release date: _____ Publisher or producer: _____ Author: _____

Person requesting review of materials:

Name (first and last): _____

Street Address (apt. #): _____

City and Zip Code: _____

Email: _____

Phone number/s: _____

I represent:

☐ Self/concerned community member

☐ Parent of _____ in grade _____

☐ Organization; name of _____

☐ Staff member _____ Campus _____

☐ Other: _____

☐ I have reviewed the item in its entirety; date reviewed _____

☐ I have not reviewed the item in its entirety; please state how much you have reviewed (i.e. page numbers, time length of viewing, etc.) _____

Please explain your challenge by answering the following questions:

1. Describe and give the exact location/s of objectionable material/s (i.e. cite page numbers in a book, screens in a software program, scene(s) in a video).

2. What do you believe is the theme, intention or message of this material?

3. Was there any part of the material that you feel would be valuable to a student?

4. In what way do you find the material inappropriate for use in the classroom, library media center, or both?

Documentation
Request to Challenge Materials

5. Describe what you think/feel might be the negative result of the hearing, viewing and/or reading this material for a student.
6. Are there any conditions under which you believe this material might be used with value in the instructional program? Please explain.
7. What do you suggest be done with this material?
- ☐ Do not use this material with my child/student
 - ☐ Do not assign it to any students (requires District review and approval)
 - ☐ Withdraw it from the library (requires District review and approval)
 - ☐ Withdraw it from the District instructional program (requires District review and approval)

Signature _____

Date _____

To be completed by District Designee

- ☐ Request received on _____ (date) by _____ (staff member)
- ☐ Acknowledgment sent within 10 days of date received

- ☐ Committee held 1st meeting (within 20 days of receipt of request) _____ (date)
- ☐ Review completed and decision made _____ (date)
 - ☐ Request allowed ☐ Request Denied

- ☐ Campus principal notified within 5 days of decision _____ (date)
- ☐ Person requesting the review was notified within 10 days of the principal being notified _____ (date)

- ☐ A request for an appeal was made to the Superintendent of the District
 - ☐ Request allowed ☐ Request Denied

Effective Date: _____ District Designee: _____ Date: _____

Retention Requirements: Until no longer holds administrative value (filed in curriculum department)

Date of Destruction: _____

Documentation

Request to Challenge Materials

This institution does not discriminate on the basis of race, religion, color, national origin, gender, sex or disability in providing education services, activities and programs in accordance with Title VI of the Civil Rights Act of 1964, Title IX of the Educational Amendments of 1972 and section 504 of the Rehabilitation Act of 1973.

Documentation
Request to Challenge Materials

Título del artículo: _____

Tipo de material: ☐ Libro ☐ Revista ☐ Video/película ☐ Software ☐ Otro: _____

Copyright/fecha de publicación: _____ Editor o productor: _____ Autor: _____

Persona solicitando la evaluación del material:

Nombre (y apellido): _____

Domicilio (# de apt.): _____

Ciudad y Código Postal: _____

Email: _____

Número(s) de teléfono: _____

Yo represento:

☐ A mí mismo/miembro de la comunidad

☐ Padre de _____ en el grado _____

☐ Organización; nombre de la organización _____

☐ Miembro del personal _____ Escuela _____

☐ Otro: _____

☐ He revisado este artículo entero; fecha en que se revisó _____

☐ No he revisado el artículo entero; por favor declare la cantidad que ha revisado (por ejemplo: el número de la página, los minutos que usted vio, etc.) _____

Por favor explique su disputa por medio de contestar las siguientes preguntas:

1. Describa y proporcione la(s) ubicación(es) / exacta(s) del/los material(es) objetable(s) (es decir, cite los números de página en un libro, imágenes de la pantalla de un programa de computadora, las escenas en un video).

2. ¿Cuál cree usted que es el tema, la intención o el mensaje de este material?

3. ¿Hubo alguna parte del material que usted piense que sería valiosa para un estudiante?

4. ¿De qué manera encuentra el material inadecuado para usar en el salón de clases, en el centro de medios de la biblioteca o en ambos?

Documentation
Request to Challenge Materials

5. Describa lo que piensa / siente que podría ser el resultado negativo en algún estudiante al ver y / o leer este material.
6. ¿Existen condiciones bajo las cuales usted cree que este material tenga valor para poder usarse en el programa de instrucción? Por favor explique.
7. ¿Qué sugiere usted que deba hacerse con este material?
- ☐ No utilice este material con mi hijo / estudiante.
 - ☐ No lo asigne a ningún estudiante (requiere evaluación y aprobación del distrito)
 - ☐ Retirarlo de la biblioteca (requiere evaluación y aprobación del distrito)
 - ☐ Retirarlo del programa de instrucción del distrito (requiere evaluación y aprobación del distrito)

Firma _____

Fecha _____

La parte de abajo se llena por la persona designada por el distrito
(To be completed by District Designee)

- ☐ Request received on _____ (date) by _____ (staff member)
- ☐ Acknowledgment sent within 10 days of date received

- ☐ Committee held 1st meeting (within 20 days of receipt of request) _____ (date)
- ☐ Review completed and decision made _____ (date)
 - ☐ Request allowed ☐ Request Denied

- ☐ Campus principal notified within 5 days of decision _____ (date)
- ☐ Person requesting the review was notified within 10 days of the principal being notified _____ (date)

- ☐ A request for an appeal was made to the Superintendent of the District
 - ☐ Request allowed ☐ Request Denied

Effective Date: _____ District Designee: _____ Date: _____

Requisitos de retención: Hasta que ya no tenga valor administrativo (archivado en el departamento de programas de estudio)
Fecha de trituración: _____

Esta institución no discrimina por motivos de raza, religión, color, origen nacional, sexo, sexo o discapacidad en la prestación de servicios, actividades y programas educativos de conformidad con el Título VI de la Ley de Derechos Civiles de 1964, Título IX de las Enmiendas Educativas. de 1972 y artículo 504 de la Ley de Rehabilitación de 1973.

INSTRUCTIONAL RESOURCES

EF
(LEGAL)

School Library

A district possesses significant discretion to determine the content of its school libraries. A district must, however, exercise its discretion in a manner consistent with the First Amendment.

**Removal of Library
Materials**

Students' First Amendment rights are implicated by the removal of books from the shelves of a school library. A district shall not remove materials from a library for the purpose of denying students access to ideas with which the district disagrees. A district may remove materials because they are pervasively vulgar or based solely upon the educational suitability of the books in question.

Bd. of Educ. v. Pico, 457 U.S. 853 (1982)

**Instructional
Materials**

Instructional materials selected for use in the public schools shall be furnished without cost to students attending those schools. Except as provided by Education Code 31.104(d), a district may not charge a student for instructional material or technological equipment purchased by the district with the district's technology and instructional materials allotment [see CMD]. *Education Code 31.001*

Parental Access

A parent is entitled to review all teaching materials, instructional materials, and other teaching aids used in the classroom of the parent's child and to review each test administered to the child after the test is administered. A district shall make teaching materials and tests readily available for parental review and may specify reasonable hours for such review.

A student's parent is entitled to request that a district allow the student to take home any instructional materials used by the student. Subject to the availability of the instructional materials, a district or school shall honor the request. A student who takes home instructional materials must return the instructional materials to school at the beginning of the next school day if requested to do so by the student's teacher.

Education Code 26.006

**Information
Collection and
Access**

**U.S. DOE–Funded
Surveys**

*Consent
Required*

No student shall be required, as part of any program funded in whole or in part by the U.S. Department of Education (DOE), to submit to a survey, analysis, or evaluation that reveals information concerning the topics listed at Protected Information, below, without the prior consent of the student (if the student is an adult or emancipated minor), or, in the case of an unemancipated minor, without the prior written consent of the parent. *20 U.S.C. 1232h(b)*

*Parental
Inspection*

All instructional materials, including teacher's manuals, films, tapes, or other supplementary material, that will be used in connection with any survey, analysis, or evaluation as part of any program

INSTRUCTIONAL RESOURCES

EF
(LEGAL)

Information
Collection Funded
by Other Sources
Policies

funded in whole or in part by the U.S. DOE shall be available for inspection by the parents or guardians of the children. 20 U.S.C. 1232h(a)

Except as provided by 20 U.S.C. 1232h(a) or (b) [see U.S. DOE Funded Surveys, above], as a condition of receiving funds for a program funded in whole or in part by the U.S. DOE, a district shall develop and adopt policies, in consultation with parents, pursuant to 20 U.S.C. 1232h(c)(1), regarding the following:

1. The parent's right to inspect a survey created by a third party before the survey is administered or distributed by a school to the student and any applicable procedures for granting a request by a parent for reasonable access to such survey within a reasonable period of time after the request is received.
2. A district's arrangements to protect student privacy in the event a survey containing one or more of the items listed under Protected Information, below, is administered or distributed to a student.
3. The parent's right to inspect any instructional material used in the educational curriculum for the student and any applicable procedures for granting a request by a parent for reasonable access to instructional material within a reasonable period of time after the request is received.
4. The administration of physical examinations or screenings that a district may administer to the student.
5. The collection, disclosure, or use of personal information collected from students for the purpose of marketing or selling that information. This provision does not apply to use of personal information collected from students for the exclusive purpose of developing, evaluating, or providing educational products or services for or to students or educational institutions, such as recruiters, book clubs, curriculum and instructional materials used by schools, sale by students of products or services to raise funds for school-related or education-related activities, or student recognition programs.
6. The parent's right to inspect any instrument used in collection of personal information in item 5 above, before the instrument is administered and any applicable procedures for granting a request by a parent for reasonable access to such instrument within a reasonable period of time after the request is received.

A district need not develop and adopt new policies if TEA or the district had in place, on January 8, 2002, policies covering the re-

INSTRUCTIONAL RESOURCES

EF
(LEGAL)

*Parental
Notification*

quirements of 20 U.S.C. 1232h(c)(1). [See CRD, FFAA, FL, and FNG]

A district shall provide for reasonable notice of the adoption or continued use of such policies directly to the parents of the students enrolled in schools served by the district. At a minimum, a district shall:

1. Provide notice at least annually, at the beginning of the school year and within a reasonable time after any substantive change in the policies; and
2. Offer an opportunity for the parent to opt the student out of participation in an activity described below.

A district shall directly notify the parent of a student, at least annually at the beginning of the school year, of the specific or approximate dates during the school year when activities, described below, are scheduled or expected to be scheduled. The following activities require notification under this section:

1. Activities involving the collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information.
2. The administration of any survey containing one or more items described at Protected Information, below.
3. Any nonemergency, invasive physical examination or screening that is required as a condition of attendance, administered and scheduled by the school in advance, and not necessary to protect the immediate health and safety of the student or of other students.

20 U.S.C. 1232h(c)(1)–(4) [See FFAA]

*Protected
Information*

Protected information addressed by 20 U.S.C. 1232h includes:

1. Political affiliations or beliefs of the student or the student's parents.
2. Mental and psychological problems of the student or the student's family.
3. Sex behavior and attitudes.
4. Illegal, anti-social, self-incriminating, and demeaning behavior.
5. Critical appraisals of other individuals with whom respondents have close family relationships.

INSTRUCTIONAL RESOURCES

EF
(LEGAL)

6. Legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers.
7. Religious practices, affiliations, or beliefs of the student or student's parent.
8. Income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program).

20 U.S.C. 1232h(b), (c)(1)(B)

"Personal
Information"
Defined

The term "personal information" means individually identifiable information, including a student's:

1. First and last name;
2. Home or physical address, including street name and city or town;
3. Telephone number; or
4. Social security identification number.

20 U.S.C. 1232h(c)(6)(E)

INSTRUCTIONAL RESOURCES

EF
(LOCAL)

Note: For information related to the selection process and accounting of instructional materials, as this term is defined by state law and rule, see CMD and EFA.

Objectives

The District shall provide a wide range of instructional resources for students and faculty that present varying levels of difficulty, diversity of appeal, and a variety of points of view. Although professional staff members may select instructional resources for their use in accordance with District policy and administrative regulations, the ultimate authority for determining and approving the curriculum and instructional program of the District lies with the Board.

In this policy, “instructional resources” may include textbooks, library acquisitions, supplementary resources for classroom use, and any other instructional resources, including electronic resources, used for formal or informal teaching and learning purposes. The primary objectives of instructional resources are to implement, enrich, and support the District’s educational program.

The Board shall rely on District professional staff to select and acquire instructional resources that:

1. Enrich and support the curriculum, taking into consideration students’ varied interests, abilities, learning styles, and maturity levels.
2. Stimulate growth in factual knowledge, enjoyment of reading, literary appreciation, aesthetic values, and societal standards.
3. Present various sides of controversial issues so that students have an opportunity to develop, under guidance, skills in critical analysis and in making informed judgments in their daily lives.
4. Represent many ethnic, religious, and cultural groups and their contributions to the national heritage and world community.
5. Provide a wide range of background information that will enable students to make intelligent judgments in their daily lives.

Selection Criteria

In the selection of instructional resources, professional staff shall ensure that the resources:

1. Support and are consistent with the general educational goals of the state and District and the aims and objectives of individual schools and specific courses consistent with the District and campus improvement plans.

INSTRUCTIONAL RESOURCES

EF
(LOCAL)

2. Meet high standards for artistic quality and/or literary style, authenticity, educational significance, factual content, physical format, presentation, readability, and technical quality.
3. Are appropriate for the subject area and for the age, ability level, learning styles, and social and emotional development of the students for whom they are selected.
4. Are designed to help students gain an awareness of our pluralistic society.
5. Are designed to provide information that will motivate students and staff to examine their own attitudes and behavior; to understand their duties, responsibilities, rights, and privileges as citizens participating in our society; and to make informed choices in their daily lives.
6. For library selections, are integral to the instructional program, are appropriate for the reading levels and understanding of students, reflect the interests and needs of the students and faculty, are included because of their literary or artistic value and merit, and present information with the greatest degree of accuracy and clarity.

Administrators, teachers, library media specialists, other District personnel, parents, and community members, as appropriate, may recommend instructional resources for selection. Gifts of instructional resources shall be evaluated according to these criteria and accepted or rejected in accordance with CDC(LOCAL).

Selection of resources is an ongoing process that includes the removal of resources no longer appropriate and the periodic replacement or repair of resources that still have educational value.

Controversial Issues

District professional staff shall endeavor to maintain a balanced collection representing various views when selecting instructional resources on controversial issues. Resources shall be chosen to clarify historical and contemporary forces by presenting and analyzing intergroup tension and conflict objectively, placing emphasis on recognizing and understanding social and economic problems. [See also EMB regarding instruction about controversial issues and EHAA regarding human sexuality instruction.]

Challenged Resources

A parent of a District student, any employee, or any District resident may formally challenge an instructional resource used in the District's educational program on the basis of appropriateness.

Informal Reconsideration

The school receiving a complaint about the appropriateness of an instructional resource shall try to resolve the matter informally using the following procedure:

INSTRUCTIONAL RESOURCES

EF
(LOCAL)

1. The principal or designee shall explain the school's selection process, the criteria for selection, and the qualifications of the professional staff who selected the questioned resource.
2. The principal or designee shall explain the intended educational purpose of the resource and any additional information regarding its use.
3. If appropriate, the principal or designee may offer a concerned parent an alternative instructional resource to be used by that parent's child in place of the challenged resource.
4. If the complainant wishes to make a formal challenge, the principal or designee shall provide the complainant a copy of this policy and a form to request a formal reconsideration of the resource.

**Formal
Reconsideration**

A complainant shall make any formal objection to an instructional resource on the form provided by the District and shall submit the completed and signed form to the principal. Upon receipt of the form, the principal shall appoint a reconsideration committee.

The reconsideration committee shall include at least one member of the instructional staff who has experience using the challenged resource with students or is familiar with the challenged resource's content. Other members of the committee may include District-level staff, library staff, secondary-level students, parents, and any other appropriate individuals.

All members of the committee shall review the challenged resource in its entirety. As soon as reasonably possible, the committee shall meet and determine whether the challenged resource conforms to the principles of selection set out in this policy. The committee shall prepare a written report of its findings and provide copies to the principal, the Superintendent or designee, and the complainant.

Appeal

The complainant may appeal the decision of the reconsideration committee in accordance with appropriate complaint policies, starting with the appropriate administrator. [See DGBA, FNG, and GF]

Guiding Principles

The following principles shall guide the Board and staff in responding to challenges of instructional resources:

1. A complainant may raise an objection to an instructional resource used in a school's educational program, despite the fact that the professional staff selecting the resources were qualified to make the selection, followed the proper procedure, and adhered to the objectives and criteria for instructional resources set out in this policy.

INSTRUCTIONAL RESOURCES

EF
(LOCAL)

2. A parent's ability to exercise control over reading, listening, or viewing matter extends only to his or her own child.
3. Access to a challenged resource shall not be restricted during the reconsideration process, except the District may deny access to a child if requested by the child's parent.

The major criterion for the final decision on challenged resources is the appropriateness of the resource for its intended educational use. No challenged instructional resource shall be removed solely because of the ideas expressed therein.

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	ORCHESTRA UPDATE				
Presenter or Contact Person:	Dr. Cyndy A. Mika, Assistant Superintendent for Curriculum and Learning Services				
Policy/Code:	N/A				
Strategic Plan Goal:	We will engage each student in learning experiences that increase student growth and achievement.				
Summary:	The District will provide an update to the Board on the start-up costs and facility needs for providing orchestra as an opportunity for students.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	Orchestra Update Slide Deck				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No motion is necessary.				



ORCHESTRA UPDATE | DECEMBER 16, 2019

The Future of Orchestra **IN LEISD**

- ★ Frisco ISD
- ★ Denton ISD
- ★ Keller ISD
- ★ Frank Felice, LEISD

The Future of Orchestra **IN LEISD**

- ★ Capital Outlay
 - Instruments
 - Furniture and Storage
- 39 ★ Budget
 - Repairs
 - Music
 - Professional Learning

The Future of Orchestra **IN LEISD**

- ★ Program Start-Up
 - Year One: 6th grade
 - 6th Grade - homogeneously grouped: violin, viola, cello, bass
 - Year Two: 7th Grade Ensemble
 - Year Three: 8th Grade Ensemble
 - Year Four: High School Orchestra, LEHS Orchestra Ensemble

The Future of Orchestra **IN LEISD**

- ★ Program Start-Up Estimated Costs
 - Capital Outlay (approximate costs)
 - Year One: \$400,000 (\$200,000 per middle school)
 - Year Four: \$200,000 for Little Elm High School
 - Budgetary Costs
 - \$20,000 per campus (repairs, music, professional learning)
 - 1 FTE Years 1-2, Additional FTE Year 3, Additional FTE Year 4

The Future of Orchestra **IN LEISD**

Considerations:

- Current facilities - band and choir suite of rooms
- Orchestra start-up costs could be part of a future bond
 - Instruments
 - Facilities
 - Furniture and Equipment



Questions?

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	2017 BOND PROGRAM MANAGEMENT REVIEW				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	N/A				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Little Elm ISD's Audit and Finance Committee initiated a comprehensive review of the district's 2017 bond program as part of an internal audit process to help ensure fiscal health of the district. The review was completed independently by the Texas Association of School Business Officials (TASBO) and reported results directly to the Audit and Finance Committee on November 11, 2019.				
Financial Implications:	N/A				
Attachments:	2017 Bond Program Management Review				
Recommendation:	Items is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No motion is necessary.				

TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

LITTLE ELM INDEPENDENT SCHOOL DISTRICT

2017 BOND PROGRAM MANAGEMENT REVIEW JUNE 2019



T | A | S | B | O

June 26, 2019

Mr. Grant Anderson
Associate Superintendent/CFO
Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Dear Mr. Anderson:

At your request, a management review team was organized through the Texas Association of School Business Officials (TASBO) to ascertain Little Elm Independent School District's effectiveness in the management controls, regulatory compliance, and public transparency of its 2017 bond authorization of \$239.5 million.

The visiting team included selected personnel with extensive experience in the construction of public school facilities and financial and debt management practices. The criteria utilized for selecting these evaluators included their expertise and professional reputation in the areas they were asked to review.

Our team's on-site review was completed on June 11, 2019. Information for this review was gathered by interviewing appropriate staff and reviewing board policies and meeting minutes, construction bid and contract documents, district web postings, and other documentation as requested by TASBO and provided by the district. The following report contains the commendations, observations, and recommendations for the district to consider.

The executive summary of this report states the objectives of the evaluation, the tasks that were accomplished, summarizes our observations, and provides the recommendations we believe are appropriate for your consideration. More detailed observations and recommendations are included in separate sections of the report.

We appreciate the opportunity to work with the district on this project.

Sincerely,



Tracy Ginsburg, Ed.D.
Executive Director

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EXECUTIVE SUMMARY

OBJECTIVE

The purpose of this report is to provide the Associate Superintendent, Chief Financial Officer and the Audit and Finance Committee of Little Elm ISD a review and analysis of the controls, procedures, and processes for the 2017 bond program.

The review team focused on the following categories in relation to the 2017 bond program:

- Board oversight and approval
- Management of the bond program
- Public transparency
- Financial controls over bond funds

Board policies, construction and accounting documentation, and web postings served to verify the information learned from the interviews.

TASKS ACCOMPLISHED

Interviews with various staff provided insights on the 2017 bond program. Discussions focused on the systems and processes to ensure strong levels of accountability and transparency. Those interviewed include the following:

- Superintendent
- Associate Superintendent/Chief Financial Officer
- Executive Director for Construction Services
- Executive Director Operational Services
- Former Long-Range Facilities Planning Committee Member/Current Business Office Administrative Assistant
- Administrative Assistant
- Director of Accounting
- Assistant Superintendent for School Improvement and Accountability

COMMENDATIONS

- The board of trustees clearly sets the overall tone for financial integrity by adopting objectives that define the expectations as to how the district will manage all of its finances.
- By having clear goals from the board of trustees, the district's administration operates proactively rather than reactively to the district's facility needs.
- Board policy CCA (Local), which provides clarity as to the methods and means for conducting bond sales, is evidence of board governance in debt management practices.
- All key bond program activities are accessible to the public by one simple click on the Construction tab on the home banner of the district's website.
- The philosophy of the district's financial leadership aligns with the board of trustees' desire for integrity and transparency.
- The district's staff has established clear procedures on the management of its bond funds as found in its

document titled "General Description of Bond Project Financial Management of 2017 Bond Program" (see **Appendix**).

- At each level of managing the bond fund program (bidding of projects, awarding of bids, building detailed project budgets, or accounting for the numerous project transactions), the transitions between each function were seamless.
- A solid, internal communication process exists within the various district departments.
- On its website, the district maintains bond program timelines, project details, and numerous videos and photos of each project's progress.
- The CFO meets regularly with a subcommittee of the board of trustees to discuss financial matters related to facilities and bond programs.
- The communication between the construction services department and the budgeting/accounting department is commendable. From the construction services department's detailed project budget schedules to their respective entry into the general ledger, the district has maintained a clear accounting trail.
- The district adheres to the practice of matching the life of the debt to the life of the asset being funded.
- The Long-Range Facilities Planning Committee and the Bond Oversight Committee are equivalent "book ends" to the entire 2017 bond program process by providing input before the bonds were approved by voters and giving oversight to completion of the actual bond projects.
- In anticipation of the need for future enrollment growth, the district has purchased land sites for middle school and elementary school.

KEY OBSERVATIONS

BOARD OVERSIGHT AND APPROVAL

Board Objectives

The board of trustees has clearly set a positive tone for financial and debt management within the district. It expects that the district's financial system be transparent, equitable, and thoughtful of future facility needs. The objectives allow the district's administration to be proactive rather than reactive.

Board Policies

Legal policies are based on law or administrative rules. These policies provide a single repository document for the requirements of the legislature and school finance regulators.

The board of trustees may also establish its own local policies that define broader expectations. This is the case with several local policies adopted by the board. Policy CCA (Local) covers such topics as debt financing guidelines, conditions for issuing long-term debt, and debt structures. The policy specifies that the life of the debt should match the life of the

asset that is being funded.

Policy CV (Local) addresses requirements for board approval, project administration, and conditions for final project payments. Policy CVA (Local) clarifies competitive bidding and the consideration of a bidder's safety record when awarding a bid. Policy CVB (Local) addresses the same matters when a competitive sealed bid is used. Each of these policies strengthens the oversight of the district's bond program.

Board Oversight

A board subcommittee, the Audit and Finance Committee, is composed of the president, vice president and secretary. The group meets regularly with the CFO to discuss financial matters, including construction and debt management. These important discussions reduce surprises and provide for a give and take dialogue between policymakers and the administration.

Board Approvals of Bond/Construction-Related Events

Based on reviews of the official board minutes, the review team found no situations where board actions and approvals failed to meet policy compliance. The team reviewed the events leading up to the bond election and also major subsequent bond financings and construction-related expenditures. In every case, board approvals were made prior to the actions being taken.

MANAGEMENT OF THE BOND PROGRAM

The overall bond process and related construction process cannot be rushed. The entire bond program requires ample time for planning and implementing on a step-by-step basis. Voter and board approvals are needed at key junctions of the process. The district administration and school board ensure that communication with the public is sufficient to listen to their input and adjust the bond planning process as needed. Advanced detail planning ensures that projects are thoroughly vetted prior to construction. These steps and many other processes require an investment of time so that the final projects are finished on time and meet design and construction expectations.

Survey, Demographic Study and Facilities Needs Assessment

Bond elections fail because districts do not justify the need for new facility construction or survey for community appetite for new debt. The district took many months prior to the bond election to first justify the need and then to ascertain the community's readiness to approve a bond election. Thus, the bond election passed with a major majority.

The district contracted with Templeton Demographics to project student enrollment growth, and it contracted with Huckabee Architects to complete a thorough facilities needs assessment. The information from these reports was essential for the justification of the bond proposals.

Long-Range Facilities Planning Committee

Another crucial step in the effective management of the bond

program was the board of trustees' approval of a Long-Range Facilities Planning Committee. The committee was charged with studying the student enrollment growth data and the effect on facilities capacity, evaluating the safety and condition of current facilities, and evaluating facilities in light of evolving education delivery in meeting academic needs.

The committee met over several months and culminated its efforts by presenting the board of trustees with its recommendations. Its essential input into the bond program took time to complete, but it was critical to garnering community support for the bond proposals.

Facility Design Work

Another time-consuming but essential task to ensure that the district's bond funds were well managed involved the design work for the two new middle schools. District staff visited fully operational middle school campuses in other school districts. These visits aided staff in visualizing the building design they were working on alongside the professional design team. Students, teachers, and administrators gave input on furniture for the new middle schools following demonstrations that allowed them to physically observe furniture utilization in conjunction with the building design.

Financing Construction and Land Purchases

Based on the documents and minutes reviewed, the district was compliant regarding bond financing actions. Board approvals authorizing sales of the approved bonds were reviewed in board minutes.

Even the CFO's published words support sound management practices. In his financial management philosophy, the CFO describes his "obligation to assure the public through financial transparency that their funds are being managed in a system built on accountability." The team observed healthy financial systems and processes that were designed for an efficient and well-managed bond program.

Board policy CE (Local), which states the district's fund balance policy, shows good financial management by strengthening the bond rating process.

Construction Phase Project and Contract Management

From discussions with the district's in-house construction management team and a review of construction documents, the review team found that the district is well served by these individuals. Projects receive the necessary supervision and project site visits. Any issues that are found are addressed immediately with the contractors.

PUBLIC TRANSPARENCY

Access to Bond Information on District Website

If another district was intent on being less than transparent in managing its bond program, it would not use Little Elm ISD as an example. The district excels in transparency. On the district's home page, one click on the Construction button allows any interested party to see past and current bond

program activities.

Bond Oversight Committee

In addition to the website postings about the bond program, the district also has a community oversight committee of 14 individuals. The committee meets quarterly to receive a construction update, and access to its agendas and presentations are on the district website.

FINANCIAL CONTROLS OVER BOND FUNDS

With \$175 million in bond funds already sold to finance its site acquisitions and construction projects, essential checks and balances and sound financial practices are necessary to ensure the proper handling of the funds entrusted to the district. The review team focused on purchasing and bidding requirements, project budgeting, and accounting and recordkeeping of the specific bond projects.

Purchasing Compliance

The review team inquired about the selection of architects, the project delivery systems, and the construction bidding processes. In each case, the district used appropriate procedures according to policy. Board approvals were acquired at each required level. Scoring processes for awarding contracts were conducted in fair and reasonable manner.

Potential furniture vendors were selected through a request for proposal process. Six vendors were given equal opportunity for their products to be inspected by students and teachers prior to the selection and purchase.

Accounting and Recordkeeping

The construction budgeting process is very thorough. Rather than building budget line items based on educated guesses, the budgets are built from very detailed schedules by the construction services department. The details are rolled into summary levels by type of expense. The review team found that these processes were exceptional.

The construction services department then forwards the budget information to the accounting department. The director of accounting enters the data into the general ledger. The review team observed that placeholder entries for fund commitments were entered as encumbrances until the actual purchase orders were written. At that point, the placeholder

encumbrance was reversed. This type of action ensures that unspent account balances better reflect any uncommitted funds.

The review team read through a large sample of construction documents and invoices to determine whether there were any shortcomings in the payment process. None were observed. Proper authorizations were noted on the documents prior to actual payments being made.

Large amounts of cash and investments are inherent with any bond program. Bond sales generate funds that are disbursed over many months as project payments are required. Unspent cash balances are invested until needed. The district invested these funds in investment pools. The accounting for these transactions was clear and concise.

KEY RECOMMENDATIONS

ENHANCED GRAPHICAL PRESENTATION OF DEBT INDICATORS

The district uses debt-related graphics on its website under the Financial Transparency tab in the Construction section. The team encourages the district to expand its use of displaying debt-related graphs. Some examples are shown in the **Appendix** of this report.

SHOWCASE THE DEBT MANAGEMENT POLICY CCA (LOCAL)

Having board approval of the district's debt management policy demonstrates the district's desire for public transparency. The policy is an indicator of sound financial management. The team recommends linking the policy under the Construction tab on the website.

BROADEN UNDERSTANDING OF DEBT ISSUANCE

The district rightfully relies on the expertise of its financial advisor when transacting bond sales or refunding transactions. The financial advisor can also be an invaluable resource in helping the CFO understand the "technical" side of bond sales. Learning more of the in-depth workings of bond sales does not supplant the work of the financial advisor. It simply provides the CFO with a greater understanding of what happens when bonds are sold.

MANAGEMENT REVIEW TEAM

Lead Consultant

Steve West, CTSBO
TASBO Life Member
Round Rock, Texas

Team Member

Alan Albers, CTSBS
TASBO Life Member
Spring Branch, TX

SECTION 1: BOARD OVERSIGHT AND APPROVAL

BOARD OBJECTIVES

The expectations for equitable and transparent bond programs are set by the board of trustees. According to the Board Objectives (see Appendix), “**the Board expects district financial integrity and transparency.**” This high expectation translates into financial systems overseen by an administration that produces quality bond program management practices.

In addressing facilities in the same document, the Board Objectives state: “**The Board expects the district to provide equitable facilities and develop a financial plan that accurately reflects system-wide needs for both present and future growth.**” The district’s 2017 bond program succeeds in meeting these objectives.

BOARD POLICY

Board policies related to bond elections, debt issuance, and construction are maintained by the Texas Association of School Boards and are accessible on the district’s website by clicking on the Board of Trustees tab. These policies stipulate the legal requirement of board approval before proceeding with bond or construction related activities.

Board policy CCA (Local) is a strong example of setting prudent debt management and issuance objectives. The policy covers such topics as debt financing guidelines, conditions for issuing long-term debt, and debt structures. The policy specifies that the life of the debt should match the life of the asset that is being funded. The district is to be commended for having a policy such as this.

The primary policies for construction are CV (Legal) and (Local), CVA (Legal) and (Local), CVB (Legal) and (Local), CVD (Legal), and CVF (Legal). Collectively, these policies provide for the legal and governance-related responsibilities of the school board.

BOARD OVERSIGHT

The district’s chief financial officer (CFO) meets regularly with the Audit and Finance Committee, a three-member subcommittee of the board of trustees, to review financial and operational matters. By board policy BDB (Local), the subcommittee is composed of the CFO, the board president and two other board members .

Direct conversations with board representatives allow for in-

depth discussions of often-complex financial issues. The “give and take” discussions provide ample opportunities for the board to probe with more thoughtful questions. In turn, the CFO is able to give details to the board members that are pertinent to the decision process.

As discussed with the CFO during the team’s site visit, surprises can be avoided when opportunities for dialogue occur. Face-to-face meetings to discuss financial and facility issues with the board subcommittee (specifically relating to bond and construction programs) was viewed by the TASBO team as commendable.

BOARD APPROVALS OF BOND- AND CONSTRUCTION-RELATED EVENTS

The review team compared numerous situations to verify that the district’s board and administration followed board policy when approving bond- and construction-related events. Though not required by policy, the board went the extra mile by approving agenda items such as the Long-Range Facilities Planning Committee, which served as a conduit for community input into the bond and construction process. Steps like this demonstrate the board’s commitment to transparency and sound debt management activities.

On August 10, 2017, the board accepted the recommendations of the Long-Range Facilities Planning Committee. The approved recommendations stipulated the detailed projects that would make up the almost \$240 million bond proposal. More will be discussed regarding this group’s activities under Section 3: Public Transparency.

Requirements under CCA (Legal) related to the calling of the 2017 bond election for \$239.5 million (Proposition A — \$235 million and Proposition B — \$4.5 million) were verified in the official board minutes dated August 10, 2017. The board’s action started the process for the successful bond election held on November 7, 2017.

Board policies relating to construction activities, a sample of seven separate events, were reviewed in board minutes. Board actions regarding the selection of architectural firms, construction delivery methods, and construction projects met compliance by board approval.

SECTION 2: MANAGEMENT OF THE BOND PROGRAM

Managing a bond program requires ample time and serious planning to be successful. The board of trustees and the district's administrative staff appear to understand the importance of not rushing a bond program by applying and managing step-by-step processes to achieve the construction of needed educational facilities.

The successful steps for any bond program should incorporate demographic and facility needs assessments, financial modeling of tax rate and debt costs, educational delivery concepts, and the solicitation of input from the community. The management of the district's bond program included all of these steps.

DISTRICT SURVEY, DEMOGRAPHIC STUDY, AND FACILITIES NEEDS ASSESSMENT

The district has a good historical perspective of the community's growth and direction. Growing from a small rural community during the early 2000s, the area population has dramatically increased. The district has become the sixth-fastest growing public school system in the Dallas-Fort Worth Metroplex in terms of new home closings.

The district uses Templeton Demographics, a widely respected demographic firm in the state that is used by many districts, especially along the Interstate 35 corridor. The firm provides a demographic update to the district every quarter and identifies new housing starts, new housing closings, vacant developed lots, and potential future lots. The firm then translates that information into specific school/campus impacts and year-over-year projected grade-level/campus growth, and concludes with a 10-year projection by grade level and campus.

The district's enrollment at the end of school year 2017–18 was 7,526. As of this report, the fourth quarter 2018 Templeton report projects that the district may have an enrollment for fall 2019 of more than 8,000 students (an increase of more than 400 students). The five-year growth projection anticipates 1,284 new students. The 10-year growth projection gains 2,339 students, which would put total enrollment at over 10,000 students. With a total build-out projection of around 14,000 students, the district is on track for continued growth, which will require similar planning for the next bond program.

In 2016 Huckabee Architects was hired to conduct a facilities needs assessment that described the current state of existing facilities and vacant land as well as future potential construction requirements to meet growing student enrollment. The report identified the facility gaps in meeting the educational needs of current and future students.

In preparing for the community committee's work on a proposed bond election, the district conducted a survey that gauged the appetite for such an election.

LONG-RANGE FACILITIES PLANNING COMMITTEE

As a result of demographic growth and staff/campus long-range planning conversations, a Long-Range Facilities Planning Committee was formed in early 2017, consisting of 36 members of the community. The members were selected from board and staff nominations to ensure a district-wide, diverse group makeup. Staff and design professionals assisted as needed to facilitate and provide expertise on costs and planning information.

The committee was given a purpose and charge from the board with the priorities of:

- District growth and capacity
- Building age, safety, and condition
- Evolving educational delivery and programs

The committee was also charged with creating a long-range vision for the future of district facilities and then providing the board with recommendations based on their three months of work. The committee's report was well received by the board, and the committee member who was interviewed by the TASBO team gave a favorable response to the committee's effectiveness.

The group met six times over three months and discussed the needs of the children rather than the "wants" of the adults. The committee made use of the district's comprehensive facilities assessment from Huckabee Architects. Along with that, the demographic projection showed historical and expected enrollment growth that indicated the facilities that would become overcrowded if not addressed.

The committee also made use of district staff's proactive master planning and visioning, as well as information regarding district staff's discussions with campus leadership. This provided the committee with district staff's thoughts on facility options and repurposing potential when new facilities are brought online to make the best use of resources and facilities.

The committee accessed the design professionals and talked with construction professionals as needed to obtain the information required to build the estimates and budgets for the various potential bond projects.

These estimates included design fees, permit costs, and construction costs, as well as furniture and technology costs to ensure a total project budget was provided to the board for every project. Due to supply and demand for construction activity, the Dallas/Fort Worth area continues to experience inflation running upwards of 1 percent per month at times. It was imperative that the district have reliable and valid cost information for the 2017 bond program. In review of the bond projects, the respective actual costs were within projections except in one isolated and minor case.

The committee appears to have had all of the information needed to study the district, assess the needs, and make its

recommendations to the board. The success of the committee work was directly related to the preparatory materials available to them and the sufficiency of time to study the data and make recommendations. The current educational facility plan is to have one high school, two middle schools, and elementary schools and other facilities as needed. Ongoing assessment of building and land needs will necessitate continual adjustments to the facility plans.

Finally, the district conducted a community survey regarding voter appetite for a potential bond election of a given amount. This proved to be a good sounding board for the committee, which, in turn, shaped the final bond package presented to the voters.

The committee made a presentation to the board on August 10, 2017, recommending the district move forward with a bond election in the amount of \$225,863,000. This consisted of projects to:

- Address growth and fund capital improvements to existing facilities
- Improve and expand athletics and career and technology education facilities
- Upgrade district-wide security, technology, and infrastructure

FACILITY DESIGN WORK

As with any important activity, sufficient time for designing work with the end in mind is essential to reaching the goal. In conjunction with Huckabee, district staff used a design charrette process to take an intensive deep-dive into the planning of the functions and features of the new middle schools. The group visited other districts' newer middle school projects to see first-hand recent designs and educational delivery concepts. The assistant superintendent for school improvement and accountability said the tours were very helpful to see and touch other buildings to help decide in which direction to go. As a note, it was understood and is planned that ongoing teacher/staff training will be necessary to ensure education is delivered as intended.

The district also took time to evaluate the furniture and equipment to be used in the new middle schools. The new middle schools are designed around more open areas and flexible workspaces for students. Traditional desks and chairs are not as functional in these new spaces. The district requested six vendors to bring in a sampling of their furnishings. Students and teachers were given an opportunity to provide input on furniture selections prior to the bidding process.

The district is to be commended for not rushing the processes, which can take many months or even years to take place. Again, ample planning for a successful program or project requires sufficient time to complete each segment of the program.

FINANCING CONSTRUCTION AND LAND PURCHASES

Following the successful bond election in November 2017, the

district was given authorization for \$239.5 million of new debt to finance the land, new facilities, major capital improvements, and buses. To date, the district has sold \$175 million of the authorization, conducting two bond sales in 2018 for \$150 million and \$25 million.

As a component of managing the bond program, the team discussed the various aspects of selling the bonds with the CFO. The team reviewed board minutes verifying that the bond sales of \$150 million and \$25 million were approved by the board of trustees on February 19 and June 18 of 2018, respectively. In each request for a bond sale, the board resolution set parameters for the sale and authorized the superintendent or CFO to act as the pricing agent for the district. By doing so, the CFO is given permission to finalize the negotiated bond pricing as long as the sale is within the parameters set forth in the board's resolution.

The long-time district financial advisor, RBC Capital Markets, provided the necessary expertise and guidance to perform negotiated sales of the bonds. The bond underwriters were selected from a potential list of most qualified banks. Based on review of pertinent documents and board minutes, each bond sale was handled in accordance with board policy CCA (Legal).

Subsequent to the aforementioned bond sales, the board of trustees approved policy CCA (Local) on February 18, 2019. The district should be commended for approving this policy, which establishes solid debt management guidelines. According to the policy, the primary objectives are to *"maintain financial stability, preserve public trust, minimize costs to taxpayers, minimize borrowing costs, preserve access to the financial markets, and demonstrate adequate administrative oversight of debt programs to taxpayers and financial markets."* Having such a debt management policy is a significant indicator of strong bond program management.

Although not directly related to the district's bond program, board policy CE (Local) contains strong wording on parameters of its fund balance. Having a strong board policy on fund balance is viewed favorably by bond rating agencies as positive evidence of well-managed bond programs.

In addition, the CFO has been straightforward in articulating his financial management philosophy on use of public funds on the district's website under the Construction button. He describes his *"obligation to assure the public through financial transparency that their funds are being managed in a system built on accountability."* Our review team observed ample evidence of sound management of the bond programs as described by this aspirational statement.

CONSTRUCTION PHASE PROJECT AND CONTRACT MANAGEMENT

Once a bond passes, executing the projects on the planned schedule with knowledgeable staff is critical to budget adherence and delivering the projects on time. The staff for the district's construction services department, while few in

number, does have extensive construction knowledge as well as knowledge on the pulse and tempo of the local area construction market.

The executive director for construction services and the executive director for operational services perform all of the project oversight for the district. The district is well served by the individuals in these positions. However, the district may consider future additions to this department as project complexity and volume dictate the need.

Current project visits are timely and scheduled appropriately. Staff has extensive construction knowledge and weighs in during project meetings as needed to ensure the needs of the district are met and projects stay on course.

Extensive information about all projects is posted on the district's website, and the district is to be commended for the extent of this. It's easy to get to the bond and project

information and board actions regarding same.

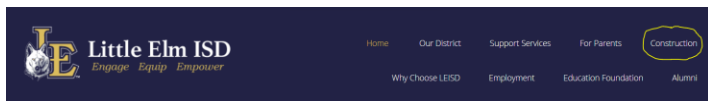
With one exception, construction bids appear to be coming in at or below the project bond budgets. The review team observed that the district had good cost estimates in the pre-election project cost workups and also in the bid packages after designs were accomplished. Overall bond expenditures up to this point are under budget, and the district should strive to stay within budget to accommodate any unexpected cost overruns.

The athletic project had a purposeful scope increase (the only such increase as of this report) by the district to upgrade an area between two fields to improve all-weather connectivity for visitors. This was a thoughtful project scope increase, and all other projects have adhered to their original scope as foreseen in the bond communications.

SECTION 3: PUBLIC TRANSPARENCY

ACCESS TO INFORMATION ON DISTRICT WEBSITE

The public's portal to the district's bond program transparency is just a click away. On the banner at the top of the district's website home page is a top menu button labeled Construction. A click on this button by an interested person opens up an entire realm of the historical and current information about the 2017 bond program.



Once Construction is clicked on, the Construction Services page appears with another menu that speaks to an array of bond program items of interest. This left-side menu allows one to explore each bond-financed project. Details are given as to the current status of projects including videos and photos of the work as it has progressed. The Construction Services page shows photos of the construction services department staff along with their respective contact information.



On the menu, there is a tab for the Bond Committee. The Bond Committee consists of 14 community members whose role is to provide oversight over the 2017 bond program. The committee meets quarterly. The agendas and meeting presentations can be viewed for each of its past meetings.

A timeline of key bond program activities is located under Bond 2017 Board Approvals. The timeline

denotes dates and actions taken by the board of trustees. This tab provides a clear sequential presentation of all major aspects of the 2017 bond program.

The tab labeled Bond 2017 contains narratives on each of the prospective bond projects, information about projected enrollment growth, the bond program's potential impact on taxes, and bond activities that preceded the bond election. This section also includes a link to the activities of the Long-Range Facilities Planning Committee, whose work laid the groundwork for a successful passage of the bond election.

The last tab, named Financial Transparency, links to the section prepared by the associate superintendent/CFO. Annual financial reports and other current finance information are located here. The section provides insight into the overall financial picture of the school district and the purposes and objectives behind the CFO's operating philosophy on competency and trustworthiness.

BOND COMMITTEE

As previously mentioned, the 14-member Bond Committee provides oversight for the 2017 bond program. They are the eyes and ears for the community and board of trustees to ensure that the almost \$240 million approved by the voters is used for the projects that were initially promoted. Their work adds safeguards for the bond program above and beyond what the board of trustees was elected to do. Their meetings and activities are documented for public view so that nothing is done in secret or outside the public's purview.

SECTION 4: FINANCIAL CONTROLS OVER BOND FUNDS

PURCHASING COMPLIANCE

In accordance with Texas Administrative Code Chapter 2269 and board policies CV (Legal) and (Local), the district used a request for qualifications (RFQ) in 2015 to establish a pool of architectural firms for future project design work. Using an RFQ process in December 2017, the district also contracted with a construction manager-at-risk (CMR) for the project delivery method that would be used for building new facilities or renovating existing buildings. Both processes met the legal requirements as required by board policy and were approved by the board of trustees.

In 2016, as a precursor to the bond program, one of the architectural firms, Huckabee Architects, was tasked with conducting a comprehensive facilities assessment of the entire district. The facilities assessment addressed existing facility use and conditions, as well as calling attention to future capacity issues.

Once a bond passes, executing the projects on the planned schedule with knowledgeable staff is critical to budget adherence and delivering projects on time. The district is well served in this area by its construction services department, which has extensive knowledge of the local area construction market and industry.

The review team observed the scoring process for the RFQs to determine their reasonableness to standard procedures and procurement guidelines. The process used by district staff met acceptable standards.

In accordance with district board policies, steps within the construction procurement process require board approval. The team reviewed board minutes to verify that project delivery methods, major construction projects, and land acquisitions appropriately received board approval prior to implementation. A significant sample of projects was reviewed and no compliance exceptions were noted.

Three CMRs were hired and charged with building new facilities or renovating existing buildings. A bid tab for one of the new middle school projects was reviewed, and scores shown from five evaluators reflected the proper recommendation of the highest-scored general contractor.

The district makes extensive use of job order contracting (JOC) for multi-trade projects under \$500,000. The review team found that four JOCs are on board for a multi-tiered award, and work is administered appropriately. The contracts are structured for a period certain with options to renew. The JOC bid awards complied with board policy CVF (Legal).

The district solicited vendors for furniture for the new schools through request for proposals. It invited six vendors to set up demo furniture in classrooms and asked teachers and students for input to inform the final selection.

Staff used a competitive sealed proposal process to select firms needed to perform the roofing and HVAC projects.

The review team observed that the district uses the standard AIA forms for their professional and construction contracts. As such, they are following statutes regarding payment and performance bonds and have appropriate language for audit eligibility and warranty coverage. General conditions are stated and appropriate contingency amounts are included as part of each construction contract.

ACCOUNTING AND RECORDKEEPING

CONSTRUCTION BUDGETING

The construction budgeting process was thoroughly reviewed by the review team. The executive director of construction services maintains a detailed budget for each project that includes all projected costs, professional fees, construction costs, furniture and equipment, technology, and miscellaneous costs.

The executive director of construction services also prepares the documentation for each project that is forwarded to the director of accounting for entry into the general ledger. The team observed very clear lines of communication between the construction and accounting departments. The specificity of the budget line items made it easy to follow purpose and nature of posted transactions.

PROJECT ACCOUNTING AND RECORDKEEPING

The review team acquired detailed general ledger accounting transactions to review the budgetary recordkeeping for each bond project. The district uses fund codes to track major or minor projects. Organization codes distinguish project within multi-project funds. Sub-object codes are used to delineate unique expenditure types.

Fund codes 648 and 649 are used to account for Walker and Strike Middle Schools. Fund code 650 is used to account for other projects, such as elementary vestibules, roof replacements, land acquisition, scoreboards, and school buses. Fund code 651 is used to account for investment earnings on the available bond funds. The sub-object codes track expenditures as follows:

Sub-Object Codes

Code	Purpose
00	Architect Fees
01	Construction Costs
02	Third-Party Vendors
03	Third-Party Consultants
04	Permits and Fees
05	Miscellaneous Costs
06	Owner Contingency

In reviewing the accounting records for the project account codes, the team easily traced the original budgets, encumbering of funds when project purchase orders were issued, and the payments and encumbrance liquidations. A significant sampling of transaction documents verified that appropriate authorizations were acquired prior to payments being made. No exceptions were found.

The district is to be commended for its budgeting and accounting of the bond funds. The recordkeeping was complete, accurate, thorough, and easy to follow.

INVESTMENT OF UNSPENT BOND FUNDS

The district provided a complete and detailed record of the inflow and outflow of unspent bond funds. The district invests

in three separate investment pools as authorized by the Public Funds Investment Act. The district uses fund code 651 to track the investments.

The team verified that all bond funds were properly posted to the correct general ledger account codes. As funds are needed to make construction-related payments, they are transferred out of the investment accounts and moved to cash. These transactions were also verified.

The interest earnings remain in fund code 651 until required and approved by the board for use. The district employs an outside consultant for arbitrage calculations that are reported to the Internal Revenue Service.

SECTION 4: RECOMMENDATIONS

ENHANCED GRAPHICAL PRESENTATION OF DEBT INDICATORS

The district uses some graphics to describe key financial information under the 5-Year Financial Trends button in the Financial Transparency section of its website. A couple of the line graphs address the subject of debt from fiscal years 2014 to 2018. The graphs are titled:

- Total Outstanding Principal Bond Debt Per Student
- Outstanding Principal Bond Debt

These two graphs should be updated to reflect the fiscal year 2019 financial information. In addition, the graphs could include five-year projections to help readers understand where the district is heading.

The district should also design a set of graphics that illustrate important debt management indicators. These graphs could include:

- Types of Bonds
- Bond Principal and Interest
- Bond Principal Amortization in Five-Year Increments
- Comparison of Bond Principal and Debt Ratio

Examples of these graphs are shown in the **Appendix** section of this report.

SHOWCASE THE DEBT MANAGEMENT POLICY CCA (LOCAL)

The board of trustees has adopted policy CCA (Local), which demonstrates the strength of the district's overall debt management program. This policy should be showcased under the Construction tab on the district's website as an indicator of how committed the district is in managing its resources and responsibilities well.

BROADEN UNDERSTANDING OF DEBT ISSUANCE

The district's overall debt management program is based on excellent, mature processes and transparency that are led by the CFO's desire to demonstrate accountability to all stakeholders. The district's financial advisor, RBC Capital Markets, has served well advising the district on its long-term debt management program and in facilitating each bond sale. To enhance an already solid debt management program, the team recommends that the CFO continues to further his knowledge of the "technical" functions of bond issuance.

By understanding bond sale actions such as the interaction between the senior manager and co-managers in placing bond orders or by following the pre-pricing and pricing processes on the day of the actual bond sales, the CFO can better relate these technical functions to the overall bond program management.

SECTION 5: APPENDIX

GENERAL DESCRIPTION OF BOND PROJECT FINANCIAL MANAGEMENT OF 2017 BOND PROGRAM

The following processes are used to help ensure bond dollars are being spent efficiently and legally. The construction and finance departments administer these functions once the bonds have been authorized by the public and debt has been issued.

BOARD APPROVALS AND OVERSIGHT

- The associate superintendent/CFO presents bond program updates and a program budget analysis to the Audit and Finance Committee on a periodic basis as part of an agenda item.
- The associate superintendent /CFO presents a project-to-date budget to actual costs for each project at each monthly board meeting throughout the duration of the bond program.
- The executive director of construction services submits required contracts, bids, and budget requests to the board of trustees in a timely and accurate manner as required by state, local, and federal law.
- The executive director of construction services presents bond updates to the board of trustees on a periodic basis.
- The associate superintendent/CFO presents an updated program budget analysis to the Superintendent Cabinet on a periodic basis as part of the agenda.

ROLES AND RESPONSIBILITIES OVER BOND PROGRAM

- The associate superintendent/CFO is responsible for the oversight of the processes and controls described in the management of the bond projects.
- The executive director of construction services reports to the associate superintendent/CFO, including updated program budget analysis on a periodic basis.
- The executive director of construction services is responsible for the management of projects, people, and budgets associated with the bond program.
- The executive director of construction services is responsible for the quality and cost of the project.

BOND PROGRAM BUDGET ANALYSIS (PROJECT LIST AND BUDGET)

- The associate superintendent/CFO and the executive director of construction services manage a project priority list that was predominately determined during the bond election process by the Bond Committee.
- During the bond election process, district architects assigned an estimated budget amount to each project category.
- The executive director of construction services manages the project priority list and budgets adjustments as actual costs become realized.
- The board of trustees approves bond projects prior to beginning the bidding process.
- The board of trustees approves the budgets for each bond project once the budget has been established by the executive director of construction services.

BOND SALE

- The associate superintendent/CFO works with the district's financial advisor to determine the amount and timing of each bond sale based on the district's bonding capacity, current market conditions, and applicable construction draw schedules. This determines the timing and priority of the projects. Additionally, any bond sales are subject to the district's debt management policy.

PROCUREMENT

- The executive director of construction services works with the district's contract lawyer and the purchasing coordinator to help ensure all purchases comply with local, state, and federal procurement laws in the best interests of the district.

DESIGN OF THE BUILDING

- The executive director of construction services solicits assistance from district departments in the programming and design of spaces, including finishes and colors that are conducive to carrying out the intent of the academic and co-curricular programs.
- The executive director of operational services helps oversee the construction of new facilities and projects for quality and operational efficiency.

ACCOUNTING

The director of accounting records the following:

- Incidental expenditures in the general ledger upon board approval of the project

- The budget for each project in the general ledger upon budget approval by the board of trustees
- All financial transaction relating to the bond projects in the district's general ledger in a timely and accurate manner

AUDITING (SEMI-ANNUAL)

- The district hires an external auditor to audit bond program on a semiannual basis. The audit focuses on:
 - 1) Management of bond programs
 - 2) Financial controls over bond funds
 - 3) Purchasing compliance (state, local, and federal laws)
 - a) Management of bids
 - b) Contract management
 - 4) Board approval and board oversight compliance
 - 5) Public transparency
 - 6) Accounting and recordkeeping
- The district also hires an external auditor for arbitrage rebate compliance services.

TRANSPARENCY AND PUBLIC OVERSIGHT

- The executive director of construction services posts board approvals to the district's website under Financial Transparency.
- The associate superintendent/CFO posts the monthly board budget to actual costs for each project to the district's website under Financial Transparency through the duration of the bond program.
- The executive director of construction services presents bond updates to the Bond Committee during scheduled committee meetings.

BOARD OBJECTIVES

FINANCE

The board expects district financial integrity and transparency.

ACADEMIC

The board expects that district graduates are prepared to be college and career ready.

FACILITIES

The board expects the district to provide equitable facilities and to develop a financial plan that accurately reflects system-wide needs for both present and future growth.

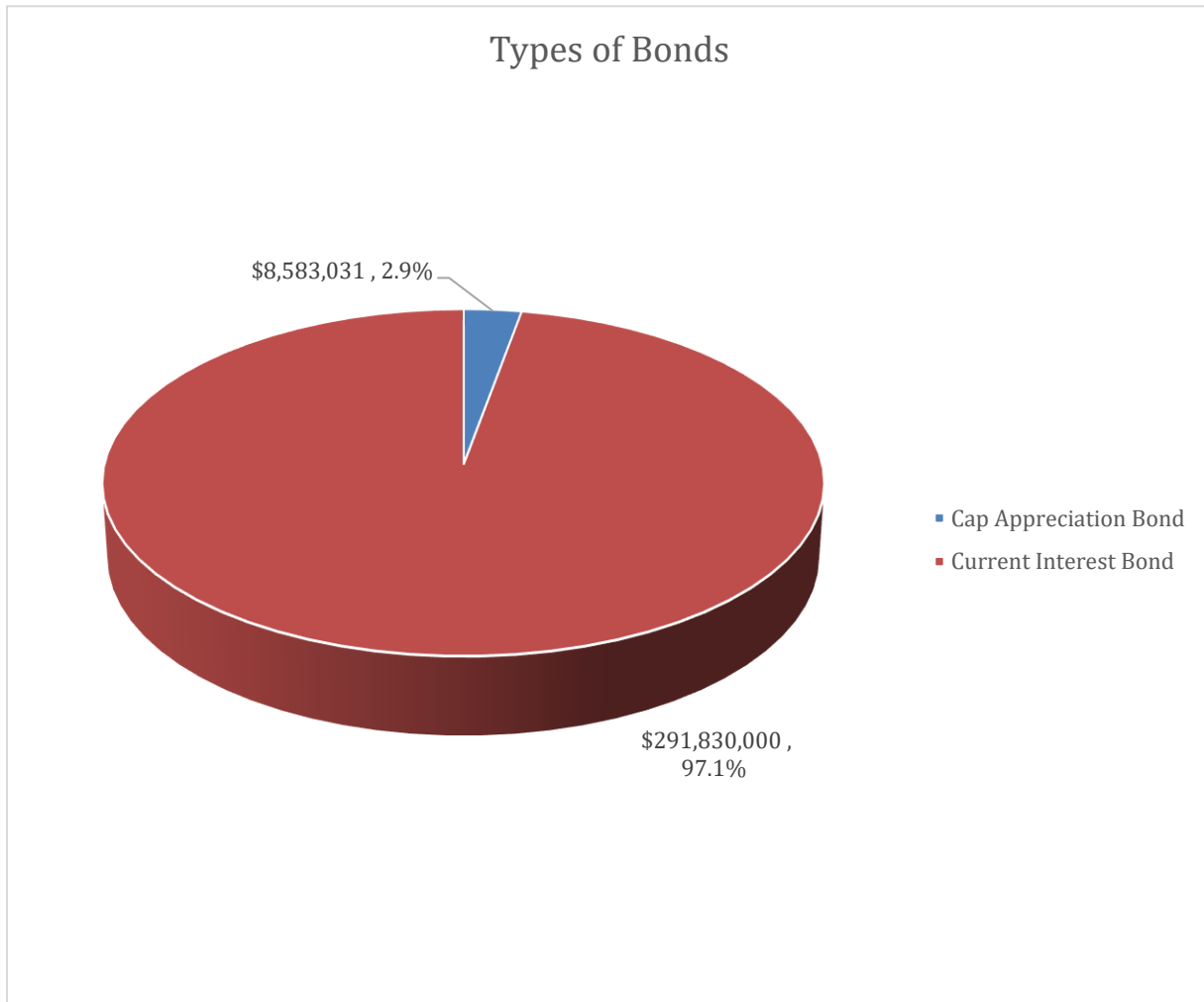
COMMUNICATION/COMMUNITY

The board expects the district to champion the ongoing development of groups and organizations that support the students.

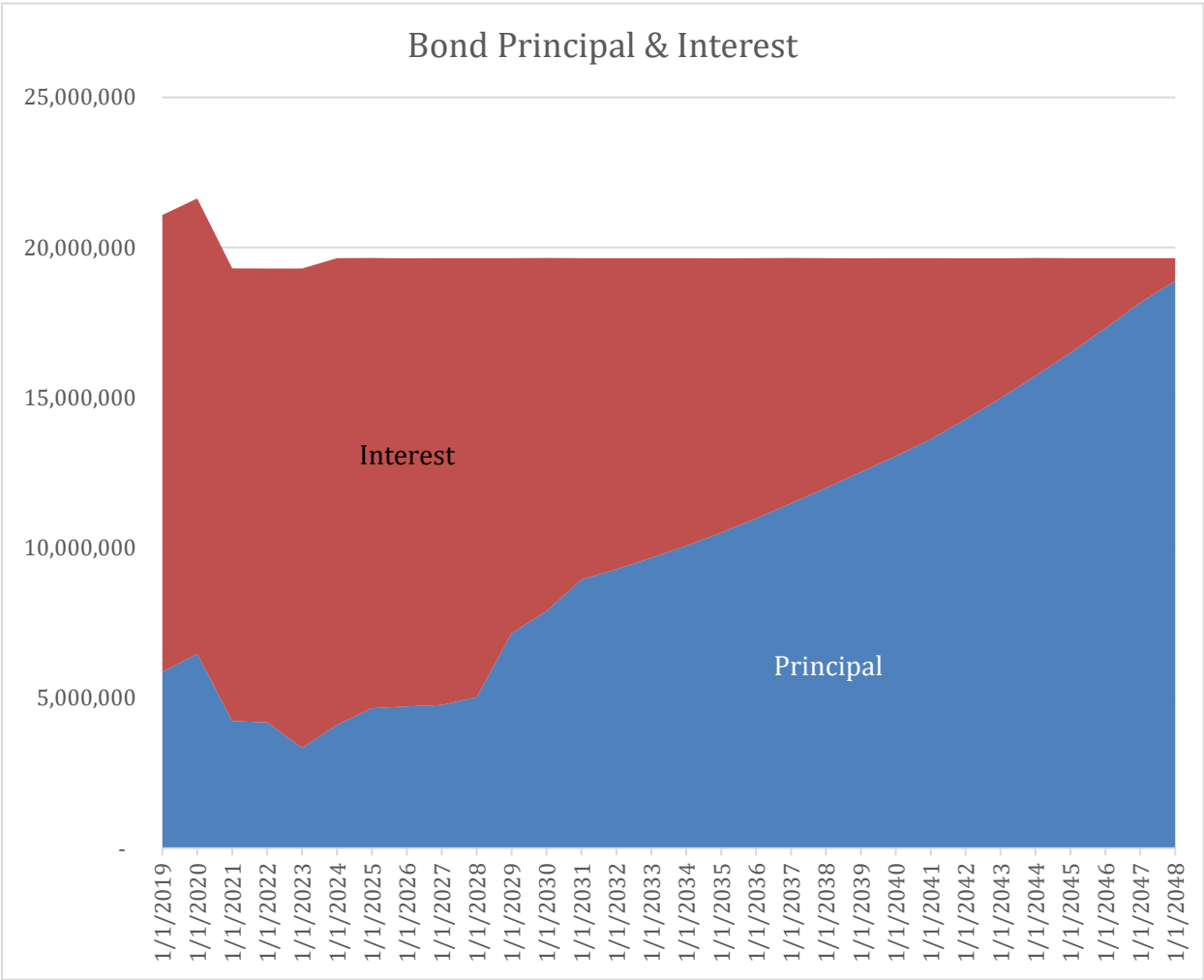
STAFF DEVELOPMENT/HUMAN RESOURCES

The board expects the district to maintain an awareness of district employee satisfaction and organizational health.

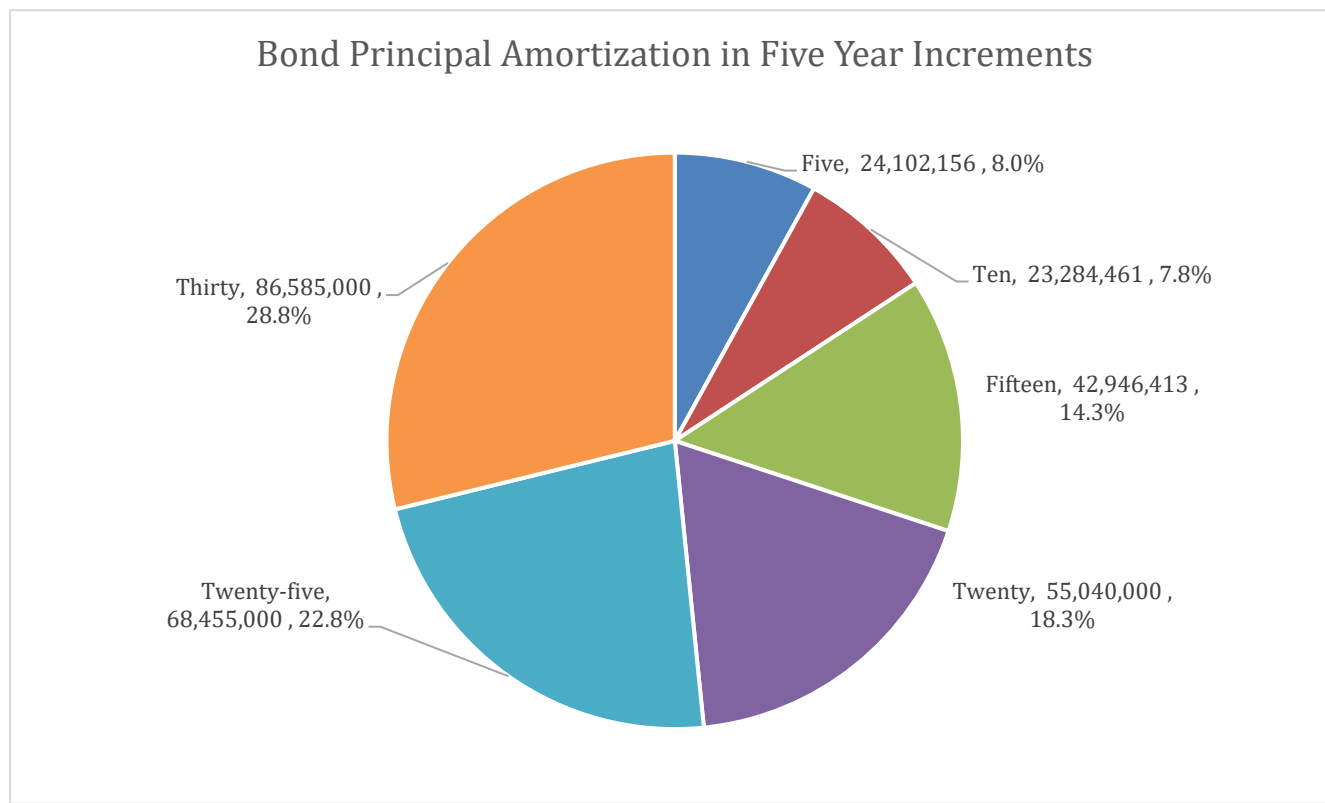
SAMPLE GRAPH — TYPES OF BONDS



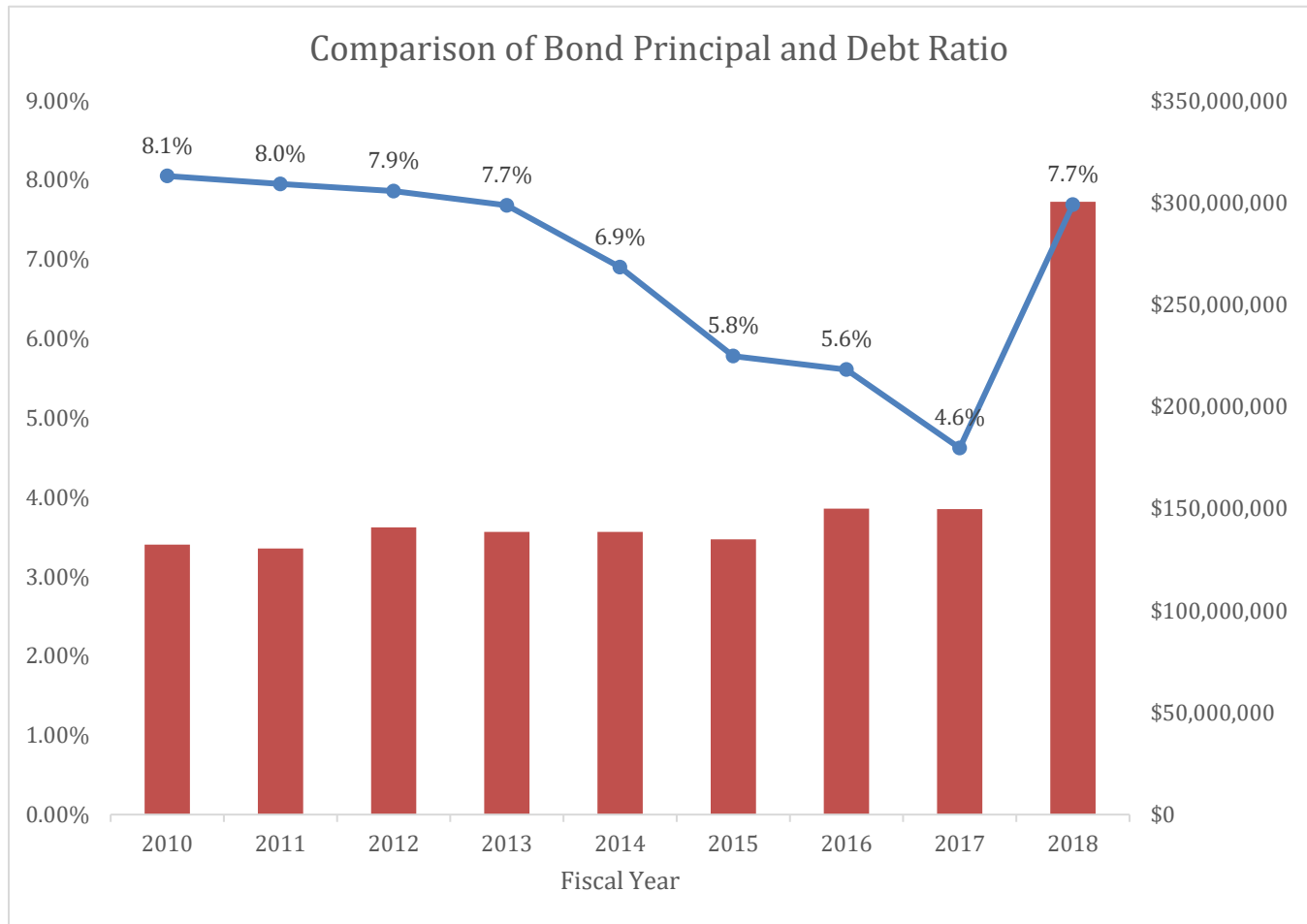
SAMPLE GRAPH — BOND PRINCIPAL AND INTEREST



SAMPLE GRAPH — BOND PRINCIPAL AMORTIZATION IN FIVE-YEAR INCREMENTS



SAMPLE GRAPH — COMPARISON OF BOND PRINCIPAL AND DEBT RATIO



Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input checked="" type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	3 RD QUARTER 2019 GROWTH REPORT				
Presenter or Contact Person:	Rod Reeves, Executive Director for Operational Services				
Policy/Code:	N/A				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	Little Elm ISD growth reports provide quarterly data on the economic status, housing analysis, future developments, student enrollment history and student forecast for the Dallas/Fort Worth area and the District.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	Under separate cover				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for information purposes only. No motion is necessary.				

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input type="checkbox"/>	Action Item <input checked="" type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	REGULAR BOARD MEETING MINUTES - 11-18-2019.				
Presenter or Contact Person:	Sonia S. Flores				
Policy/Code:	N/A				
Strategic Plan Goal:	N/A				
Summary:	Board Meeting Minutes for November 18, 2019.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	Meeting Minutes				
Recommendation:	The Administration recommends the approval of the Regular Board Meeting Minutes for November 18, 2019.				
Motion:	I move that the Board approve the attached Regular Board Meeting Minutes for November 18, 2019.				

Minutes of Regular Meeting

The Board of Trustees Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD was held Monday, November 18, 2019, beginning at 6:30 PM in the Zellars Center for Learning and Leadership.

PRESENT: President David Montemayor, Vice President Jason Olson, Secretary Alejandro Flores, Trustee Dan Blackwood, Trustee Melissa Myers, and Superintendent Daniel Gallagher.

ABSENT: Trustee LeAnna Harding.

LATE: Trustee DeLeon English.

1. Call to Order Open Session in the Board Room at Zellars Center for Learning and Leadership on 300 Lobo Lane, Little Elm, Texas 75068. Board President David Montemayor called the meeting to order at 6:30 pm.
2. Pledge of Allegiance
The Board led those in attendance to the Pledges of The United States Flag and The Texas Flag.
3. Invocation
There was no invocation.
4. Introduction and Roll Call
Ms. Sonia S. Flores took roll call.
5. Superintendent Spotlight
 - A. Hackberry Elementary
Principal Stephen Richardson and students Sarah Smallwood, Amiel Brown, and Azul Badillo shared the following information with the Board:
 - Drum Club
 - Run Club
 - Cheer Club
 - Student Engagement Days
 - Parent House Basketball GameMs. Sonia S. Flores also shared with the Board how the basketball game helped strengthen the family culture at Hackberry Elementary.
 - B. Little Elm High School - Students of the Month
Ms. Renee Pentecost presented the students of the month award to Chloe Hill and Max Geiser.

6. Citizen Input

Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose

Susan Roedoker – Obscene Content at Little Elm High School library

Jennifer Montgomery – Accountability of Lesson Plans

7. The Board recessed into Closed Meeting in PL1 as permitted by the Texas Open Meetings Act Code Subchapter 551.072, and 551.074 at 6:59 pm. The Board and Superintendent discussed:

A. Personnel

B. Land

The Board reconvened at 8:23 pm.

8. Reports of the Superintendent

A. Little Elm Police Department's Update to the LEISD Board of Trustees

This item was moved to December's Board Meeting.

B. Athletics Department New Sport Proposal - Wrestling

Mr. Ross Roberts introduced Coach Kendrick Brown whom presented the following:

Athletic Program Recommendation

- Survey Current 9th – 11th
- Recommend Wrestling
- Equipment Start Up

The Board voted on this item. Board Secretary Jason Olson made the first motion to approve. Trustee Dan Blackwood seconded the motion. The motion passed (6-0).

C. 2020-2021 Little Elm ISD Calendar

Dr. Cyndy A. Mika briefed the Board about the 2020-2021 Little Elm ISD Calendar. Dr. Mika informed them that Option A was voted on and she will bring to the Board for approval.

D. PEIMS Demographic Snapshot

Dr. Cyndy A. Mika informed the Board about the following:

PEIMS Snapshot

- Enrollment
- Enrollment School Type
- Enrollment 2015-2020
- Enrollment by Campus
- Enrollment by Grade
- Enrollment by Ethnicity
- Special Programs Enrollment
- Special Populations Enrollment
- Economically Disadvantage Enrollment
- Economically Disadvantage by Campus
- Limited English Proficient by Campus
- Limited English Proficient Services by Campus

E. Curriculum and Learning Services Annual Report

Dr. Cyndy A. Mika briefed the Board about the following:

Annual Update / 2019

- LEISD Curriculum and Learning
- LEISD Destination 2025
- LEISD Cornerstones

F. Construction Update

Mr. Rick Martin shared the following with the Board:

LEISD Construction Update

- Bond Program Status
- Jerry R. Walker Middle School
- Lowell H. Strike Middle School
- Little Elm HS Ball Field Renovation
- Little Elm HS Ball Field Concessions and Concourse
- Other Construction Activity
- More to Come...
- Questions?

9. Approval of Minutes

A. Consider Regular Board Meeting Minutes - 10/21/2019

Ms. Sonia S. Flores presented to the Board this item.

Trustee Dan Blackwood made the first motion to approve this item as submitted.

Trustee Melissa Myers seconded the motion. The motion passed (5-0-1). Trustee Flores abstained from voting because he was absent at this meeting.

10. Action Items

A. Consider One (1) Special Education Teacher FTE (Exempt) Two (2) Special Education Paraprofessional FTEs (Non-Exempt)

Ms. Courtney Clover presented this item to the Board. This FTEs will be 1 additional teacher for structured learning classroom for students with autism (elementary) and 2 paraprofessionals for additional structured learning classroom for students with autism (elementary).

Vice President Jason Olson made the first motion to approve as submitted.

Secretary Alejandro Flores seconded the motion. The motion passed (6-0).

B. Consider HB 3 Full Day PK Partnership

Dr. Cyndy Mika presented to the Board this item. HB3 requires districts to provide a full-day PK to eligible 4-year-old students. LEISD will need to submit a waiver as we were unable to provide full day for 2019-20 school year. As part of the waiver, the District had to call for partnerships from community based and private providers to determine if a partnership is warranted.

Trustee Dan Blackwood made the first motion to approve as submitted.

Secretary Jason Olson seconded the motion. The motion passed (6-0).

C. Consider Financial Reports

Mr. Grant Anderson briefed the Board on the Financial Reports. The report included the following:

- Notes to Financials

- Future Financial Considerations
- Other Future Financial Considerations
- General Fund
- Fund Balance
- Bond Projects
- Debt Service Fund
- Financial in Board Packet

Secretary Alejandro Flores made the first motion to approve as submitted. Trustee DeLeon English seconded the motion. The motion passed (6-0).

D. Consider Little Elm ISD Interlocal Summary Report

Mr. Grant Anderson shared with the Board the LEISD Interlocal Summary Report. This allows LEISD to purchase products or services from other governmental entities which have been properly awarded contracts through statutorily authorized methods.

Vice President Jason Olson made the first motion to approve as submitted. Trustee DeLeon English seconded the motion. The motion passed (6-0).

E. Consider Request for Proposal #2019-009 Leased Lit and Dark Fiber Service

Mr. Clay Walker shared with the Board this item. The Leased Lit and Dark Fiber Service RFP results/recommendations for approval.

Vice President Jason Olson made the first motion to approve as submitted. Trustee Dan Blackwood seconded the motion. The motion passed (6-0).

F. Consider Amendment No. 2 to Goldstar Transit, Inc. Contract for the 2019-2020 School Year

Mr. Rod Reeves presented to the Board the following information:

2019-2020 LEISD Transportation Cost

- Why Amendment Now?
- Amendment No. 1
- Transportation Cost
- Amendment No. 2
- Discussion

Vice President Jason Olson made the first motion to approve this item as submitted. Secretary Alejandro Flores seconded the motion. The motion passed (5-1). Trustee Dan Blackwood voted against this item.

G. Consider Siemens District-Wide Phase II ESPC

Mr. Rick Martin briefed the Board about this item. This includes HVAC replacements, air ionizers, building automation controls, irrigation controls, building envelope upgrades & LED upgrades at seven of the eleven existing campuses.

Trustee Dan Blackwood made the first motion to approve as submitted. Trustee Melissa Myers seconded the motion. The motion passed (6-0).

11. Consent Agenda

A. Consider Proposed Policy Change - FFH (Exhibit)

B. Consider Maximum Class Size Exemptions - Class Size Waivers

C. Consider Targeted Improvement Plans

D. Consider Gifts and Donations

E. Consider Request for Proposal #2019-007 Printing Services

Trustee DeLeon English made the first motion to approve as submitted. Vice President Jason Olson seconded the motion. The motion passed (6-0).

12. Board President Comments

President David Montemayor thanked everyone for coming to the meeting and to those who stayed.

13. Board Comments

Trustee DeLeon English wished everybody a Happy Thanksgiving.

Trustee Melissa Myers requested an update about books at LEHS Library.

Secretary Alejandro Flores is excited about the wrestling program and would also like an orchestra update.

Vice President Jason Olson wished everybody a Happy Thanksgiving.

Trustee Dan Blackwood inquired about the HR Committee and also requested the Board rotates committees.

14. Superintendent Comments

Mr. Daniel Gallagher thanked the Board and Executive Team for their support and dedication. Mr. Gallagher also thanked Hackberry for the spotlight.

15. Adjournment

Vice President Jason Olson made the first motion to adjourn the meeting. Trustee DeLeon English seconded the motion. The motion passed (6-0).

The Board reconvened at 9:51 pm.

The minutes were approved on December 16, 2019.

Board President – David Montemayor

Board Secretary – Alejandro Flores

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Discussion Item
12-16-2019	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	CONSIDERATION AND POSSIBLE ACTION ON ANY MATTERS ADDRESSED IN EXECUTIVE SESSION				
Presenter or Contact Person:	Daniel Gallagher, Superintendent				
Policy/Code:	BEC (LEGAL)				
Summary:	Consider and take possible action on TEA Docket No. 051-SE-1019.				
Financial Implications:	To be discussed in closed session.				
Attachments:	None.				
Recommendation:	The Administration recommends that the Board approve the terms of the settlement agreement as discussed in closed session.				
Motion:	“In regard to TEA Docket No. 051-SE-1019, I move that the Board approve the terms of the Mediation Agreement reached in this matter.”				

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input type="checkbox"/>	Action Item <input checked="" type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	BOARD POLICY UPDATES				
Presenter or Contact Person:	Clint Miller, Director for Student Services				
Policy/Code:	N/A				
Strategic Plan Goal:	N/A				
Summary:	TASB's Update 114 encompasses changes in law from the 86 th Legislative Session that have an immediate effect on the governance and management of the district. Recommended changes to local policies address the following topics: Public participation in board meetings, investments and purchasing, security issues, including emergency operations plans and security personnel, cybersecurity, financial exigency, weapons in district parking areas, gifted and talented programs, partnership charters, student physical examinations, crisis intervention, including threat assessments and trauma-informed care, student records, and requests for public information.				
Financial Implications:	N/A				
Attachments:	Vantage Points - A Board Member's Guide to Update 114				
Recommendation:	The Administration recommends approval of Update 114 and all localized policies associated with it as submitted.				
Motion:	I move the Board approve Update 114 and all localized policies associated with it as submitted.				

Vantage Points

A Board Member's Guide to Update 114

Please note: *Vantage Points* is an executive summary, prepared specifically for board members, of the TASB Localized Update. The topic-by-topic outline and brief descriptions focus on key issues to help local officials understand changes found in the policies.

The description of policy changes in *Vantage Points* is highly summarized. Please pay careful attention to the more detailed, district-specific Explanatory Notes and the policies in your localized update packet.

For questions, contact Policy Service at policy.service@tasb.org, call us at 800-580-7529, or visit our website at policy.tasb.org.

This information is provided for educational purposes only to facilitate a general understanding of the law or other regulatory matter. This information is neither an exhaustive treatment on the subject nor is this intended to substitute for the advice of an attorney or other professional adviser. Consult with your attorney or professional adviser to apply these principles to specific fact situations.

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If the board wishes to limit public comment to agenda items at regular meetings, adjust the individual time limit, or make other adjustments to this policy, please contact the district's TASB policy consultant.

To assist the board in developing public comment procedures, Policy Services provides samples in the *TASB Regulations Resource Manual*.

Please contact your superintendent or your TASB policy consultant if you wish to review these sample board procedures.

Section C— Business and Support Services

Texas Economic Development Act

CCGB(LOCAL) POLICY CONSIDERATION

For those districts that currently have a local policy at CCGB(LOCAL), we recommend a more streamlined version of that policy. The revised policy removes legal provisions that can be found in CCGB(LEGAL) and addresses provisions that require board action, such as establishing the threshold for the large project application, setting the standard application fee, providing procedures for filing and processing the application, outlining the board and superintendent responsibilities regarding the application and implementation of the agreement, and providing a statement regarding conflicts of interest.

Investments

HB 2706 permits the district to invest bond proceeds or pledged revenue to the extent allowed by the Public Funds Investment Act, other laws, and the district's local policy.

CDA(LOCAL) POLICY CONSIDERATION

The recommended changes to CDA(LOCAL) permit the district to invest bond proceeds or pledged revenue in accordance with law. Additional recommended revisions clarify that, should the district exercise the option to invest in bond proceeds, those investments could not be made in no-load mutual funds.

Governmental Accounting Standards Board (GASB) Statement 84 revised terminology to change "agency" funds to "custodial" funds. In response, a corresponding change is recommended in the local policy.

Finally, a few districts' local policies included a statement requiring an annual portfolio report to the board in addition to the monthly or quarterly reports the board receives. Because there is no requirement to reflect this practice in policy, the provision is recommended for removal. A district may continue to provide this annual report without the policy provision.

**Purchasing
Procedures**

CH(LOCAL) POLICY CONSIDERATION

The Texas Education Agency, through its *Financial Accountability System Resource Guide*, requires the district to have purchasing procedures to comply with a variety of state and federal laws. Recommended policy text has been added that requires the superintendent to develop those procedures.

**Emergency
Operations
Plans**

CKC(LOCAL) POLICY CONSIDERATION

Recommended revisions to this policy require the district's emergency operations plan to include active shooter response procedures (HB 2195) and to ensure that a substitute teacher has access to campus buildings and materials to carry out duties of a regular district employee during an emergency or emergency drill (SB 11).

**Security
Personnel**

CKE(LOCAL) POLICY CONSIDERATION

This policy has been revised to comply with SB 1707. The bill prohibits district peace officers or school resource officers (SRO) from being assigned routine discipline or school administrative tasks. A statement to this effect has been added to the policy.

SB 1707 also requires that the board determine the duties of the district's peace officers and SROs and include those duties in specific documents, such as the district improvement plan, the student code of conduct, and other appropriate publications. For districts with a police force, if your policy describes the powers and duties of your police officers, your policy will meet this requirement. If your district has entered into an agreement with local law enforcement to hire SROs and has this currently reflected in your policy manual, new policy language is recommended to satisfy the SB 1707 requirement to determine SRO duties.

Cybersecurity

CQB(LOCAL) POLICY CONSIDERATION

This new recommended policy code has been created to house the new cybersecurity policy required by SB 820 and to address the cybersecurity training of employees and board members required by HB 3834. This new code is also where provisions on security breaches are now found; these provisions were formerly coded at policy CQ. The security breach text has

been revised to address reporting requirements to the Texas Education Agency in accordance with SB 820.

Section D— Personnel

Furloughs

DFFA(LOCAL) POLICY CONSIDERATION

A minor revision is recommended to this policy as a result of HB 3 moving statutory provisions on furloughs from Education Code Chapter 42 to Chapter 48. The detail has been removed in favor of the cross-reference to policy DEA.

Firearms

DH(LOCAL) POLICY CONSIDERATION

HB 1143 prohibits a district from regulating the manner in which a handgun, firearm, or ammunition is stored in a locked vehicle in a district parking area, provided the item is not in plain view. Recommended changes to this policy and GKA(LOCAL) reflect this new law by deleting language requiring firearms in locked vehicles to be unloaded.

Section E— Instruction

Gifted and Talented Program

EHBB(LOCAL) POLICY CONSIDERATION

Based on HB 3 and the newly adopted Texas State Plan for the Education of Gifted/Talented Students, EHBB(LEGAL) and (LOCAL), the policies on gifted and talented (GT) services, have been updated. EHBB(LOCAL) has undergone a complete review to ensure that all required provisions are included in the policy as reflected in law and the state plan. In addition to the revisions to existing text, new recommended provisions address use of GT funds and the annual compliance certification the district must make to the commissioner. This recommended policy also addresses parent consultations for exiting students, appeals, and broader language regarding the selection committee. The remaining revisions are recommended to provide more flexibility to the district regarding reassessments and placement of transfer students in the GT program.

Partnership Charters

ELA(LOCAL) POLICY CONSIDERATION

This policy only appears in a few districts' policy manuals. A minor revision has been made to the legal citation in this policy as a result of HB 3, which

moved funding provisions regarding partnership charters from Education Code Chapter 42 to Chapter 48.

Section F— Students

School Safety Transfers

FDE(LOCAL) POLICY CONSIDERATION

TEA's recent revisions to the Unsafe School Choice Option Guidance Handbook prompted recommended changes at FDE(LOCAL) to update the list of violent criminal offenses for which a victim is eligible for a transfer to another school within the district.

UIL Physicals

FFAA(LOCAL) POLICY CONSIDERATION

A new UIL rule requires students who are participating in marching band to have a pre-participation physical in accordance with the schedule established by the UIL. Recommended revisions to this policy broaden the language to accommodate future changes to UIL rules and allow the superintendent to designate other extracurricular programs for which the district will require physicals.

Threat Assessments

FFB(LEGAL) includes new provisions regarding the establishment and composition of threat assessment and safe and supportive school teams as required by SB 11 and the process these teams will use in evaluating individuals and students who make threats of violence or exhibit harmful, threatening, or violent behavior.

FFB(LOCAL) POLICY CONSIDERATION

This new recommended local policy has been created in response to SB 11 and addresses the requirement for boards to adopt policies and procedures regarding the threat assessment and safe and supportive teams. The district's policies and procedures must be consistent with the model policies and procedures developed by the Texas School Safety Center (TxSSC). TASB collaborated with the TxSSC to develop this policy.

The TxSSC advises that district procedures need to be individualized to fit each district's unique circumstances. The TxSSC website has numerous resources to assist in developing such procedures.

**Trauma-Informed
Care**

FFBA(LOCAL) POLICY CONSIDERATION

This new recommended local policy on trauma-informed care has also been developed to comply with SB 11. The details of the district's trauma-informed care program must be included in the district improvement plan. The policy specifies the elements required to be addressed in the district's trauma-informed care program, including increasing staff and parent awareness of trauma-informed care, required training, and available counseling options for students affected by trauma or grief. The policy also affirms that the district must report training compliance to TEA.

Student Records

FL(LOCAL) POLICY CONSIDERATION

This policy has been revised to assist with the implementation of the district's safe and supportive school program (see policy FFB) as required by SB 11. The new recommended provision at Access by School Officials clarifies that a person appointed to a team that supports the safe and supportive school program may access student records if the person has a legitimate educational interest in the records.

**Section G—
Community and
Governmental
Relations**

**Public
Information
Requests**

GBAA(LOCAL) POLICY CONSIDERATION

SB 494 permits the board of a district impacted by a catastrophe to temporarily suspend the Public Information Act. This policy includes new recommended provisions to delegate to the superintendent the authority to approve the initial suspension period of up to seven consecutive days and provide the required notices. For an extension beyond the initial seven-day period, the law requires the board to determine whether it is still impacted by the catastrophe. Thus, the recommended local policy text requires the board to approve an extension.

Firearms

GKA(LOCAL) POLICY CONSIDERATION

HB 1143 prohibits a district from regulating the manner in which a handgun, firearm, or ammunition is stored in a locked vehicle in a district parking area, provided the item is not in plain view. Recommended changes to this policy and DH(LOCAL) reflect this new law by deleting language requiring firearms in locked vehicles to be unloaded.

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Discussion Item
12-16-2019	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	ANNUAL FINANCIAL REPORT FOR YEAR ENDED AUGUST 31, 2019				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	Accounting Audits – CFC (Legal)				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	Dan Tonn with the audit firm Hankins, Eastup, Deaton, Tonn & Seay, PC to present audit report				
Financial Implications:	There is no financial implication to the budget.				
Attachments:	1) Auditor Communication Letter 2) Annual Financial Report FY 18-19				
Recommendation:	The Administration recommends approval of the Annual Financial Report for the year ended August 31, 2019 as submitted.				
Motion:	I move that the Board approve the Annual Financial Report for the year ended August 31, 2019 as submitted.				

December 4, 2019

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District (the District) for the year ended August 31, 2019. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and the Uniform Guidance

As stated in our engagement letter dated April 30, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated April 30, 2019.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019. We noted no transaction entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of state revenue, depreciation expense, and the allowance for uncollectible property taxes. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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


Hankins, Eastup, Deaton, Tonn & Seay, P.C.
Denton, Texas

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED AUGUST 31, 2019

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2019

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2019

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CERTIFICATE OF BOARD

Little Elm Independent School District
Name of School District

Denton
County

061-914
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2019, at a meeting of the Board of Trustees of such school district on the 16th day of December, 2019.

Signature of Board Secretary

Signature of Board President

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Independent Auditors' Report

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District as of August 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 7 through 13 and the *pension and OPEB schedules* on pages 62 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Little Elm Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements and the required TEA schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of Little Elm Independent School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Elm Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay
Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 4, 2019

**LITTLE ELM INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2019
(UNAUDITED)**

As management of Little Elm Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2019. Please read this narrative in conjunction with the independent auditors' report on page 5, and the District's Basic Financial Statements that begin on page 17.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,221,884 (*net position*). Of this amount, \$(27,141,232) represents negative unrestricted net position.
- The District's total net position increased by \$16,600,487 during the current fiscal year.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$171,354,641. 12.4% of this total amount, \$21,227,811, is unassigned and available for use within the District's policies.
- At the end of the current fiscal period, unassigned fund balance for the general fund was \$21,227,811 or 30.1% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 17 through 19). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 20) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 32) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 17. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities—The District charges a fee to "customers" to help it cover all or most of the cost of services it provides in its child care operation.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 20 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds-government and proprietary-use different accounting approaches.

- Governmental funds—All of the District’s basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District’s general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District’s enterprise funds (one category of propriety funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District’s Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and for scholarships. The District’s fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 31. We exclude these resources from the District’s other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis of comparative balances and changes therein is presented for the current and prior year’s operations and a discussion of significant changes in the accounts. The analysis focuses on the net position (Table I) and changes in net position (Table II) of the District’s governmental activities.

Net position of the District’s governmental activities increased from (\$15,443,051) to \$1,144,665. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$27,161,108) at August 31, 2019.

Table I
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$219,807,247	188,582,157	\$ 221	\$ 27,936	\$219,807,468	\$188,610,093
Capital assets	163,567,106	212,666,622	68,812	57,343	163,635,918	212,723,965
Total assets	383,374,353	401,248,779	69,033	85,279	383,443,386	401,334,058
Deferred outflows of resources	12,306,511	22,000,348	-	-	12,306,511	22,000,348
Total assets and deferred outflows of resources	395,680,864	423,249,127	69,033	85,279	395,749,897	423,334,406
Long-term liabilities	391,028,817	394,527,663	-	-	391,028,817	394,527,663
Other liabilities	7,348,305	17,066,202	4,585	8,060	7,352,890	17,074,262
Total liabilities	398,377,122	411,593,865	4,585	8,060	398,381,707	411,601,925
Deferred inflows of resources	12,746,793	10,510,597	-	-	12,746,793	10,510,597
Total liabilities and deferred inflows of resources	411,123,915	422,104,462	4,585	8,060	411,128,500	422,112,522
Net Position:						
Net investment in capital assets	11,303,327	21,232,245	68,812	57,343	11,372,139	21,289,588
Restricted	6,383,178	7,073,528	-	-	6,383,178	7,073,528
Unrestricted	(33,129,556)	(27,161,108)	(4,364)	19,876	(33,133,920)	(27,141,232)
Total Net Position	<u><u>\$ (15,443,051)</u></u>	<u><u>\$ 1,144,665</u></u>	<u><u>\$ 64,448</u></u>	<u><u>\$ 77,219</u></u>	<u><u>\$ (15,378,603)</u></u>	<u><u>\$ 1,221,884</u></u>

Table II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 4,265,640	\$ 4,597,285	\$ 612,781	\$ 618,742	\$ 4,878,421	\$ 5,216,027
Operating grants and contributions	(2,633,079)	8,187,863	-	-	(2,633,079)	8,187,863
General Revenues:						
Maintenance and operations taxes	44,763,914	52,818,460	-	-	44,763,914	52,818,460
Debt service taxes	14,204,126	21,192,178	-	-	14,204,126	21,192,178
State aid	19,642,174	16,011,582	-	-	19,642,174	16,011,582
Other grants and contributions	839,107	770,280	-	-	839,107	770,280
Investment earnings	1,511,156	4,970,698	-	-	1,511,156	4,970,698
Miscellaneous	712,945	1,526,836	-	-	712,945	1,526,836
Extraordinary item - resource	2,571,786	2,460,807	-	-	2,571,786	2,460,807
Total Revenue	<u>85,877,769</u>	<u>112,535,989</u>	<u>612,781</u>	<u>618,742</u>	<u>86,490,550</u>	<u>113,154,731</u>
Expenses:						
Instruction, curriculum and media services	31,472,583	47,292,318	-	-	31,472,583	47,292,318
Instructional and school leadership	3,687,057	5,910,884	-	-	3,687,057	5,910,884
Student support services	4,123,108	5,801,749	-	-	4,123,108	5,801,749
Child nutrition	3,497,664	4,576,841	-	-	3,497,664	4,576,841
Cocurricular activities	2,851,008	3,204,209	-	-	2,851,008	3,204,209
General administration	2,483,015	3,417,356	-	-	2,483,015	3,417,356
Plant maintenance, security and data processing	8,165,817	10,267,503	-	-	8,165,817	10,267,503
Community services	114,660	169,994	-	-	114,660	169,994
Childcare services	-	-	632,350	605,971	632,350	605,971
Debt services	10,119,523	13,724,729	-	-	10,119,523	13,724,729
Capital outlay	47,378	195,454	-	-	47,378	195,454
Intergovernmental charges	847,574	1,387,236	-	-	847,574	1,387,236
Total Expenses	<u>67,409,387</u>	<u>95,948,273</u>	<u>632,350</u>	<u>605,971</u>	<u>68,041,737</u>	<u>96,554,244</u>
Increase (Decrease) in Net Position	18,468,382	16,587,716	(19,569)	12,771	18,448,813	16,600,487
Net Position - beginning of year	3,221,747	(15,443,051)	84,017	64,448	3,305,764	(15,378,603)
Prior period adjustment	(37,133,180)	-	-	-	(37,133,180)	-
Net Position - end of year	<u>\$ (15,443,051)</u>	<u>\$ 1,144,665</u>	<u>\$ 64,448</u>	<u>\$ 77,219</u>	<u>\$ (15,378,603)</u>	<u>\$ 1,221,884</u>

The District notes the following highlights for the 2018-2019 school year in response to changes in personnel and continued growth in student enrollment.

- The District maintained its contract with a professional demographer in an effort to plan for future facility needs.
- The District increased the employer's health insurance contribution to \$367 per month.
- The District operated an Energy Education Plan and an Energy Manager in an effort to conserve energy and reduce energy costs.
- The Board of Trustees approved a property tax rate of \$1.64/\$100 of taxable value (\$1.17 for M&O and \$0.47 for Debt Service).
- The District maintained an employee induction program for new teachers that provides training and staff development.
- The District maintained its status of "Superior Achievement" according to the Financial Integrity Rating System of Texas.

The cost of all governmental activities for the current fiscal year was \$95,948,273. However, as shown in the Statement of Activities on pages 18 and 19, the amount that our taxpayers ultimately financed for these activities through District taxes was \$74,010,638 because some of the costs were paid by those who directly benefited from the programs (\$4,597,285) or by other governments and organizations that subsidized certain programs with grants and contributions (\$8,187,863) or by State equalization funding (\$16,011,582), or by other grants and contributions (\$770,280).

THE DISTRICT'S FUNDS

As the District completed the fiscal year, its governmental funds (as presented in the balance sheet on page 20) reported a combined fund balance of \$171,354,641, which is \$40,939,726 less than last year's total of \$212,294,367. Included in this year's total change in fund balance is an increase of \$351,829 in the District's General Fund and a decrease of \$41,964,675 in the Capital Projects Fund.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in August 2018). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$29,282,332 reported on page 20 differs from the General Fund's budgetary fund balance of \$23,294,499 reported in the budgetary comparison schedule on page 27. This is principally due to cost savings achieved during the year throughout all functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2019, the District's governmental activities had \$212,666,622 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$49,099,516 or 30.0 percent, more than last year.

This year's major additions were completion of several building renovations and additions and construction in progress on several new building projects.

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At August 31, 2019, the District had \$346,364,616 in bonds payable outstanding (including accreted interest on bonds) versus \$357,173,522 last year—a decrease of 3.03 percent. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund), according to national rating agencies.

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District took actions for 2019-2020 to compensate for some increases in costs and continued increases in enrollment:

- The Board adopted a \$98.9 million appropriations budget including General Operating, Child Nutrition, and Debt Service.
- Certified Taxable Property Values increased \$515.8 million from \$4,710,400,731 to \$5,226,184,446 from 2018 to 2019.
- Student enrollment is estimated to increase 211 students from 7,817 to 8,028 students from the end of the 18-19 school year to the beginning of the 19-20 school year.

The following shows the enrollment at the end of the last six school years:

2013-2014 – 6,638
2014-2015 – 6,888
2015-2016 – 7,172
2016-2017 – 7,371
2017-2018 – 7,564
2018-2019 – 7,817

- The Board adopted a total tax rate of \$1.5383/\$100 of taxable property value (\$1.0683 for M&O and \$.47 for Debt Service).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Little Elm Independent School District, 300 Lobo Lane, Little Elm, Texas 75068, (972) 947-9340.

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BASIC FINANCIAL STATEMENTS

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2019

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 185,657,408	\$ 27,936	\$ 185,685,344
1220	Property Taxes - Delinquent	760,500	-	760,500
1230	Allowance for Uncollectible Taxes	(49,432)	-	(49,432)
1240	Due from Other Governments	1,856,582	-	1,856,582
1290	Other Receivables, Net	302,578	-	302,578
1410	Prepayments	54,521	-	54,521
	Capital Assets:			
1510	Land	23,099,046	-	23,099,046
1520	Buildings, Net	131,250,913	57,343	131,308,256
1530	Furniture and Equipment, Net	5,774,132	-	5,774,132
1580	Construction in Progress	52,542,531	-	52,542,531
1000	Total Assets	401,248,779	85,279	401,334,058
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge on Bond Refundings	5,173,486	-	5,173,486
1705	Deferred Resource Outflows Related to TRS Pension	13,235,149	-	13,235,149
1706	Deferred Resource Outflows Related to TRS OPEB	3,591,713	-	3,591,713
1700	Total Deferred Outflows of Resources	22,000,348	-	22,000,348
LIABILITIES				
2110	Accounts Payable	11,959,941	6,183	11,966,124
2140	Accrued Interest Payable	549,754	-	549,754
2150	Payroll Deductions and Withholdings	425	-	425
2160	Accrued Wages Payable	3,502,594	1,852	3,504,446
2200	Accrued Expenses	250,601	25	250,626
2300	Unearned Revenue	802,887	-	802,887
	Noncurrent Liabilities:			
2501	Due Within One Year	8,100,216	-	8,100,216
2502	Due in More Than One Year	338,264,400	-	338,264,400
2540	Net Pension Liability (District's Share)	22,533,699	-	22,533,699
2545	Net OPEB Liability (District's Share)	25,629,348	-	25,629,348
2000	Total Liabilities	411,593,865	8,060	411,601,925
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Resource Inflows Related to TRS Pension	2,405,979	-	2,405,979
2606	Deferred Resource Inflows Related to TRS OPEB	8,104,618	-	8,104,618
2600	Total Deferred Inflows of Resources	10,510,597	-	10,510,597
NET POSITION				
3200	Net Investment in Capital Assets	21,232,245	57,343	21,289,588
	Restricted:			
3820	Restricted for Federal and State Programs	1,383,097	-	1,383,097
3850	Restricted for Debt Service	5,690,431	-	5,690,431
3900	Unrestricted	(27,161,108)	19,876	(27,141,232)
3000	Total Net Position	\$ 1,144,665	\$ 77,219	\$ 1,221,884

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 44,540,062	\$ 2,181,545	\$ 3,120,505
12 Instructional Resources and Media Services	888,922	6,264	35,916
13 Curriculum and Instructional Staff Development	1,863,334	10,210	320,634
21 Instructional Leadership	1,284,578	-	100,565
23 School Leadership	4,626,306	81,066	206,260
31 Guidance, Counseling and Evaluation Services	2,404,882	-	414,771
32 Social Work Services	32,170	-	-
33 Health Services	582,201	-	28,209
34 Student (Pupil) Transportation	2,782,496	-	569,906
35 Food Services	4,576,841	1,657,097	2,468,203
36 Extracurricular Activities	3,204,209	604,484	69,932
41 General Administration	3,417,356	-	211,406
51 Facilities Maintenance and Operations	7,672,354	42,100	175,112
52 Security and Monitoring Services	1,027,077	-	5,308
53 Data Processing Services	1,568,072	-	64,736
61 Community Services	169,994	-	123,508
72 Debt Service - Interest on Long-Term Debt	13,639,685	-	260,360
73 Debt Service - Bond Issuance Cost and Fees	85,044	-	-
81 Capital Outlay	195,454	14,519	12,532
91 Contracted Instructional Services Between Schools	969,555	-	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	5,963	-	-
99 Other Intergovernmental Charges	411,718	-	-
[TG] Total Governmental Activities:	95,948,273	4,597,285	8,187,863
BUSINESS-TYPE ACTIVITIES:			
01 Child Care Fund	605,971	618,742	-
[TB] Total Business-Type Activities:	605,971	618,742	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 96,554,244	\$ 5,216,027	\$ 8,187,863

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
E1	Extraordinary Item - resource
TR	Total General Revenues & Extraordinary Items
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position--Ending

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

Net (Expense) Revenue and
Changes in Net Position

6		7		8
Governmental		Primary Government		
Activities		Business Type		Total
		Activities		
\$	(39,238,012)	\$	-	\$ (39,238,012)
	(846,742)		-	(846,742)
	(1,532,490)		-	(1,532,490)
	(1,184,013)		-	(1,184,013)
	(4,338,980)		-	(4,338,980)
	(1,990,111)		-	(1,990,111)
	(32,170)		-	(32,170)
	(553,992)		-	(553,992)
	(2,212,590)		-	(2,212,590)
	(451,541)		-	(451,541)
	(2,529,793)		-	(2,529,793)
	(3,205,950)		-	(3,205,950)
	(7,455,142)		-	(7,455,142)
	(1,021,769)		-	(1,021,769)
	(1,503,336)		-	(1,503,336)
	(46,486)		-	(46,486)
	(13,379,325)		-	(13,379,325)
	(85,044)		-	(85,044)
	(168,403)		-	(168,403)
	(969,555)		-	(969,555)
	(5,963)		-	(5,963)
	(411,718)		-	(411,718)
	(83,163,125)		-	(83,163,125)
	-		12,771	12,771
	-		12,771	12,771
	(83,163,125)		12,771	(83,150,354)
	52,818,460		-	52,818,460
	21,192,178		-	21,192,178
	16,011,582		-	16,011,582
	770,280		-	770,280
	4,970,698		-	4,970,698
	1,526,836		-	1,526,836
	2,460,807		-	2,460,807
	99,750,841		-	99,750,841
	16,587,716		12,771	16,600,487
	(15,443,051)		64,448	(15,378,603)
\$	1,144,665	\$	77,219	\$ 1,221,884

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 33,128,784	\$ 6,042,983	\$ 144,814,288
1220 Property Taxes - Delinquent	549,589	210,911	-
1230 Allowance for Uncollectible Taxes	(35,723)	(13,709)	-
1240 Due from Other Governments	1,372,007	-	-
1290 Other Receivables	57,318	-	244,555
1410 Prepayments	54,521	-	-
1000 Total Assets	<u>\$ 35,126,496</u>	<u>\$ 6,240,185</u>	<u>\$ 145,058,843</u>
LIABILITIES			
2110 Accounts Payable	\$ 999,520	\$ -	\$ 10,662,387
2150 Payroll Deductions and Withholdings Payable	425	-	-
2160 Accrued Wages Payable	3,314,916	-	1,116
2200 Accrued Expenditures	238,092	-	16
2300 Unearned Revenue	777,345	-	-
2000 Total Liabilities	<u>5,330,298</u>	<u>-</u>	<u>10,663,519</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	513,866	197,202	-
2600 Total Deferred Inflows of Resources	<u>513,866</u>	<u>197,202</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	54,521	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	134,395,324
3480 Retirement of Long-Term Debt	-	6,042,983	-
Committed Fund Balance:			
3545 Local Grants	-	-	-
3545 Campus Activity	-	-	-
3545 Textbooks	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	8,000,000	-	-
3600 Unassigned Fund Balance	21,227,811	-	-
3000 Total Fund Balances	<u>29,282,332</u>	<u>6,042,983</u>	<u>134,395,324</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 35,126,496</u>	<u>\$ 6,240,185</u>	<u>\$ 145,058,843</u>

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

		Total Governmental Funds	
Other Funds			
\$	1,671,353	\$	185,657,408
	-		760,500
	-		(49,432)
	484,575		1,856,582
	705		302,578
	-		54,521
<u>\$</u>	<u>2,156,633</u>	<u>\$</u>	<u>188,582,157</u>
\$	298,034	\$	11,959,941
	-		425
	186,562		3,502,594
	12,493		250,601
	25,542		802,887
	<u>522,631</u>		<u>16,516,448</u>
	-		711,068
	-		711,068
	-		54,521
	1,383,097		1,383,097
	-		134,395,324
	-		6,042,983
	24,135		24,135
	211,032		211,032
	15,738		15,738
	-		8,000,000
	-		21,227,811
	<u>1,634,002</u>		<u>171,354,641</u>
<u>\$</u>	<u>2,156,633</u>	<u>\$</u>	<u>188,582,157</u>

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2019

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 171,354,641
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	282,588,395
2 Accumulated depreciation has not been included in the fund financial statements.	(69,921,773)
3 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$22,533,699, a Deferred Inflow of Resources related to TRS in the amount of \$2,405,979, and a Deferred Outflow of Resources related to TRS in the amount of \$13,235,149. This results in a decrease in Net Position in the amount of \$11,704,529.	(11,704,529)
4 Bonds payable are not included in the fund financial statements.	(298,534,213)
5 Accreted interest payable on capital appreciation bonds has not been included in the fund financial statements.	(22,361,429)
6 Deferred loss on bond refunding has not been included in the fund financial statements.	5,173,486
7 Bond discounts and premiums were not recognized in the fund financial statements.	(25,468,974)
8 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(549,754)
9 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	711,068
10 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) liability required by GASB 75 in the amount of \$25,629,348, a Deferred Resource Inflow related to TRS OPEB in the amount of \$8,104,618, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$3,591,713. This results in a net decrease in Net Position in the amount of \$30,142,253.	(30,142,253)
19 Net Position of Governmental Activities	\$ 1,144,665

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 55,929,335	\$ 21,543,783	\$ 3,620,753
5800 State Program Revenues	19,440,187	260,360	-
5900 Federal Program Revenues	2,544,021	-	-
5020 Total Revenues	77,913,543	21,804,143	3,620,753
EXPENDITURES:			
Current:			
0011 Instruction	38,335,585	-	-
0012 Instructional Resources and Media Services	690,649	-	-
0013 Curriculum and Instructional Staff Development	1,515,605	-	-
0021 Instructional Leadership	1,176,309	-	-
0023 School Leadership	4,196,468	-	-
0031 Guidance, Counseling and Evaluation Services	1,981,873	-	-
0032 Social Work Services	32,170	-	-
0033 Health Services	538,720	-	-
0034 Student (Pupil) Transportation	2,364,485	-	1,323,446
0035 Food Services	159,727	-	-
0036 Extracurricular Activities	2,004,881	-	-
0041 General Administration	3,257,468	-	-
0051 Facilities Maintenance and Operations	6,783,680	-	22,490
0052 Security and Monitoring Services	1,004,882	-	-
0053 Data Processing Services	1,468,113	-	118,013
0061 Community Services	50,931	-	-
Debt Service:			
0071 Principal on Long-Term Debt	3,216,159	5,863,818	-
0072 Interest on Long-Term Debt	255,316	15,222,784	-
0073 Bond Issuance Cost and Fees	500	84,544	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	140,957	-	49,929,687
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	969,555	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	5,963	-	-
0099 Other Intergovernmental Charges	411,718	-	-
6030 Total Expenditures	70,561,714	21,171,146	51,393,636
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	7,351,829	632,997	(47,772,883)
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	3,985,000	-
7915 Transfers In	-	-	7,000,000
8911 Transfers Out (Use)	(7,000,000)	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(3,901,661)	-
7080 Total Other Financing Sources (Uses)	(7,000,000)	83,339	7,000,000
EXTRAORDINARY ITEMS:			
7919 Extraordinary Item - Resource	-	-	2,460,807
8913 Extraordinary Item - (Use)	-	-	(3,652,599)
1200 Net Change in Fund Balances	351,829	716,336	(41,964,675)
0100 Fund Balance - September 1 (Beginning)	28,930,503	5,326,647	176,359,999
3000 Fund Balance - August 31 (Ending)	\$ 29,282,332	\$ 6,042,983	\$ 134,395,324

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

		Total	
Other		Governmental	
Funds		Funds	
\$	2,364,056	\$	83,457,927
	390,317		20,090,864
	4,156,138		6,700,159
	6,910,511		110,248,950
	1,520,131		39,855,716
	11,170		701,819
	275,475		1,791,080
	54,490		1,230,799
	81,066		4,277,534
	322,248		2,304,121
	-		32,170
	-		538,720
	-		3,687,931
	4,070,013		4,229,740
	490,346		2,495,227
	25,145		3,282,613
	-		6,806,170
	-		1,004,882
	-		1,586,126
	89,124		140,055
	-		9,079,977
	-		15,478,100
	-		85,044
	14,519		50,085,163
	-		969,555
	-		5,963
	-		411,718
	6,953,727		150,080,223
	(43,216)		(39,831,273)
	-		3,985,000
	-		7,000,000
	-		(7,000,000)
	-		(3,901,661)
	-		83,339
	-		2,460,807
	-		(3,652,599)
	(43,216)		(40,939,726)
	1,677,218		212,294,367
\$	1,634,002	\$	171,354,641

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (40,939,726)
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	55,295,794
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(6,196,278)
Current year long-term debt principal payments on bonds payable, notes payable, capital leases payable, and payment of accreted interest on capital appreciation bonds are expenditures in the governmental fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	11,566,159
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(1,449,098)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2018 caused the ending net position to decrease in the amount of \$10,666. These contributions were replaced with the District's additional GASB 68 pension expense for the year of \$1,928,273, which caused a net decrease in the change in net position. The impact of these is to decrease the change in net position by \$1,938,939.	(1,938,939)
Revenues from property taxes are shown as unearned in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible amounts, in the government-wide financial statements.	(7,153)
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	1,056,845
Current year issuances of refunding bonds are shown as other resources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.	(3,985,000)
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(259,406)
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	3,892
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions made after the measurement date of 8/31/2018 but during the current fiscal year caused the ending net position to increase in the amount of \$6,879. These contributions were replaced with the District's OPEB expense for the year of \$467,914, which caused a decrease in the change in net position. The net effect of these is to increase the change in net position by \$461,035.	(461,035)
The current year payment to the escrow agent for refunding debt is an other financing use in the fund financial statements, but is reported as a reduction in long-term debt in the government-wide financial statements. The payment of \$3,901,661 includes the payment to refund maintenance tax notes of \$3,620,000 and a deferred loss on bond refundings of \$281,661.	3,901,661
Change in Net Position of Governmental Activities	\$ 16,587,716

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 51,464,245	\$ 55,534,692	\$ 55,929,335	\$ 394,643
5800 State Program Revenues	18,319,434	19,983,033	19,440,187	(542,846)
5900 Federal Program Revenues	1,250,000	2,472,955	2,544,021	71,066
5020 Total Revenues	71,033,679	77,990,680	77,913,543	(77,137)
EXPENDITURES:				
Current:				
0011 Instruction	39,021,456	40,548,862	38,335,585	2,213,277
0012 Instructional Resources and Media Services	731,379	741,979	690,649	51,330
0013 Curriculum and Instructional Staff Development	1,852,210	1,719,526	1,515,605	203,921
0021 Instructional Leadership	1,086,508	1,310,384	1,176,309	134,075
0023 School Leadership	4,367,766	4,553,044	4,196,468	356,576
0031 Guidance, Counseling and Evaluation Services	2,150,614	2,203,039	1,981,873	221,166
0032 Social Work Services	31,300	33,300	32,170	1,130
0033 Health Services	578,378	603,506	538,720	64,786
0034 Student (Pupil) Transportation	2,372,370	2,537,370	2,364,485	172,885
0035 Food Services	175,525	189,632	159,727	29,905
0036 Extracurricular Activities	1,992,989	2,132,971	2,004,881	128,090
0041 General Administration	3,136,703	3,460,378	3,257,468	202,910
0051 Facilities Maintenance and Operations	7,583,917	7,872,019	6,783,680	1,088,339
0052 Security and Monitoring Services	1,215,934	1,303,022	1,004,882	298,140
0053 Data Processing Services	1,560,918	1,579,270	1,468,113	111,157
0061 Community Services	53,598	58,471	50,931	7,540
Debt Service:				
0071 Principal on Long-Term Debt	1,193,334	3,216,161	3,216,159	2
0072 Interest on Long-Term Debt	208,808	314,713	255,316	59,397
0073 Bond Issuance Cost and Fees	500	500	500	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	194,472	185,537	140,957	44,580
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	1,100,000	1,100,000	969,555	130,445
0095 Payments to Juvenile Justice Alternative Ed. Prg.	40,000	40,000	5,963	34,037
0099 Other Intergovernmental Charges	385,000	418,000	411,718	6,282
6030 Total Expenditures	71,033,679	76,121,684	70,561,714	5,559,970
1100 Excess of Revenues Over Expenditures	-	1,868,996	7,351,829	5,482,833
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	(7,500,000)	(7,000,000)	500,000
OTHER FINANCING SOURCES (USES):				
8913 Extraordinary Item - (Use)	-	(5,000)	-	5,000
1200 Net Change in Fund Balances	-	(5,636,004)	351,829	5,987,833
0100 Fund Balance - September 1 (Beginning)	28,930,503	28,930,503	28,930,503	-
3000 Fund Balance - August 31 (Ending)	\$ 28,930,503	\$ 23,294,499	\$ 29,282,332	\$ 5,987,833

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2019

	Business-Type Activities
	Total Enterprise Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 27,936
Total Current Assets	<u>27,936</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	114,687
Depreciation on Buildings	<u>(57,344)</u>
Total Noncurrent Assets	<u>57,343</u>
Total Assets	<u>85,279</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	6,183
Accrued Wages Payable	1,852
Accrued Expenses	<u>25</u>
Total Liabilities	<u>8,060</u>
NET POSITION	
Unrestricted Net Position	<u>77,219</u>
Total Net Position	<u><u>\$ 77,219</u></u>

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Business-Type Activities
	Total Enterprise Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 618,742
Total Operating Revenues	<u>618,742</u>
OPERATING EXPENSES:	
Payroll Costs	545,559
Professional and Contracted Services	7,397
Supplies and Materials	33,192
Other Operating Costs	8,354
Depreciation Expense	<u>11,469</u>
Total Operating Expenses	<u>605,971</u>
Operating Income	12,771
Total Net Position - September 1 (Beginning)	<u>64,448</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 77,219</u></u>

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Business-Type Activities
	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 618,742
Cash Payments for Payroll Costs	(544,306)
Cash Payments for Professional Services	(7,397)
Cash Payments for Supplies and Materials	(30,982)
Cash Payments for Other Costs	(8,342)
Net Cash Provided by Operating Activities	<u>27,715</u>
Net Increase in Cash and Cash Equivalents	27,715
Cash and Cash Equivalents at Beginning of Year	<u>221</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 27,936</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 12,771
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	11,469
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	2,210
Increase (decrease) in Accrued Wages Payable	1,253
Increase (decrease) in Accrued Expenses	12
Net Cash Provided by Operating Activities	<u><u>\$ 27,715</u></u>

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2019

EXHIBIT E-1

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 133,127
Total Assets	<u>\$ 133,127</u>
LIABILITIES	
Accounts Payable	\$ 134
Due to Student Groups	132,993
Total Liabilities	<u>\$ 133,127</u>

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

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Little Elm Independent School District's (the "District") combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees are elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the district. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, Little Elm Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.
2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.
3. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.
2. **Enterprise Fund** - The District utilizes an enterprise fund to account for the Districts' activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District uses this fund to account for its child care program, because the child care program is self-supporting and does not require subsidies from the general fund.
3. **Agency Funds** - These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

The revenue susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Child Nutrition Fund. The special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

August 31, 2019	
<u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Fund	\$1,383,097
Nonappropriated Budget Funds	<u>250,905</u>
All Special Revenue Funds	<u>\$1,634,002</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at August 31, 2019 that were subsequently provided for in the 2019-20 budget.

F. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and the nonspendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for propriety funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 Years
Furniture and Equipment	5-10 Years

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at August 31, 2019 was \$5,173,486.

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Deferred outflows of resources for pensions - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred-outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 6.7 years.

The amount of deferred outflows reported in the governmental activities for deferred pension expenses at August 31, 2019 was \$13,235,149.

Deferred outflows of resources for OPEB- Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 8.6 years. The amount of deferred outflows reported for deferred OPEB expense at August 31, 2019 was \$3,591,713.

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at August 31, 2019 was \$711,068.

Deferred inflows of resources for pensions - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments and other actuarial and other assumption differences. These amounts will be amortized over a closed 5 year period. In fiscal year 2019, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$2,405,979.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (8.6 years for the 2018 measurement year). In fiscal year 2019, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$8,104,618.

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I. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. CASH EQUIVALENTS

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

K. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation's adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is available for general governmental uses. When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year bonds are issued.

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

M. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2019, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

During the year ended August 31, 2019, the District participated in the Texas Association of School Boards Risk Management Fund (the Fund). The Fund was created and is operated under provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The following are Funds the District participated in during the year ended August 31, 2019.

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Workers' Compensation Aggregate Deductible

The District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability. The District's 2019 deductible was \$204,467.

The Fund and its members are protected against higher than expected claims cost through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2.0 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2018, the fund carries a discounted reserve of \$48,977,531 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2019, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Changes in the workers compensation claims liability amounts in fiscal years 2019 and 2018 is presented below:

Fiscal Year	September 1 Claims Liability	Claims and Changes in Estimates	Claims Payments	August 31 Claims Liability
2019	\$160,920	\$ 98,761	\$89,926	\$169,755
2018	150,337	104,473	93,890	160,920

Unemployment Compensation Pool

During the year ended August 31, 2019, Little Elm ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2019, the Fund anticipates that Little Elm ISD has no additional liability beyond the contractual obligation for payment of contribution.

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The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Auto, Liability and Property Programs

During the year ended August 31, 2019, Little Elm ISD participated in the following TASB Risk Management Fund (the Fund) programs:

Auto Liability
Auto Physical Damage
Legal Liability
Privacy & Information Security
Property

The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2019, the Fund anticipates Little Elm ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

N. ESTIMATES

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

NOTE 2. FUND BALANCE

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.

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- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Unspent bond proceeds are restricted for future capital acquisition programs. Federal and State grant resources are restricted because their use is restricted pursuant to the mandates of the Federal or State grants.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of August 31, 2019 for campus activities, textbooks, and local grants.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. At August 31, 2019, the District has assigned \$8.0 million of the General Fund fund balance for future capital projects, payroll, and general operating expenses.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 20 & 21) and are described below:

General Fund

The General Fund has unassigned fund balance of \$21,227,811 at August 31, 2019. Prepayments of \$54,521 are considered nonspendable fund balance. \$8,000,000 has been assigned for future capital projects, payroll, and general operating expenditures.

Other Major Funds

The Debt Service Fund has restricted funds of \$6,042,983 at August 31, 2019 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

The Capital Projects Fund has restricted funds of \$134,395,324 at August 31, 2019 consisting primarily of unspent bond funds for future construction and other approved projects.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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Other Funds

The fund balance of \$211,032 of the Campus Activity Fund and \$15,738 of Textbook Funds and \$24,135 of local grant funds (special revenue funds) are shown as committed due to Board policy committing those funds to campus activities, textbooks, and local grants. The fund balance of \$1,383,097 in the Food Service Fund is shown as restricted for food service operations. The fund balance in the State Textbook Fund is shown as committed for textbooks.

NOTE 3. DEPOSITS AND INVESTMENTS

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

1. Cash Deposits:

At August 31, 2019, the carrying amount of the District's deposits in checking accounts and interest-bearing savings accounts was \$13,976,550, which includes \$8,398 cash on hand. The combined bank balance was \$15,355,138. The District's cash deposits at August 31, 2019 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. There was one day during the fiscal year when the District's deposits were not fully collateralized.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2019, the District's cash balances in the bank totaled \$15,355,138. This entire amount was either collateralized with securities held by the District's financial institution's agent in the District's name or covered by FDIC insurance. Thus, the District's deposits were not exposed to custodial credit risk at August 31, 2019.

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- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At August 31, 2019, the District held investments in four public funds investment pools (TexPool, TexSTAR, Lone Star and Texas Class). Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.
- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for the four investment pools range from AAA (Standard & Poor's) to AAAM (Standard & Poor's).
- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for all investment pools is less than 90 days.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At August 31, 2019, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools and government securities are excluded from the 5 percent disclosure requirement.

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

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

The District's investments pools at August 31, 2019, are shown below:

Name	Carrying Amount	Market Value
TexPool	\$ 5,912,385	\$ 5,912,385
TexSTAR	48,163,177	48,163,177
Lone Star	55,329,049	55,329,049
Texas Class	<u>62,437,309</u>	<u>62,437,309</u>
Total	<u>\$171,841,920</u>	<u>\$171,841,920</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District's investment in Texpool, TexStar, Lone Star, and Texas Class (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2019, was as follows:

	<u>Balance September 1</u>	<u>Additions/ Completions</u>	<u>Retirement/ Adjustments</u>	<u>Balance August 31</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 18,123,258	\$ 4,975,788	\$ -	\$ 23,099,046
Construction in Progress	<u>5,430,201</u>	<u>47,370,720</u>	<u>(258,390)</u>	<u>52,542,531</u>
Total capital assets, not being depreciated	<u>23,553,459</u>	<u>52,346,508</u>	<u>(258,390)</u>	<u>75,641,577</u>
Capital assets, being depreciated:				
Buildings	194,056,432	1,464,587	-	195,521,019
Furniture and Equipment	<u>9,682,710</u>	<u>1,743,089</u>	<u>-</u>	<u>11,425,799</u>
Total capital assets, being depreciated	<u>203,739,142</u>	<u>3,207,676</u>	<u>-</u>	<u>206,946,818</u>
Less accumulated depreciation for:				
Buildings	(58,898,244)	(5,371,862)	-	(64,270,106)
Furniture and Equipment	<u>(4,827,251)</u>	<u>(824,416)</u>	<u>-</u>	<u>(5,651,667)</u>
Total accumulated depreciation	<u>(63,725,495)</u>	<u>(6,196,278)</u>	<u>-</u>	<u>(69,921,773)</u>
Total capital assets being depreciated, net	<u>140,013,647</u>	<u>(2,988,602)</u>	<u>-</u>	<u>137,025,045</u>
Governmental activities capital assets, net	<u>\$163,567,106</u>	<u>\$49,357,906</u>	<u>\$ (258,390)</u>	<u>\$212,666,622</u>
Business-type activities:				
Buildings and Improvements	\$ 114,687	\$ -	\$ -	\$ 114,687
Totals at historic cost	<u>114,687</u>	<u>-</u>	<u>-</u>	<u>114,687</u>
Less accumulated depreciation for:				
Buildings and Improvements	<u>(45,875)</u>	<u>(11,469)</u>	<u>-</u>	<u>(57,344)</u>
Total accumulated depreciation	<u>(45,875)</u>	<u>(11,469)</u>	<u>-</u>	<u>(57,344)</u>
Business-type activities capital assets net	<u>\$ 68,812</u>	<u>\$ (11,469)</u>	<u>\$ -</u>	<u>\$ 57,343</u>

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FOR THE YEAR ENDED AUGUST 31, 2019

Depreciation expense was charged as direct expense to programs of the District as follows:

Governmental activities:	
Instruction	\$3,353,158
Instructional Resources & Media Services	161,377
Curriculum & Instructional Staff Development	26,320
Instructional Leadership	15,554
School Leadership	177,657
Guidance, Counseling & Evaluation Services	24,004
Health Services	20,079
Student (Pupil) Transportation	418,011
Food Services	425,508
Cocurricular/Extracurricular Activities	683,116
General Administration	39,072
Plant Maintenance and Operations	755,705
Security and Monitoring Services	49,051
Data Processing Services	46,253
Community Services	<u>1,413</u>
Total depreciation expense-Governmental activities	<u>\$6,196,278</u>
Business-type activities:	
Child Care	<u>\$ 11,469</u>
Total depreciation expense-Business-type activities	<u>\$ 11,469</u>

NOTE 5. MAINTENANCE TAX NOTE

The District was obligated under a maintenance tax note, which was an obligation of the General Fund. The maintenance tax note was repaid early in August 2019.

A summary of changes in the maintenance tax note for the year ended August 31, 2019 is as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Amount Outstanding 9-1-18</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding 8-31-19</u>	<u>Due Within One Year</u>
Maintenance Tax Note	4.25%	<u>\$3,820,000</u>	<u>\$ -</u>	<u>\$3,820,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6. CAPITAL LEASES

The District was obligated under three leases; two for equipment, and one for buses, accounted for as capital leases. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one, which transfers benefits and risks of ownership to the lease.

The following schedule lists personal property leased:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Agreement</u>	<u>Original Property Value</u>
Buses	2.42%	8/18/2003	\$3,732,284
Computers	2.10%	3/24/2016	665,324
Computers	2.30%	3/24/2016	<u>1,851,964</u>
Total			<u>\$6,249,572</u>

The capital leases were fully repaid during the fiscal year ended August 31, 2019 from the General Fund.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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NOTE 7. LONG-TERM DEBT

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, maintenance tax notes and four capital leases. All long-term debt represents transactions in the District's governmental activities.

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

The following is a summary of the changes in the District's Long-term Debt for the year ended August 31, 2019:

Description	Interest Rate Payable	Amounts Outstanding 9/1/18	Additions	Refunded/ Retired	Amounts Outstanding 8/31/19	Due Within One Year
Bonded Indebtedness:						
1995A School Bldg.	5.90%	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ -
1999 School Bldg. & Ref.	6.22%	1,229,601	-	135,428	1,094,173	125,176
2002 School Bldg. & Ref.	6.29%	1,393,430	-	718,390	675,040	675,040
2008A School Building	4.00%	1,245,000	-	250,000	995,000	260,000
2008B Refunding	4.00%	585,000	-	130,000	455,000	125,000
2010 Refunding	4.25%	18,920,000	-	440,000	18,480,000	390,000
2012 Refunding	5.00%	44,700,000	-	-	44,700,000	-
2013 School Bldg. & Ref.	5.00%	5,880,000	-	-	5,880,000	-
2014 Refunding	4.25%	4,960,000	-	-	4,960,000	-
2015A Refunding	4.00%	10,120,000	-	505,000	9,615,000	510,000
2015B Refunding	4.00%	8,350,000	-	30,000	8,320,000	185,000
2016 School Bldg. & Ref.	5.00%	35,115,000	-	1,790,000	33,325,000	1,730,000
2017 School Refunding	4.00%	8,780,000	-	-	8,780,000	-
2018 School Building	3.0-5.0%	135,160,000	-	425,000	134,735,000	1,695,000
2018A School Building	4.0-5.0%	23,885,000	-	1,440,000	22,445,000	780,000
2019 Refunding	2.13-2.17%	-	3,985,000	-	3,985,000	1,625,000
Total Bonded Indebtedness		<u>300,413,031</u>	<u>3,985,000</u>	<u>5,863,818</u>	<u>298,534,213</u>	<u>8,100,216</u>
Maintenance Tax Notes	4.25%	3,820,000	-	3,820,000	-	-
Capital Leases Payable	1.99%-5.36%	3,016,159	-	3,016,159	-	-
Accreted Interest Payable		23,398,513	1,449,098	2,486,182	22,361,429	-
Discount/Premium on Issuance of Debt		<u>26,525,819</u>	<u>-</u>	<u>1,056,845</u>	<u>25,468,974</u>	<u>-</u>
Total Other Obligations		<u>56,760,491</u>	<u>1,449,098</u>	<u>10,379,186</u>	<u>47,830,403</u>	<u>-</u>
Total Obligations of District		<u>\$357,173,522</u>	<u>\$ 5,434,098</u>	<u>\$16,243,004</u>	<u>\$346,364,616</u>	<u>\$8,100,216</u>

The 1995A, 1999, 2002, 2008B, 2010, 2012 and 2013 bond series include outstanding capital appreciation bonds in the principal amount of \$7,159,213. The bonds mature variously beginning in 2020 through 2042. Interest accrues on these bonds each February 15 and August 15, even though the interest is not paid until maturity. The accreted interest of \$22,361,429 is accounted for as Accreted Interest Payable-Capital Appreciation Bonds.

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at August 31, 2019.

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Presented below is a summary of general obligation bond requirements to maturity:

Year Ended			Total
August 31,	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2020	\$ 8,100,216	\$ 15,242,814	\$ 23,343,030
2021	6,592,589	15,125,639	21,718,228
2022	4,191,267	15,111,039	19,302,306
2023	3,339,267	15,963,539	19,302,806
2024	4,108,138	15,536,494	19,644,632
2025-2029	26,332,572	71,901,884	98,234,456
2030-2034	45,860,164	52,372,648	98,232,812
2035-2039	57,495,000	40,731,063	98,226,063
2040-2044	71,655,000	26,574,350	98,229,350
2045-2048	<u>70,860,000</u>	<u>7,723,450</u>	<u>78,583,450</u>
	<u>\$298,534,213</u>	<u>\$276,282,920</u>	<u>\$574,817,133</u>

NOTE 8. DEBT ISSUANCES AND DEFEASED BONDS OUTSTANDING

In August 2019 the District issued \$3,985,000 (par value) in unlimited tax refunding bonds (current interest bonds) to advance refund \$3,620,000 of maintenance tax notes. The net proceeds of \$3,901,661 (\$3,985,000 par amount of the bonds less \$83,339 of underwriting fees and other issuance costs) were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments on the refunded notes until the notes mature. The advanced refunding met the requirements of an in-substance debt defeasance and the maintenance tax notes were removed from the District's General Long-Term Debt. The advance refunding resulted in a present value economic gain (difference between present value of debt service payments on the old and new debt) of \$116,640.

In the current and prior years, the District issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The District has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds and notes are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On August 31, 2019, \$13,460,000 of bonds and notes outstanding are considered defeased.

The District's deferred charges on bond refundings are as follows:

Balance – August 31, 2018	\$5,151,231
Current year loss on notes refunding	281,661
Current year amortization	<u>(259,406)</u>
Balance – August 31, 2019	<u>\$5,173,486</u>

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NOTE 9. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2018-19 fiscal year was based was \$4,710,400,731. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended August 31, 2019, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$0.47 per \$100 valuation, respectively, for a total of \$1.64 per \$ 100 valuation.

Current tax collections for the year ended August 31, 2019 were 99.54% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$513,866 and \$197,202 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description. Little Elm Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Little Elm ISD FY2019 Employer Contributions	\$ 1,368,512	
Little Elm ISD FY2019 Member Contributions	\$ 3,398,894	
Little Elm ISD 2019 NECE On-Behalf Contributions	\$ 2,719,994	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.

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- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2017 and adopted in July, 2018.

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

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Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	5.7%	1.0%
Non-U.S. Developed	13%	6.9%	0.9%
Emerging Markets	9%	8.9%	0.8%
Directional Hedge Funds	4%	3.5%	0.1%
Private Equity	13%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11%	1.1%	0.1%
Absolute Return	0%	-	-
Stable Value Hedge Funds	4%	3.1%	0.1%
Cash	1%	-0.3%	-
Real Return			
Global Inflation Linked Bonds	3%	0.7%	-
Real Assets	14%	5.2%	0.7%
Energy and Natural Resources	5%	7.5%	0.4%
Commodities	0%	-	-
Risk Parity			
Risk Parity	5%	3.7%	0.2%
Inflation Expectation			2.3%
Volatility Drag	0%		-0.8%
Total	100%		7.2%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Little Elm ISD's proportionate share of the net pension liability:	\$34,008,759	\$22,533,699	\$13,243,961

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2019, Little Elm Independent School District reported a liability of \$22,533,699 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Little Elm Independent School District. The amount recognized by Little Elm Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Little Elm Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$22,533,699
State's proportionate share that is associated with the District	33,210,755
Total	\$55,744,454

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0409388%, an increase of 3.2% from its proportionate share of 0.0396664% at August 31, 2017.

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Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2019, Little Elm Independent School District recognized pension expense of \$2,031,324 and revenue of \$2,031,324 for support provided by the State.

At August 31, 2019, Little Elm Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 140,457	\$ 552,888
Changes in actuarial assumptions	8,124,484	253,890
Difference between projected and actual investment earnings	1,171,060	1,598,621
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,430,636	580
Contributions paid to TRS subsequent to the measurement date	1,368,512	-
Total	\$13,235,149	\$2,405,979

\$1,368,512 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2020	\$ 2,520,370
2021	1,620,597
2022	1,374,184
2023	1,586,504
2024	1,424,735
Thereafter	934,268

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NOTE 11. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees		
	<u>Medicare</u>	<u>Non-Medicare</u>
January 1, 2018 thru December 31, 2018		
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

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	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
 Little Elm ISD FY19 Employer Contributions		\$350,816
Little Elm ISD FY19 Member Contributions		\$286,919
Little Elm ISD 2019 NECE On-behalf Contributions		\$540,340

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS Care OPEB program. When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislative House Bill 30 provided an additional \$212 million one-time, supplemental funding for the FY 2018-19 biennium to continue to support the program. This was also received in FY 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions. The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation was rolled forward to August 31, 2018:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.69%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Payroll Growth Rate	2.50%
Projected Salary Increases	3.05% to 9.50%, including inflation
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

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Discount Rate. A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of .27 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Current Single Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District’s proportionate share of the Net OPEB Liability:	\$30,509,960	\$25,629,348	\$21,770,230

Healthcare Cost Trend Rates Sensitivity Analysis - The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a trend rate that is one-percentage lower or one-percentage point higher than the assumed healthcare cost trend rate:

	1% Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase (9.5%)
District’s proportionate share of the Net OPEB Liability:	\$21,285,591	\$25,629,348	\$31,350,170

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2019, the District reported a liability of \$25,629,348 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s Proportionate share of the collective Net OPEB Liability	\$25,629,348
State’s proportionate share that is associated with the District	<u>37,839,539</u>
Total	<u>\$63,468,887</u>

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

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At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was 0.051330%, an increase of 5.4% compared to the August 31, 2017 proportionate share of 0.048687%.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The total OPEB liability as of August 31, 2018 was developed using the roll forward method of the August 31, 2017 valuation.
- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent, as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.

The following are changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period. The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and proves a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended August 31, 2019, the District recognized OPEB expense of \$522,055 and revenue of \$522,055 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$1,360,054	\$ 404,469
Changes in actuarial assumptions	427,684	7,700,149
Difference between projected and actual investment earnings	4,482	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,448,677	-
Contributions paid to TRS subsequent to the measurement date	350,816	-
Total	\$3,591,713	\$8,104,618

**LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019**

The net amounts of the employer's balance of deferred outflows and inflows of resources (not including the deferred contributions paid subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2020	\$ (828,495)
2021	(828,495)
2022	(828,495)
2023	(829,343)
2024	(829,829)
Thereafter	(719,064)

NOTE 12. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2019, 2018 and 2017, the subsidy payments received by TRS-Care on behalf of the District were \$167,573, \$129,618 and \$124,678, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

NOTE 13. HEALTH CARE

During the year ended August 31, 2019, employees of Little Elm Independent School District were covered by the TRS-Active Care health insurance plan (the Plan). The District contributed \$367 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents. All contributions were paid to a self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

NOTE 14. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2019, are summarized below. All federal grants shown below are passed through the TEA and are reported on the financial statements as Due from Other Governments.

Fund	State Grant	Federal Grants	Total
General Fund	\$1,372,007	\$ -	\$1,372,007
Special Revenue	-	484,575	484,575
Total	<u>\$1,372,007</u>	<u>\$484,575</u>	<u>\$1,856,582</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

NOTE 15. LITIGATION AND CONTINGENCIES

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 16. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$52,538,461	\$ -	\$21,085,350	\$ -	\$73,623,811
Food Sales	-	1,647,305	-	-	1,647,305
Investment Income	985,045	5,510	359,389	3,620,753	4,970,697
Penalties, interest and other tax related income	294,937	-	99,044	-	393,981
Co-curricular student activities	115,466	653,329	-	-	768,795
Other	<u>1,995,426</u>	<u>57,912</u>	<u>-</u>	<u>-</u>	<u>2,053,338</u>
Total	<u>\$55,929,335</u>	<u>\$2,364,056</u>	<u>\$21,543,783</u>	<u>\$3,620,753</u>	<u>\$83,457,927</u>

NOTE 17. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Total
Tuition and Fees	\$ 17,525	\$24,542	\$ 42,067
Devise Protection Plan	147,450	-	147,450
Grant Funds	-	1,000	1,000
State Revenue	555,135	-	555,135
Special Education Funding	<u>57,235</u>	<u>-</u>	<u>57,235</u>
	<u>\$777,345</u>	<u>\$25,542</u>	<u>\$802,887</u>

NOTE 18. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>	<u>Total Grant or Entitlement</u>
General Fund:			
Impact Aid	84.041	\$ 723,130	\$ 723,130
SHARS		1,749,954	1,749,954
Indirect Costs		<u>70,937</u>	<u>70,937</u>
Total for General Fund		<u>\$2,544,021</u>	<u>\$2,544,021</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

NOTE 19. GOVERNMENTAL FUNDS EXPENDITURES

Expenditures reported in the governmental funds are generally recorded when a liability is incurred, as under accrual accounting, and reported in the statement of revenues, expenditures, and changes in fund balances according to function or general operational area.

The following presents Little Elm ISD's expenditures according to the nature of the transactions.

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
TRS On-Behalf	\$ 2,858,699	\$ -	\$ -	\$ -	\$ 2,858,699
Other payroll costs	48,741,384	2,846,516	-	171,748	51,759,648
6100 Total payroll costs	51,600,083	2,846,516	-	171,748	54,618,347
Chapter 41 payments	969,555	-	-	-	969,555
Other professional and contracted services	8,630,948	388,827	-	22,490	9,042,265
6200 Total professional and contracted services	9,600,503	388,827	-	22,490	10,011,820
6300 Supplies and materials	3,956,584	3,100,100	-	-	7,056,684
6400 Other operating costs	1,663,381	443,675	-	-	2,107,056
6500 Debt service expenditures	3,471,975	-	21,171,146	-	24,643,121
6600 Capital outlay	269,188	174,609	-	51,199,398	51,643,195
Total governmental expenditures	<u>\$ 70,561,714</u>	<u>\$ 6,953,727</u>	<u>\$ 21,171,146</u>	<u>\$ 51,393,636</u>	<u>\$150,080,223</u>

NOTE 20. INTERFUND TRANSFERS

During the year ended August 31, 2019, the District transferred \$7,000,000 from the District's General Fund to the District's Capital Projects Fund as a fund balance transfer to cover construction and renovation projects.

NOTE 21. CONSTRUCTION COMMITMENTS

As of August 31, 2019, the District had entered into construction contracts for construction and renovation of several facilities totaling \$140.7 million. At August 31, 2019, there was \$95.8 million remaining costs under these contracts. These costs will be paid from the District's Capital Projects Fund.

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REQUIRED SUPPLEMENTARY INFORMATION

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016
District's Proportion of the Net Pension Liability (Asset)	0.0409388%	0.0396664%	0.0393544%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 22,533,699	\$ 12,683,167	\$ 14,871,455
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	33,210,755	19,618,342	23,843,301
Total	<u>\$ 55,744,454</u>	<u>\$ 32,301,509</u>	<u>\$ 38,714,756</u>
District's Covered Payroll	\$ 43,300,209	\$ 41,426,312	\$ 40,626,075
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	52.04%	30.62%	36.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	82.17%	78.00%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only five years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

FY 2016		FY 2015	
Plan Year 2015		Plan Year 2014	
	0.038084%		0.0253074%
\$	13,460,915	\$	6,759,957
	21,232,603		18,037,366
\$	34,693,518	\$	24,797,323
\$	36,340,923	\$	34,299,303
	37.04%		19.71%
	78.43%		83.25%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2019

	2019	2018	2017
Contractually Required Contribution	\$ 1,368,512	\$ 1,379,178	\$ 1,309,535
Contribution in Relation to the Contractually Required Contribution	(1,368,512)	(1,379,178)	(1,309,535)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 44,166,020	\$ 43,300,209	\$ 41,426,312
Contributions as a Percentage of Covered Payroll	3.10%	3.19%	3.16%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

<u>2016</u>		<u>2015</u>	
\$	1,250,351	\$	1,127,615
	(1,250,351)		(1,127,615)
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
\$	40,626,075	\$	36,340,923
	3.07%		3.10%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.05133%	0.048687%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 25,629,348	\$ 21,172,128
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	37,839,539	33,151,472
Total	<u>\$ 63,468,887</u>	<u>\$ 54,323,600</u>
District's Covered Payroll	\$ 43,300,209	\$ 41,426,312
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	59.19%	51.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2019

	2019	2018
Contractually Required Contribution	\$ 350,816	\$ 343,937
Contribution in Relation to the Contractually Required Contribution	(350,816)	(343,937)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-
District's Covered Payroll	\$ 44,166,020	\$ 43,300,209
Contributions as a Percentage of Covered Payroll	0.79%	0.79%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2019

PENSION LIABILITY:

Changes of benefit terms:

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

OPEB LIABILITY:

Changes of benefit terms:

The following are changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period. The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-CONTINUED
FOR THE YEAR ENDED AUGUST 31, 2019

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The total OPEB liability as of August 31, 2018 was developed using the roll forward method of the August 31, 2017 valuation.
 - Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
 - The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
 - Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
 - The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent, as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.
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COMBINING SCHEDULES

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
ASSETS					
1110	Cash and Cash Equivalents	\$ (86,467)	\$ (43,752)	\$ (7,096)	\$ -
1240	Due from Other Governments	99,098	132,403	8,388	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 12,631</u>	<u>\$ 88,651</u>	<u>\$ 1,292</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ 313	\$ 3,549	\$ 1,292	\$ -
2160	Accrued Wages Payable	11,129	77,523	-	-
2200	Accrued Expenditures	1,189	7,579	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>12,631</u>	<u>88,651</u>	<u>1,292</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3544	Local Grants	-	-	-	-
3545	Campus Activity	-	-	-	-
3546	Textbooks	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 12,631</u>	<u>\$ 88,651</u>	<u>\$ 1,292</u>	<u>\$ -</u>

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	410 State Textbook Fund	461 Campus Activity Funds
\$ 1,602,268	\$ (3,912)	\$ (37,208)	\$ (38,227)	\$ (2,943)	\$ -	\$ 536	\$ 247,205
158,886	3,912	40,718	38,227	2,943	-	-	-
-	-	-	-	-	-	-	705
<u>\$ 1,761,154</u>	<u>\$ -</u>	<u>\$ 3,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536</u>	<u>\$ 247,910</u>
\$ 276,422	\$ -	\$ 3,510	\$ -	\$ -	\$ -	\$ -	\$ 12,336
97,910	-	-	-	-	-	-	-
3,725	-	-	-	-	-	-	-
-	-	-	-	-	-	-	24,542
<u>378,057</u>	<u>-</u>	<u>3,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,878</u>
1,383,097	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	211,032
-	-	-	-	-	-	536	-
<u>1,383,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536</u>	<u>211,032</u>
<u>\$ 1,761,154</u>	<u>\$ -</u>	<u>\$ 3,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536</u>	<u>\$ 247,910</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2019

Data Control Codes		491 Textbook Fund	499 Local Grants	Total Nonmajor Governmental Funds
ASSETS				
1110	Cash and Cash Equivalents	\$ 15,202	\$ 25,747	\$ 1,671,353
1240	Due from Other Governments	-	-	484,575
1290	Other Receivables	-	-	705
1000	Total Assets	<u>\$ 15,202</u>	<u>\$ 25,747</u>	<u>\$ 2,156,633</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ 612	\$ 298,034
2160	Accrued Wages Payable	-	-	186,562
2200	Accrued Expenditures	-	-	12,493
2300	Unearned Revenue	-	1,000	25,542
2000	Total Liabilities	<u>-</u>	<u>1,612</u>	<u>522,631</u>
FUND BALANCES				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	1,383,097
Committed Fund Balance:				
3544	Local Grants	-	24,135	24,135
3545	Campus Activity	-	-	211,032
3546	Textbooks	15,202	-	15,738
3000	Total Fund Balances	<u>15,202</u>	<u>24,135</u>	<u>1,634,002</u>
4000	Total Liabilities and Fund Balances	<u>\$ 15,202</u>	<u>\$ 25,747</u>	<u>\$ 2,156,633</u>

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	515,803	927,014	18,627	11,948
5020 Total Revenues	515,803	927,014	18,627	11,948
EXPENDITURES:				
Current:				
0011 Instruction	347,167	559,470	14,007	7,273
0012 Instructional Resources and Media Services	4,906	-	-	-
0013 Curriculum and Instructional Staff Development	77,791	1,449	-	-
0021 Instructional Leadership	-	54,490	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	311,605	4,620	4,675
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0061 Community Services	85,939	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	515,803	927,014	18,627	11,948
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	410 State Textbook Fund	461 Campus Activity Funds
\$ 1,662,607	\$ -	\$ -	\$ -	\$ -	\$ 3,590	\$ -	\$ 653,329
19,252	-	-	-	-	-	371,065	-
2,350,491	55,740	126,672	102,907	46,936	-	-	-
4,032,350	55,740	126,672	102,907	46,936	3,590	371,065	653,329
-	55,740	-	48,702	43,305	3,590	378,540	61,837
-	-	-	-	-	-	-	6,264
-	-	126,672	51,020	2,283	-	-	10,210
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	81,066
-	-	-	-	1,348	-	-	-
4,070,013	-	-	-	-	-	-	-
-	-	-	-	-	-	-	477,518
-	-	-	-	-	-	-	-
-	-	-	3,185	-	-	-	-
-	-	-	-	-	-	-	14,519
4,070,013	55,740	126,672	102,907	46,936	3,590	378,540	651,414
(37,663)	-	-	-	-	-	(7,475)	1,915
1,420,760	-	-	-	-	-	8,011	209,117
\$ 1,383,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536	\$ 211,032

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	491 Textbook Fund	499 Local Grants	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 644	\$ 43,886	\$ 2,364,056
5800 State Program Revenues	-	-	390,317
5900 Federal Program Revenues	-	-	4,156,138
5020 Total Revenues	644	43,886	6,910,511
EXPENDITURES:			
Current:			
0011 Instruction	-	500	1,520,131
0012 Instructional Resources and Media Services	-	-	11,170
0013 Curriculum and Instructional Staff Development	-	6,050	275,475
0021 Instructional Leadership	-	-	54,490
0023 School Leadership	-	-	81,066
0031 Guidance, Counseling and Evaluation Services	-	-	322,248
0035 Food Services	-	-	4,070,013
0036 Extracurricular Activities	-	12,828	490,346
0041 General Administration	-	25,145	25,145
0061 Community Services	-	-	89,124
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	14,519
6030 Total Expenditures	-	44,523	6,953,727
1200 Net Change in Fund Balance	644	(637)	(43,216)
0100 Fund Balance - September 1 (Beginning)	14,558	24,772	1,677,218
3000 Fund Balance - August 31 (Ending)	\$ 15,202	\$ 24,135	\$ 1,634,002

REQUIRED T.E.A. SCHEDULES

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2019

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2010 and prior years	Various	Various	\$ Various
2011	1.040000	0.500000	1,640,765,714
2012	1.040000	0.500000	1,790,876,497
2013	1.040000	0.500000	1,803,880,502
2014	1.040000	0.500000	2,009,976,804
2015	1.040000	0.500000	2,333,023,752
2016	1.170000	0.370000	2,674,137,297
2017	1.170000	0.370000	3,245,898,900
2018	1.170000	0.370000	3,904,942,803
2019 (School year under audit)	1.170000	0.470000	4,710,400,731
1000 TOTALS			

(10) Beginning Balance 9/1/2018		(20) Current Year's Total Levy		(31) Maintenance Collections		(32) Debt Service Collections		(40) Entire Year's Adjustments		(50) Ending Balance 8/31/2019	
\$	112,051	\$	-	\$	4,016	\$	1,394	\$	(4,137)	\$	102,504
	21,492		-		453		218		-		20,821
	20,940		-		386		186		-		20,368
	28,357		-		330		158		-		27,869
	59,674		-		66,998		32,211		70,964		31,429
	63,362		-		68,901		33,125		70,412		31,748
	73,141		-		103,491		32,728		100,921		37,843
	121,056		-		106,803		33,776		83,568		64,045
	268,078		-		146,093		46,200		9,478		85,263
	-		73,696,432		52,040,989		20,905,354		(411,479)		338,610
<u>\$</u>	<u>768,151</u>	<u>\$</u>	<u>73,696,432</u>	<u>\$</u>	<u>52,538,460</u>	<u>\$</u>	<u>21,085,350</u>	<u>\$</u>	<u>(80,273)</u>	<u>\$</u>	<u>760,500</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,644,050	\$ 1,644,050	\$ 1,662,607	\$ 18,557
5800 State Program Revenues	20,000	20,000	19,252	(748)
5900 Federal Program Revenues	2,186,778	2,186,778	2,350,491	163,713
5020 Total Revenues	3,850,828	3,850,828	4,032,350	181,522
EXPENDITURES:				
Current:				
0035 Food Services	3,850,828	4,274,828	4,070,013	204,815
6030 Total Expenditures	3,850,828	4,274,828	4,070,013	204,815
1200 Net Change in Fund Balances	-	(424,000)	(37,663)	386,337
0100 Fund Balance - September 1 (Beginning)	1,420,760	1,420,760	1,420,760	-
3000 Fund Balance - August 31 (Ending)	\$ 1,420,760	\$ 996,760	\$ 1,383,097	\$ 386,337

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 21,230,000	\$ 21,432,902	\$ 21,543,783	\$ 110,881
5800 State Program Revenues	-	260,360	260,360	-
5020 Total Revenues	21,230,000	21,693,262	21,804,143	110,881
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	5,580,000	5,863,819	5,863,818	1
0072 Interest on Long-Term Debt	15,500,000	15,222,784	15,222,784	-
0073 Bond Issuance Cost and Fees	20,000	160,077	84,544	75,533
6030 Total Expenditures	21,100,000	21,246,680	21,171,146	75,534
1100 Excess of Revenues Over Expenditures	130,000	446,582	632,997	186,415
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	3,985,000	3,985,000	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(3,900,891)	(3,901,661)	(770)
7080 Total Other Financing Sources (Uses)	-	84,109	83,339	(770)
1200 Net Change in Fund Balances	130,000	530,691	716,336	185,645
0100 Fund Balance - September 1 (Beginning)	5,326,647	5,326,647	5,326,647	-
3000 Fund Balance - August 31 (Ending)	\$ 5,456,647	\$ 5,857,338	\$ 6,042,983	\$ 185,645

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FEDERAL AWARDS SECTION

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

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Little Elm Independent School District's basic financial statements, and have issued our report dated December 4, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 4, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

Report on Compliance for Each Major Federal Program

We have audited Little Elm Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Little Elm Independent School District's major federal programs for the year ended August 31, 2019. Little Elm Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Little Elm Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Little Elm Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Little Elm Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Hankins, Eastup, Deaton, Tonn & Seay
Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 4, 2019

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2019

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: No
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Major programs include:

Special Education Cluster:

CFDA	84.027	IDEA-Part B, Formula
CFDA	84.027	IDEA-Part B, Discretionary
CFDA	84.173	IDEA-Part B, Preschool

CFDA 84.041 Impact Aid - P.L. 81.874

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements which are Required to be Reported in Accordance with *Generally Accepted Government Auditing Standards*

None

III. Findings and Questioned Costs Related to Federal Awards

None

IV. Other Findings

None

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2019

FINDING/NONCOMPLIANCE

Finding 2018-001 -- Pledged collateral less than required amount

Status: The District completed its corrective action plan during the 2018-2019 fiscal year. District deposits at its depository bank were fully collateralized throughout the 2018-2019 fiscal year.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2019

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874	84.041	S041A-2017-5019	\$ 66,097
Impact Aid - P.L. 81.874	84.041	S047A-2018-5019	228,434
Impact Aid - P.L. 81.874	84.041	S047A-2019-5019	428,599
Total CFDA Number 84.041			723,130
Total Direct Programs			723,130
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	19610101061914	540,145
*IDEA - Part B, Formula	84.027	18660001061914	311,514
*IDEA - Part B, Formula	84.027	19660001061914	646,818
*IDEA - Part B, Discretionary	84.027	19660001061914	11,948
Total CFDA Number 84.027			970,280
*IDEA - Part B, Preschool	84.173	18661001061914	18,824
Total Special Education Cluster (IDEA)			989,104
Career and Technical - Basic Grant	84.048	19420006061914	58,121
Title III, Part A - English Language Acquisition	84.365A	19671001061914	107,906
ESEA, Title II, Part A, Teacher Principal Training	84.367A	19694501061914	132,777
Summer School LEP	84.369A	69551802	12,516
ESEA, Title IV, Part A - Student Support	84.424A	19680101061914	36,015
Total Passed Through State Department of Education			1,876,584
TOTAL U.S. DEPARTMENT OF EDUCATION			2,599,714
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401901	466,776
*National School Lunch Program - Cash Assistance	10.555	71301901	1,643,027
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301901	240,688
Total CFDA Number 10.555			1,883,715
Total Child Nutrition Cluster			2,350,491
Total Passed Through the State Department of Agriculture			2,350,491
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,350,491
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,950,205
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

1. The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current position.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2019, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies.
4. The period of availability for federal grant funds for the purposes of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.
5. During the current year, the District received the following funds which are not included in the Schedule of Expenditures of Federal Awards.

Total Expenditures of Federal Awards	\$4,950,205
Medicaid Reimbursement (SHARS)	<u>1,749,954</u>
Federal Revenues per Financial Statements	<u>\$6,700,159</u>

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 12-16-2019	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	FINANCIAL REPORTS - OCTOBER 2019				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	Board Legal Status Powers and Duties - BAA (LOCAL) Annual Operating Budget - CE (LOCAL)				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	Monthly financial reports prepared by Business Services Department				
Financial Implications:	Increase in General Fund revenues and increase in appropriate expenditure budgets				
Attachments:	<ol style="list-style-type: none">1) Budget Amendments2) Information - Miscellaneous Business Office Reports<ul style="list-style-type: none">Monthly Fund Balance ComparisonStatement of Unaudited Revenue and ExpendituresCash Flow StatementsBank ReconciliationsInvestment ReportFund Summary of Revenue and ExpendituresTax Collection ReportConstruction Report				

Recommendation: | **The Administration recommends approval of the October 2019 Financial Reports as presented.**

Motion: | **I move that the Board approve the October 2019 Financial Reports as presented**

December 2019

	Fund	FX	Decrease	FX	Increase	Org	Incr / (Decr) Fund Bal	Reason
1	199	00	5,236	11	5,236	001		Budget LEHS classroom art fees.
2	199	00	6,688	11	4,688	001		Budget for LEHS classroom band fees.
				36	2,000			
3	199	13	200	11	200	104		Reallocate funds to cover purchase of ESL and literacy materials for the classroom.
4	199	13	300	11	300	104		Reallocate funds to purchase literacy continuum reading materials for the classroom.
5	199	11	3,000	51	3,000	108		Reallocate funds to cover purchase and installation of window covering in front of Oak Point campus.
6	199	13	15,000	11	15,000	821		Reallocate funds to purchase supplies and equipment for Pre-K classrooms.
7	199	13	500	21	500	825		Reallocate funds to cover anticipated costs for food and catering.
8	199	11	5,766	31	5,766	Var		Reallocate funds to cover payroll adjustments.
	Total		36,690		36,690		0	

Little Elm Independent School District
Child Nutrition Fund
Budget Amendments
December 2019

	Fund	FX	Decrease	FX	Increase	Org	Incr / (Decr) Fund Bal	Reason
	240	00	159,951	35	159,951			Budget for increase in federal reimbursement rate.
	Total		159,951		159,951		0	

Little Elm Independent School District
Capital Projects Fund
Budget Amendments
December 2019

	Fund	FX	Decrease	FX	Increase	Org	Incr / (Decr) Fund Bal	Reason
1	696	00	45,400	81	45,400	042	(45,400)	Budget additional costs for Prestwick forensic study.
	Total		45,400		45,400		(45,400)	

Little Elm Independent School District
2018-2019 Fund Balance Comparison
as of October 31, 2019

Page 1 of 2

GENERAL FUND

1XX

CONTROL
CODES REVENUES

BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET
5700 LOCAL	53,363,762	53,377,617
5800 STATE	21,956,159	21,956,159
5900 FEDERAL	1,250,000	1,250,000
76,569,921	13,855	76,583,776

Expenditures

11 Instruction
12 Library Services
13 Staff Development
21 Instructional Admin
23 Campus Administration
31 Guidance & Counseling
32 Attendance & Social Services
33 Health Services
34 Student Transportation
35 Food Services
36 Co-curricular Activities
41 General Administration
51 Plant Maintenance
52 Security
53 Data Processing
61 Community Services
71 Debt Services
81 Facilities
91 Contracted Instr Between Schools
95 Payments to JUV Justice Alt
99 Intergovernmental Charges
TOTAL EXPENDITURES

40,645,678	903,401	41,549,079
837,163		837,163
1,872,279	744,508	2,616,787
1,246,344	5,900	1,252,244
4,448,208	83,062	4,531,270
2,152,467	103,730	2,256,197
33,300		33,300
598,297		598,297
2,571,825		2,571,825
212,694	(74,562)	138,132
2,162,804	11,344	2,174,148
3,431,845	9,300	3,441,145
7,823,452	(1,200)	7,822,252
1,071,729	219,000	1,290,729
1,904,677	5,900	1,910,577
43,839		43,839
-		-
15,091		15,091
-		-
40,000		40,000
515,000		515,000
71,626,692	2,010,383	73,637,075

00 Other Resources
00 Other Uses

-		-
(4,943,229)	1,996,528	(2,946,701)

EST FUND BALANCE 08/31/19

29,282,332	-	29,282,332
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EST FUND BALANCE

29,282,332	-	29,282,332
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DEBT SERVICE FUND

511

BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET
23,663,987		23,663,987
-		-
-		-
23,663,987	-	23,663,987

-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
23,363,029		23,363,029
-		-
23,363,029	-	23,363,029

-		-
-		-

6,042,983		6,042,983
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6,343,941	-	6,343,941
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Page 2 of 2

		FOOD SERVICE FUND			CHILD CARE		
		240			720		
CONTROL CODES	REVENUES	ORIGINAL BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET	ORIGINAL BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET
5700	LOCAL	1,624,685		1,624,685	414,551		414,551
5800	STATE	19,500		19,500	-		-
5900	FEDERAL	2,295,942		2,295,942	-		-
		3,940,127	-	3,940,127	414,551	-	414,551
Expenditures							
11	Instruction	-		-	-		-
12	Library Services	-		-	-		-
13	Staff Development	-		-	-		-
21	Instructional Admin	-		-	-		-
23	Campus Administration	-		-	-		-
31	Guidance & Counseling	-		-	-		-
32	Attendance & Social Services	-		-	-		-
33	Health Services	-		-	-		-
34	Student Transportation	-		-	-		-
35	Food Services	3,940,127		3,940,127	-		-
36	Co-curricular Activities	-		-	-		-
41	General Administration	-		-	-		-
51	Plant Maintenance	-		-	-		-
52	Security	-		-	-		-
53	Data Processing	-		-	-		-
61	Community Services	-		-	582,533	-	582,533
71	Debt Services	-		-	-		-
81	Facilities	-		-	-		-
91	Contracted Instr Between Schools	-		-	-		-
95	Payments to JUV Justice Alt	-		-	-		-
99	Intergovernmental Charges	-		-	-		-
	TOTAL EXPENDITURES	3,940,127	-	3,940,127	582,533	-	582,533
EST FUND BALANCE 08/31/19		1,383,097		1,383,097	77,219		77,219
EST FUND BALANCE		1,383,097	-	1,383,097	(90,763)	-	(90,763)

Little Elm Independent School District
Statement of Unaudited Revenues and Expenditures - Budget vs. Actual
As of October 31, 2019

GENERAL FUND
Fund 1XX

CONTROL CODES	REVENUES	2018-2019 Approved Budget	PERIOD RECEIPTS/ EXPENDITURES	Y-T-D RECEIVED/ ENC + EXP	VARIANCE FAVORABLE (UNFAVORABLE)	PERCENT TO TOTAL	PERCENT OF YEAR ELAPSED
5700	LOCAL	53,377,617.00	1,043,587.78	1,556,006.48	(51,821,610.52)	2.92%	17%
5800	STATE	21,956,159.00	6,876,229.42	14,509,018.55	(7,447,140.45)	66.08%	17%
5900	FEDERAL	1,250,000.00	215,947.78	239,903.84	(1,010,096.16)	19.19%	17%
TOTAL REVENUES		76,583,776.00	8,135,764.98	16,304,928.87	(60,278,847.13)	21.29%	17%
EXPENDITURES							
0011	Instruction	41,549,079.00	4,612,964.35	8,955,463.24	32,593,615.76	21.55%	17%
0012	Library Services	837,163.00	85,207.76	149,505.12	687,657.88	17.86%	17%
0013	Curriculum & Staff Development	2,616,787.00	146,024.56	379,320.32	2,237,466.68	14.50%	17%
0021	Instructional Leadership	1,252,244.00	111,216.02	232,804.21	1,019,439.79	18.59%	17%
0023	School Leadership	4,531,270.00	340,611.47	718,283.63	3,812,986.37	15.85%	17%
0031	Guidance & Counseling	2,256,197.00	178,004.20	340,705.17	1,915,491.83	15.10%	17%
0032	Social Work Services	33,300.00	-	32,000.00	1,300.00	96.10%	17%
0033	Health Services	598,297.00	69,784.91	129,172.05	469,124.95	21.59%	17%
0034	Student Transportation	2,571,825.00	246,092.56	267,386.24	2,304,438.76	10.40%	17%
0035	Food Services	138,132.00	9,763.82	19,778.03	118,353.97	14.32%	17%
0036	Co-curricular Activities	2,174,148.00	179,956.69	481,296.78	1,692,851.22	22.14%	17%
0041	General Administration	3,441,145.00	283,500.35	730,953.44	2,710,191.56	21.24%	17%
0051	Plant Maintenance	7,822,252.00	586,841.64	2,011,712.36	5,810,539.64	25.72%	17%
0052	Security & Monitoring	1,290,729.00	208,275.90	303,748.96	986,980.04	23.53%	17%
0053	Data Processing	1,910,577.00	98,563.47	343,352.68	1,567,224.32	17.97%	17%
0061	Community Service	43,839.00	2,856.58	5,746.10	38,092.90	13.11%	17%
0071	Debt Services	-	-	-	-	0.00%	17%
0081	Facility Acquisition	15,091.00	1,269.73	2,539.47	12,551.53	16.83%	17%
0091	Contracted Instr Between Schools	-	-	-	-	0.00%	17%
0095	Pmt to Juvenile Justice	40,000.00	-	-	40,000.00	0.00%	17%
0099	Intergovernmental Charges	515,000.00	-	109,317.41	405,682.59	21.23%	17%
TOTAL EXPENDITURES		73,637,075.00	7,160,934.01	15,213,085.21	58,423,989.79	20.66%	17%
OPERATING TRANSFERS							
7910	Other Resources	-	-	-	-		
8910	Other Uses	(2,946,701.00)	-	-	-		
TOTAL OPERATING TRANSFERS		(2,946,701.00)	-	-	-		
0100	Estimated Fund Balance 08/31/19	29,282,332.00	-	29,282,332.00			
3000	Year to Date Fund Bal. (unaudited)	29,282,332.00		30,374,175.66			

[illegible]

**Little Elm Independent School District
Debt Service Cash Flow Statement
FY 2019-2020**

	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	TOTAL
<i>Beginning Cash Balance in Bank</i>	118,799.05	118,886.96	-	-	-	-	-	-	-	-	-	-	118,799.05
RECEIPTS													
Tax Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	87.91	83.74	-	-	-	-	-	-	-	-	-	-	171.65
Bond Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from General Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Investment Acct	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	87.91	83.74	-	-	-	-	-	-	-	-	-	-	171.65
DISBURSEMENTS													
Bank Charges/ NSF's/Bk Trans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Investment Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash	87.91	83.74	-	-	-	-	-	-	-	-	-	-	171.65
Ending Cash Balance in bank	118,886.96	118,970.70	-	-	-	-	-	-	-	-	-	-	118,970.70
Beginning Cash Balance TexPool	5,909,785.43	5,937,308.35	-	-	-	-	-	-	-	-	-	-	5,909,785.43
Interest Earned TexPool	10,530.71	9,760.90	-	-	-	-	-	-	-	-	-	-	20,291.61
Transfers in	16,992.21	236,810.90	-	-	-	-	-	-	-	-	-	-	253,803.11
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance Invested	5,937,308.35	6,183,880.15	-	-	-	-	-	-	-	-	-	-	6,183,880.15
TOTAL CASH AVAILABLE	6,056,195.31	6,302,850.85	-	-	-	-	-	-	-	-	-	-	6,302,850.85

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
Cash and Investments Reconciliation
October 31, 2019

Operating Fund:

Balance per bank	19,629,109.67
Add: Texas Class	55,056,130.00
Lone Star	51,945,501.88
TexStar	43,098,081.57
Add: Deposits in Transit	7,008.34
Taxes in Transit	460,541.20
Less: Outstanding Checks/Wires	(1,100,539.88)
Balance per Books	169,095,832.78

Interest & Sinking Fund:

Balance per bank	118,970.70
Add: Texpool	6,183,880.15
Add: Taxes in Transit	202,596.16
Less: Outstanding Checks	-
Balance per Books	6,505,447.01

Total Balance per Books	175,601,279.79
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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: October 31, 2019

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	Lone Star Corporate Overnight		Investment Pool Investment	12,883,551.03	100.0000%	100.0000%	0.0000%	12,883,551.03				
			Withdrawal	-				12,883,551.03				
10/31/19			Interest	22,418.95			2.0500%	12,905,969.98			22,418.95	-
				<u>12,905,969.98</u>				<u>12,905,969.98</u>			<u>22,418.95</u>	<u>-</u>

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	TexSTAR		Investment Pool Investment	1,448,264.18	100.0000%	100.0000%	0.0000%	1,448,264.18				
			Withdrawal	-				1,448,264.18				
10/31/19			Interest	2,276.78			1.8510%	1,450,540.96			2,276.78	-
				<u>1,450,540.96</u>				<u>1,450,540.96</u>			<u>2,276.78</u>	<u>-</u>

General Fund 199

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	Texas Class Gov't		Investment Pool Investment	13,129,057.35	100.0000%	100.0000%	0.0000%	13,129,057.35				
			Withdrawal	541,857.38				13,670,914.73				
10/31/19			Interest	21,797.35			1.9300%	13,692,712.08			21,797.35	-
				<u>13,692,712.08</u>				<u>13,692,712.08</u>			<u>21,797.35</u>	<u>-</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: October 31, 2019

Capital Projects Fund 651

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	Lone Star Government Overnight		Investment Pool Investment	40,475,651.05	100.0000%	100.0000%	0.0000%	40,475,651.05				
			Withdrawal	-				40,475,651.05				
			Interest	(1,500,454.57)				38,975,196.48				(1,500,454.57)
10/31/19				64,335.42			1.9000%	39,039,531.90			64,335.42	
				<u>39,039,531.90</u>				<u>39,039,531.90</u>			<u>64,335.42</u>	<u>(1,500,454.57)</u>

Capital Projects Fund 651

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	TexSTAR		Investment Pool Investment	44,562,501.40	100.0000%	100.0000%	0.0000%	44,562,501.40				
			Withdrawal	(2,981,580.88)				44,562,501.40				
			Interest	66,620.09			1.8510%	41,580,920.52				(2,981,580.88)
10/31/19				<u>66,620.09</u>				41,647,540.61			66,620.09	
				<u>41,647,540.61</u>				<u>41,647,540.61</u>			<u>66,620.09</u>	<u>(2,981,580.88)</u>

Capital Projects Fund 647

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	Texas CLASS		Investment Pool Investment	689,939.44	100.0000%	100.0000%	0.0000%	689,939.44				
			Withdrawal	(46,347.26)				689,939.44				
			Interest	1,201.07			2.0900%	643,592.18				(46,347.26)
10/31/19				<u>1,201.07</u>				644,793.25			1,201.07	
				<u>644,793.25</u>				<u>644,793.25</u>			<u>1,201.07</u>	<u>(46,347.26)</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: October 31, 2019

Capital Projects Fund 651

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	Texas CLASS Gov't		Investment Pool	43,061,782.44	100.0000%	100.0000%	0.0000%	43,061,782.44				
			Investment	111,367.72				43,173,150.16				
			Withdrawal	(2,523,681.61)				40,649,468.55				(2,523,681.61)
10/31/19			Interest	69,156.12			1.9300%	40,718,624.67			69,156.12	
				<u>40,718,624.67</u>				<u>40,718,624.67</u>			<u>69,156.12</u>	<u>(2,523,681.61)</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SUMMARY OF CURRENT INVESTMENTS - BY FUND
MONTH ENDED: October 31, 2019

Debt Service Fund 511

PURCHASE /SOLD DATE	TRADE TICKET #	CUSIP #	TYPE OF INVESTMENT	PAR VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE	AVERAGE MONTHLY RATE	BOOK VALUE	DAYS TO MATURE	YIELD TO MATURE	INTEREST ACCRUED FOR PERIOD	W/D FOR PERIOD
10/01/19	TexPool		Investment Pool	5,937,308.35	100.0000%	100.0000%	0.0000%	5,937,308.35				
			Investment	236,810.90				6,174,119.25				
			Withdrawal	-				6,174,119.25				-
10/31/19			Interest	9,760.90			1.9115%	6,183,880.15			9,760.90	
				6,183,880.15				6,183,880.15			9,760.90	-

Little Elm Independent School District
Summary of Revenue & Expenditures As Of 10/31/19
Accounting Period: 10

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	Fund: 1XX %		Fund: 211 %		Fund: 224 %		Fund: 225 %	
	General Operating		Title I-A Improving Basic		IDEA-B Formula (Spec Ed)		IDEA-B Pre-School (Spec Ed)	
Revenue Budget	76,583,776.00	100.00%	528,057.00	100.00%	1,005,461.00	100.00%	9,757.00	100.00%
Period Receipts	8,135,764.98		-		-		-	
Revenue Received to Date	16,304,928.87	21.29%	-	0.00%	-	0.00%	-	0.00%
Revenues Receivable:	60,278,847.13	78.71%	528,057.00	100.00%	1,005,461.00	100.00%	9,757.00	100.00%
Expenditure Budget	76,583,776.00	100.00%	528,057.00	100.00%	1,005,461.00	100.00%	9,757.00	100.00%
Period Expenditures	7,160,934.01		32,712.28		97,151.52		-	
Exp./Encumbrances to Date	15,213,085.21	19.86%	112,032.92	21.22%	196,305.88	19.52%	-	0.00%
Balance to Expend:	61,370,690.79	80.14%	416,024.08	78.78%	809,155.12	80.48%	9,757.00	100.00%
Actual Revenue Over (Under)								
Actual Expenditures & Encumbrances:	1,091,843.66		(112,032.92)		(196,305.88)		-	

Little Elm Independent School District
Summary of Revenue & Expenditures As Of 10/31/19
Accounting Period: 10

	Fund: 226	%	Fund: 244	%	Fund: 255	%	Fund 263	%
	IDEA-B Part B (Spec Ed)		Voc Ed Basic Grant		Title II TPTR		Title III, Part A LEP	
Revenue Budget	-	100.00%	69,636.00	100.00%	106,755.00	100.00%	124,335.00	100.00%
Period Receipts	-		-		-		-	
Revenue Received to Date	-	#DIV/0!	-	0.00%	-	0.00%	-	
Revenues Receivable:	-	#DIV/0!	69,636.00	100.00%	106,755.00	100.00%	124,335.00	
Expenditure Budget	-	100.00%	69,636.00	100.00%	106,755.00	100.00%	124,335.00	100.00%
Period Expenditures	-		28,946.29		19,277.02		19,327.96	
Exp./Encumbrances to Date	-	#DIV/0!	64,089.23	92.03%	25,339.09	23.74%	35,452.75	28.51%
Balance to Expend:	-	#DIV/0!	5,546.77	7.97%	81,415.91	76.26%	88,882.25	
Actual Revenue Over (Under) Actual Expenditures:	-		(64,089.23)		(25,339.09)		(35,452.75)	

Little Elm Independent School District
Summary of Revenue & Expenditures As Of 10/31/19
Accounting Period: 10

	Fund 289	%	Fund 289-02	%	Fund: 385	%	Fund 410	%
	Title IV, Part A Subpart 1		LEP Summer School		Visually Impaired SSVI		Instructional Materials	
Revenue Budget	40,061.00	100.00%	-	100.00%	-	100.00%	197,579.00	100.00%
Period Receipts	-		-		-		-	
Revenue Received to Date	-		-	#DIV/0!	-	100.00%	197,578.53	100.00%
Revenues Receivable:	40,061.00		-		-	0.00%	0.47	0.00%
Expenditure Budget	40,061.00	100.00%	-	100.00%	-	100.00%	198,114.00	100.00%
Period Expenditures	-		-		-		75,918.53	
Exp./Encumbrances to Date	-	71.42%	-	#DIV/0!	-	100.00%	197,578.53	99.86%
Balance to Expend:	40,061.00		-		-	0.00%	535.47	0.14%
Actual Revenue Over (Under)								
Actual Expenditures & Encumbrances:	(21,810.00)		-		-		(7,474.97)	

Little Elm Independent School District
Summary of Revenue & Expenditures As Of 10/31/19
Accounting Period: 10

	Fund: 240		%	Fund: 511		%	Fund: 720		%
	Food Service			Debt Service			Child Care		
Revenue Budget	3,940,127.00		100.00%	23,663,987.00		100.00%	414,551.00		100.00%
Period Receipts	478,171.80			400,361.48			41,147.43		
Revenue Received to Date	673,167.83		17.08%	474,262.76		2.00%	81,127.10		19.57%
Revenues Receivable:	3,266,959.17		82.92%	23,189,724.24		98.00%	333,423.90		80.43%
Expenditure Budget	3,940,127.00		100.00%	23,363,029.00		100.00%	582,533.00		100.00%
Period Expenditures	402,668.48			9,500.00			47,925.69		
Exp./Encumbrances to Date	1,362,580.38		34.58%	10,310.00		0.04%	104,735.67		17.98%
Balance to Expend:	2,577,546.62		65.42%	23,352,719.00		99.96%	477,797.33		82.02%
Actual Revenue Over (Under)									
Actual Expenditures & Encumbrances:	(689,412.55)			463,952.76			(23,608.57)		

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Denton County
Monthly Collection Status Report
October 2019

Little Elm ISD

	Collections Month of October	Cumulative Total 10/1/19 thru 10/31/19	% of Tax Levy
Current Tax Year Collections			
Base M&O	953,778.10	953,778.10	1.75%
Base I&S	419,615.93	419,615.93	
Base I&S Bond	-	-	
P&I M&O	240.47	240.47	
P&I I&S	-	-	
P&I I&S Bond	-	-	
Attorney Fee	-	-	
Subtotal	<u>1,373,634.50</u>	<u>1,373,634.50</u>	1.75%
Delinquent TaxYears Collections			
Base M&O	22,155.84	22,155.84	
Base I&S	9,222.78	9,222.78	
Base I&S Bond	-	-	
P&I M&O	11,646.48	11,646.48	
P&I I&S	4,721.04	4,721.04	
P&I I&S Bond	-	-	
Attorney Fee	13,732.62	13,732.62	
Other*	-	-	
Subtotal	<u>61,478.76</u>	<u>61,478.76</u>	
Combined Current & Delinquent:			
Base M&O	975,933.94	975,933.94	
Base I&S	428,838.71	428,838.71	
Base I&S Bond	-	-	
P&I M&O	11,886.95	11,886.95	
P&I I&S	4,721.04	4,721.04	
Attorney Fee	13,732.62	13,732.62	
Other*	-	-	
Total Collections	<u><u>1,435,113.26</u></u>	<u><u>1,435,113.26</u></u>	
Original 2019 Tax Levy		<u><u>77,050,017.08</u></u>	
Current 2018 Tax Levy		<u><u>78,504,633.76</u></u>	

Denton County
Cumulative Comparative Collection Status Report
October 2019
Little Elm ISD

	Tax Year 2018 Collections thru September 2019	% of Tax Levy	Tax Year 2017 Collections thru September 2018	% of Tax Levy
Current Tax Year Collections				
Base M&O + I&S	1,373,394.03	1.75%	1,409,650.88	1.91%
P&I M&O + I&S	240.47		268.02	
Attorney Fee	-		-	
Subtotal	<u>1,373,634.50</u>	1.75%	<u>1,409,918.90</u>	1.91%
Delinquent Tax Years Collections				
Base M&O + I&S	31,378.62		39,641.31	
P&I M&O + I&S	16,367.52		9,927.20	
Attorney Fee	13,732.62		3,798.15	
Subtotal	<u>61,478.76</u>		<u>53,366.66</u>	
Combined Current & Delinquent:				
Base M&O + I&S	1,404,772.65		1,449,292.19	
P&I M&O + I&S	16,607.99		10,195.22	
Attorney Fee	13,732.62		3,798.15	
Other	-		-	
Total Collections	<u><u>1,435,113.26</u></u>		<u><u>1,463,285.56</u></u>	
Adjusted 2018 Tax Levy			<u><u>73,645,391.86</u></u>	
Original 2019 Tax Levy	<u><u>77,050,017.08</u></u>			
Current 2019 Tax Levy	<u><u>78,504,633.76</u></u>			

Denton County
Levy Outstanding Status Report
October 2019
Little Elm ISD

	Current Tax Year	Delinquent Tax Years
Current Month:		
Tax Levy Remaining as of 10/01/19	77,050,017.08	702,350.90
Base M&O + I&S Collections	1,373,394.03	31,378.62
Supplement/Adjustments	1,454,616.68	46,732.44
	<hr/>	<hr/>
Remaining Levy as of 10/31/19	<u>77,131,239.73</u>	<u>717,704.72</u>
Cumulative (From 10/01/19 thru 10/31/19)		
Original 2018 Tax Levy (as of 10-1-19)	77,050,017.08	702,350.90
Base M&O + I&S Collections	1,373,394.03	31,378.62
Supplement/Adjustments	1,454,616.68	46,732.44
	<hr/>	<hr/>
Remaining Levy as of 10/31/19	<u>77,131,239.73</u>	<u>717,704.72</u>

As of 11-22-19 2,371.00

Campus	Account Description	Vendor	Description	Expenditures	Encumbered	Total
Athletics						
						-
						-
						-
Brent						
						-
						-
						-
Chavez						
						-
						-
						-
Hackberry						
	Hackberry Classroom Furniture	Office Depot, Inc.	Furniture for additional classrooms		2,370.72	2,370.72
						-
						2,370.72
High School						
						-
						-
						-
Lakeside						
						-
						-
						-
Lakeview						
						-
						-
						-
Maintenance						
						-
						-
						-
Oak Point						
						-
						-
						-
Powell						
						-
						-
						-
Prestwick						
						-
						-
						-

[illegible]

Non-Bond Capital Projects 6XX Funds
Construction in Progress from FY 18-19
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
Fund 696 - Operations Capital Outlay						
	District Concrete	Urban InfraConstruction LLC	522,549.00	132,933.87	300,682.31	88,932.82
Total Operations			522,549.00	132,933.87	300,682.31	88,932.82
Fund 698 - Roofs						
	Lakeside Roof - Construction	CBS Mechanical, Inc.	2,327,462.00	2,197,503.90	129,958.10	0.00
	Lakeside Roof - 3rd Pary Vendors	Armko Industries, Inc.	162,923.00	48,183.00	48,646.34	66,093.66
			2,490,385.00	2,245,686.90	178,604.44	66,093.66
	Hackberry Roof - Construction	CBS Mechanical, Inc.	1,328,289.00	1,237,183.10	80,114.90	10,991.00
	Hackberry Roof - 3rd Party Vendors	Armko Industries, Inc.	92,980.00	82,440.00	9,770.86	769.14
			1,421,269.00	1,319,623.10	89,885.76	11,760.14
Total Roofs			3,911,654.00	3,565,310.00	268,490.20	77,853.80
Total Capital Projects			4,434,203.00	3,698,243.87	569,172.51	166,786.62

Non-Bond Capital Projects 6XX Funds FY 19-20

As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
Fund 693 - Land						
	Hart Road Land Parcel 2	Freedom Title	492,170.00	472,160.39		
		Keller Williams Realty		14,400.00		
		Walsh Gallegos Trevino		5,412.00		
			492,170.00	491,972.39	0.00	197.61
	Total Land		492,170.00	491,972.39	0.00	197.61
Fund 695 - Technology Capital Outlay						
			0.00	0.00	0.00	0.00
	Total Technology		0.00	0.00	0.00	0.00
Fund 696 - Operations Capital Outlay						
	LEHS Landscaping	Haven Landscaping	14,500.00		11,450.00	3,050.00
	Lobo Graphics Package 2	FastSigns Denton	24,351.00	19,614.94		4,736.06
	Prestwick Forensic Study	Hidell & Associates	30,000.00		10,500.00	19,500.00
	Lakeside HVAC	Lennox	91,524.00	15,362.00		
		C&G Electric		4,498.40		
		Air Check Test		52,289.00	4,477.00	14,897.60
	Chavez HVAC	SFCC, Inc.	40,689.00	35,894.51		4,794.49
	LEHS Athletic Fields Electrical	C & G Electrical	64,735.00		58,079.00	6,656.00
	LEHS Athletics Concessions Concrete	Tim Jackson Construction	28,168.00		28,168.00	0.00
	Total Operations		293,967.00	127,658.85	112,674.00	53,634.15
Fund 698 - Roofs						
			0.00	0.00	0.00	0.00
	Total Roofs		0.00	0.00	0.00	0.00
	Total Capital Projects		786,137.00	619,631.24	112,674.00	53,831.76

Transportation Facility Fund 647
Funded by Bond Series 2016 & General Fund
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
Fund 647 - Transportation Facility						
	Transport - Architect	Hidell & Associates	1,148,459.00	1,021,249.83		
	Transport - Construction	Balfour Beatty Construction	8,901,002.00	8,201,691.81	570,390.19	
		Taylor Morrison of Texas, Inc.			100,000.00	
	Transport - 3rd Party Vendors	CDW Government, Inc.	638,178.00	24,081.27		
		Northwest Propane Gas		70,869.00		
		Southwest Networks, Inc.		38,196.13		
		Netlink		6,000.00		
		Northwest Butane Gas Co.		104,830.00		
		C and R Services		47,732.21	6,017.79	
		Delcom Group LP		16,556.47		
		Office Depot, Inc.		191,704.37	24,897.81	
		Rentacrate Enterprises, LLC		918.00	49,082.00	
		Complete Supply		16,468.00		
		Lowes Company		9,184.86		
		Home Depot USA, Inc.		350.01		
	Transport - 3rd Party Consultant	Northwest Propane Gas	130,557.00			
		D&S Engineering		93,118.59		
		LCA Environmental, Inc.		2,800.00		
		Armko Industries, Inc.		7,735.00	2,015.00	
		Engineered Air Balance Co.		17,920.00		
		Martin Eagle Oil		3,600.00		
	Transport - Permits & Fees	Law Offices of Robert E. Luna	18,510.00	2,275.50		
		Walsh Gallegos Trevino		4,202.00		
	Transport - Misc Costs	Eikon Consulting Group, LLC.	23,069.00	15,350.00		
		Hidell & Associates		2,719.30		
	Transport - Landscaping	Haven Landscaping	24,750.00	2,250.00	22,500.00	
	Transport - Owners Contingency		10,475.00			
			10,895,000.00	9,901,802.35	774,902.79	218,294.86

Bond Capital Projects 6XX Funds
Funded by Bond Series 2018 & 2018A
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
Fund 646 - Athletics						
	HS Athl - Architect	Corgan Associates, Inc.	183,750.00	111,000.00	64,000.00	
	HS Athl - Construction	Hellas Construction	8,053,884.00	5,337,826.06	1,443,978.94	
		Olen Williams			50,000.00	
		Haven Landscaping		30,225.51		
		Professional Turf Products			25,000.00	
		Haven Landscaping			16,555.00	
	HS Athl - 3rd Party Vendors		41,500.00			
	HS Athl - 3rd Party Consultant	D&S Engineering	161,500.00	52,025.45	11,605.52	
	HS Athl - Permits & Fees	Walsh Gallegos Trevino	1,107.00	1,107.00		
	HS Athl - Misc Costs		200.00			
	HS Athl - Owners Contingency	Walsh Gallegos Trevino	38,358.00	1,270.00		
Total Athletic Fields			8,480,299.00	5,533,454.02	1,611,139.46	1,335,705.52
	HS Athl Concourse - Architect		35,000.00			
	HS Athl Concourse - Construction	Tim Jackson Construction Co	2,240,453.00	313,030.23	1,862,166.77	
	HS Athl Concourse - 3rd Party Vendors		10,000.00			
	HS Athl Concourse - 3rd Party Consultant	D&S Engineering Labs, LLC	30,000.00	9,085.03	15,915.00	
	HS Athl Concourse - Permits & Fees	Walsh Gallegos Trevino	1,500.00	798.00		
	HS Athl Concourse - Misc Costs					
	HS Athl Concourse - Owners Contingency		5,000.00			
Total Athletics Concourse			2,321,953.00	322,913.26	1,878,081.77	120,957.97
	Athl Complex Turf - A&E		10,000.00			
	Athl Complex Turf - Construction	Hellas Construction	950,974.00	186,035.65	738,964.35	
	Athl Complex Turf - 3rd Party Consultant		67,500.00			
	Athl Complex Turf - Permits & Fees		1,000.00	808.00		
	Athl Complex Turf - Misc		300.00			
	Athl Complex Turf - Owners Contingency		30,000.00			
Total Athletic Complex Turf			1,059,774.00	186,843.65	738,964.35	133,966.00
Total Athletics			11,862,026.00	6,043,210.93	4,228,185.58	1,590,629.49
Fund 648 - Walker Middle School						
	MS Eldorado - Architect	Huckabee and Associates	3,658,399.00	3,049,798.59	453,963.68	
	MS Eldorado - Construction	Balfour Beatty Construction	57,130,622.00	19,315,396.00	36,815,226.00	
		Multivista		47,602.00	17,398.00	
	MS Eldorado - 3rd Party Vendor	Lone Star Furnishings	7,029,000.00	29,286.16	9,500.00	
		Janet E Reinhold			1,311.22	
		C&R Services			130,000.00	
		Rentacrate Enterprises			78,000.00	
		Professional Turf Products			25,000.00	
		Southwest Networks			230,000.00	
		Eikon Consulting Group, LLC	609,118.00	64,517.50	13,332.50	

Bond Capital Projects 6XX Funds
Funded by Bond Series 2018 & 2018A
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
	MS Eldorado - 3rd Party Consultant	Deshazo Group, Inc.		16,877.18		
		Armko Industries, Inc.		30,800.00	4,200.00	
		D&S Engineering Labs, LLC		141,528.77	56,754.23	
		Engineered Air Balance Co.		20,200.00	220,135.00	
	MS Eldorado - Permits & Fees	Walsh Gallegos Trevino	30,000.00	1,167.85		
	MS Eldorado - Misc Costs		16,000.00			
	MS Eldorado - Owners Contingency	Huckabee and Associates	65,511.00	15,000.00		
		Perry Weather Consulting			13,250.00	
	Total Walker Middle School			68,538,650.00	22,732,174.05	38,068,070.63

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Fund 649 - Strike Middle School						
	MS Tribute - Architect	Huckabee and Associates	2,781,898.00	2,280,407.93	409,768.57	
	MS Tribute - Construction	Cadence McShane Construction	56,989,820.00	11,758,164.50	45,167,986.28	
		Multivista		47,602.00	17,398.00	
		D&S Engineering Labs, LLC		14,278.39	5,721.61	
		JBI Partners, Inc.		17,013.82	17,986.18	
		Matthew Southwest/Scotty's Lake Ln Reimbursement		(516,865.72)		
	MS Tribute - 3rd Party Vendor	Janet E Reinhold	7,029,000.00		1,311.22	
		C&R Services			130,000.00	
		Rentacrate Enterprises			80,000.00	
		Professional Turf Products			25,000.00	
		Southwest Networks, Inc.			225,000.00	
	MS Tribute - 3rd Party Consultant	Eikon Consulting Group, LLC	602,419.00	53,212.50	22,937.50	
		Deshazo Group, Inc.		14,000.00		
		Armko Industries, Inc.		30,800.00	4,200.00	
		D&S Engineering Labs, LLC		114,713.93	78,900.07	
		JBI Partners, Inc.			7,500.00	
		Engineering Air Balance Co.		19,790.00	219,580.00	
MS Tribute - Permits & Fees	Walsh Gallegos Trevino	30,000.00	3,054.00			
MS Tribute - Misc Costs		16,000.00				
MS Trobite - Owners Contingency	Huckabee and Associates	64,841.00				
	Perry Weather Consulting, I			13,250.00		
Total Strike Middle School			67,513,978.00	13,836,171.35	46,426,539.43	7,251,267.22

Fund 6XX - Land						
	MS Tribute Land	Republic Title	12,351,910.00	7,225,823.29		
		Todd Property Advisors		2,500.00		
		Walsh Gallegos Trevino		5,288.80		
	Lakewood Village Land	Walsh Gallegos Trevino		5,266.00		
		Todd Property Advisors		2,500.00		
		Republic Title of Texas		10,728.16		
	Wildridge Oak Point Land	Independence Title		3,358,295.05		
		Todd Property Advisors		2,950.00		
		Teague Nall and Perkins		9,000.00		

Bond Capital Projects 6XX Funds
Funded by Bond Series 2018 & 2018A
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
		Walsh Gallegos Trevino		5,629.98		
		Republic Title		459,717.31		
		Teague Nall and Perkins		5,800.00		
	Hart Road Land	Walsh Gallegos Trevino		2,507.26		
		Denton County Tax Office		4,299.07		
		Silver Star Title		1,238,776.20		
	Valencia Land	Todd Property Advisors		2,500.00		
		Walsh Gallegos Trevino		5,144.75		
Total Land			12,351,910.00	12,346,725.87	0.00	5,184.13

Fund 650 - Misc Projects

Brent Vestibule - Architect	Corgan Associates, Inc.	11,440.00	7,496.00		
Brent Vestibule - Construction	SFCC, Inc.	166,723.00	138,820.18		
	CDW Government, Inc.	14,075.00	91.67		
	Southwest Networks, Inc.		1,209.12		
	Delcom Group, LP		1,458.14		
	Office Depot, Inc.		9,302.71		
Brent Vestibule - 3rd party Consultants		1,425.00			
Brent Vestibule - Permits & Fees		200.00			
Brent Vestibule - Misc Costs		2,709.00			
Brent Vestibule - Owners Contingency		10,500.00			
		207,072.00	158,377.82	0.00	48,694.18

Chavez Vestibule - Architect	Corgan Associates, Inc.	11,440.00	5,475.00		
Chavez Vestibule - Construction	SFCC, Inc.	176,550.00	146,509.08		
	CDW Government, Inc.	14,075.00	91.67		
	Southwest Networks, Inc.		3,627.36		
	Delcom Group, LP		2,428.46		
	Office Depot, Inc.				
Chavez Vestibule - 3rd party Consultants		1,425.00			
Chavez Vestibule - Permits & Fees		200.00			
Chavez Vestibule - Misc Costs		2,709.00			
Chavez Vestibule - Owners Contingency		10,000.00			
		216,399.00	158,131.57	0.00	58,267.43

Scoreboard - Architect		10,000.00			
Scoreboard - Construction	Daktronics	945,619.00	878,076.48		
Scoreboard - 3rd Party Consultant	Daikin Applied	47,500.00	42,806.67		
Scoreboard - Permits & Fees		1,000.00			
Scoreboard - Misc Costs		300.00			
Scoreboard - Owners Contingency		2,928.00			
		1,007,347.00	920,883.15	0.00	86,463.85

Brent Roof - Construction	Paragon Roofing, Inc.	421,000.00	380,950.00	40,050.00	
Brent Roof - 3rd Party Consultant	Armko Industries, Inc.	28,000.00	26,065.00		
		449,000.00	407,015.00	40,050.00	1,935.00

Bond Capital Projects 6XX Funds
Funded by Bond Series 2018 & 2018A
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
	Chavez Roof - Construction	Paragon Roofing, Inc.	399,000.00	360,050.00	38,950.00	
	Chavez Roof - 3rd Party Consultant	Armko Industries, Inc.	26,000.00	24,635.00		
			425,000.00	384,685.00	38,950.00	1,365.00
	Zellars Roof - Construction	Paragon Roofing, Inc.	1,190,000.00	1,087,750.00	82,250.00	
		Daikin Applied Americas, Inc.		19,915.67		
	Zellars Roof - 3rd Party Consultant	Armko Industries, Inc.	60,000.00	57,250.00		
	Roofs - Permits & Fees	Walsh Gallegos Trevino	3,000.00	2,535.50		
	Roofs - Misc Costs		200.00			
	Roofs - Owners Contingency		9,520.00			
			1,262,720.00	1,167,451.17	82,250.00	13,018.83
	Total Roofs		2,136,720.00	1,959,151.17	161,250.00	16,318.83
	Buses	Rush Truck Centers of Texas	1,323,446.00	1,323,446.00		
			1,323,446.00	1,323,446.00	0.00	0.00
	HVAC - Architect	Estes, McClure & Associates, Inc.	22,000.00	6,375.00	15,375.00	
	HVAC - Construction	Siemens Industry, Inc.	3,582,128.00	1,817,278.62	1,702,791.38	
		Climatec, LLC		25,296.00	8,704.00	
		Armko Industries			6,000.00	
	HVAC - 3rd Party Vendors	CDW Government, Inc.	25,000.00	799.43		
	HVAC - 3rd Party Consultants	Engineered Air Balance, Inc.	110,000.00		40,000.00	
	HVAC - Permits and Fees	Walsh Gallegos Trevino	4,000.00	2,281.00		
	HVAC - Misc Costs		200.00			
	HVAC - Owners Contingency		16,120.00			
			3,759,448.00	1,852,030.05	1,772,870.38	134,547.57
	LEHS CTE - Architect	Corgan Associates, Inc.	46,000.00	39,148.15	6,851.85	
	LEHS CTE - Construction	Alpha Building Corporation	475,704.00	418,445.55	57,258.45	
	LEHS CTE - 3rd Party Vendors	Lone Star Furnishings	158,123.00	55,844.42		
		Southwest Networks, Inc.		4,110.25		
	LEHS CTE - 3rd Party Consultants		9,318.00			
	LEHS CTE - Permits and Fees		2,000.00			
	LEHS CTE - Owners Contingency	Fastsigns	38,892.00	1,902.59		
			730,037.00	519,450.96	64,110.30	146,475.74
	LEHS SPED - Construction	Big Sky Construction Company	97,272.00	92,408.30	4,863.60	
	LEHS SPED - 3rd Party Vendors		5,000.00			
	LEHS SPED - Permits and Fees		500.00			
	LEHS SPED - Owners Contingency	Central Restaurant Supply	3,627.00	506.56		
		SFCC, Inc.		1,484.00		
			106,399.00	94,398.86	4,863.60	7,136.54
	LOBO LANE REPURPOSE STUDY	HKS, Inc.	30,000.00		30,000.00	
			30,000.00	0.00	30,000.00	0.00
	SAFETY FILM - LEHS	National Glazing Solutions	35,780.00		35,780.00	

Bond Capital Projects 6XX Funds
Funded by Bond Series 2018 & 2018A
As of 11-22-19

Project	Account Description	Vendor	Budget	Expenditures	Encumbered	Balance
	SAFETY FILM - Lakeside		9,060.00	9,060.00		
	SAFETY FILM - Prestwick		18,305.00	18,305.00		
	SAFETY FILM - Walker		7,522.00		7,522.00	
	SAFETY FILM - Strike		7,522.00		7,522.00	
	SAFETY FILM - Brent		7,308.00		7,308.00	
	SAFETY FILM - Chavez		7,309.00		7,309.00	
	SAFETY FILM - Hackberry		9,962.00		9,962.00	
	SAFETY FILM - Lakeview		9,962.00		9,962.00	
	SAFETY FILM - Oak Point		11,048.00		11,048.00	
	SAFETY FILM - Zellars		6,998.00	6,998.00		
			130,776.00	34,363.00	96,413.00	0.00
	Emergency HVAC Replacement		1,000,000.00			
			1,000,000.00	0.00	0.00	1,000,000.00
Total Bond Projects			170,914,208.00	61,978,514.78	90,852,302.92	18,083,390.30

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 12-16-2019	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	LITTLE ELM ISD INTERLOCAL SUMMARY REPORT				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	GRB (LEGAL)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Allows LEISD to purchase products or services from other governmental entities (listed on attachment) which have been properly awarded contracts through statutorily authorized methods.				
Financial Implications:	N/A				
Attachments:	Little Elm ISD Interlocal Summary Report for Approval				
Recommendation:	The Administration recommends approval of the Little Elm ISD Interlocal Summary Report as submitted.				
Motion:	I move that the Board approve the Little Elm ISD Interlocal Summary Report dated November 18, 2019 as submitted.				

Little Elm ISD Interlocal Summary Report for Approval

Board Meeting Date: December 16, 2019

Ref #	Vendor Name	Department	Status (New, Renewal, Vendor Change)	Prior Year Contract Amount	Amount	Change	Effective Date	Expiration Date	Description	Administrator
1	Texas Department of Public Safety	Human Resources	Renewal	\$0.00	\$0.00	\$0.00	12/17/2019	N/A	This contract allows Little Elm ISD access to The Texas Department of Public Safety's interactive system for driving records to verify employee eligibility to drive school buses and district vehicles. A new contract is required any time that the District adds a new signer and we need to add Dr. Teague as a signer on this account.	Dr. Chad Teague
2										
3										
4										
5										
6										
7										
8										

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input checked="" type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	2020-2021 LITTLE ELM ISD CALENDAR				
Presenter or Contact Person:	Dr. Cyndy A. Mika, Assistant Superintendent for Curriculum and Learning Services				
Policy/Code:	EB (LEGAL), EB(LOCAL)				
Strategic Plan Goal:	We will communicate with the LEISD community to build trust, support, and involvement. We will engage each student in learning experiences that increase student growth and achievement.				
Summary:	The District has completed the process for developing the calendar for the 2020-2021 school year including community surveys and presentation at DEIC.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	LEISD 2020 -2021 Calendar – Option C				
Recommendation:	The Administration Recommends the approval of the 2020-2021 LEISD Calendar as submitted.				
Motion:	I move the Board approve the 2020-2021 LEISD Calendar as submitted.				

2020-2021 Calendar - Option C

Little Elm Independent School District



2020-2021 DISTRICT CALENDAR

www.littleelmsd.net www.mylittleelmnews.com

■ District Holiday
 ■ Professional Learning - Student Holiday
 ■ Early Release K-5
 ■ Early Release 9-12
 ■ Early Release K-12
 ■ Weather Makeup Day
 ■ State Testing

JULY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

July 2020

27-30 New Teacher Orientation

AUGUST

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2020

3-11 Fall Kickoff
12 **FIRST DAY OF SCHOOL**

SEPTEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

September 2020

7 Holiday - District Closed
8 Professional Learning Day
Student Holiday

OCTOBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

October 2020

9 Professional Learning Day
Student Holiday
12 Professional Learning Day
Student Holiday
23 Early Release (K-5)

NOVEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

November 2020

23-24 Holiday - District Closed
Flex Days for Staff
25-27 Holiday - District Closed

DECEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

December 2020

8-11 State Testing
17 Early Release (9-12)
18 Early Release (K-12)
LAST DAY - FALL SEMESTER
21-31 Holiday - District Closed

JANUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 2021

1 Holiday - District Closed
4-5 Professional Learning Day
Student Holiday
6 **FIRST DAY - SPRING SEMESTER**
18 Holiday - District Closed

FEBRUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

February 2021

15 Holiday - District Closed
16 Professional Learning Day
Student Holiday

MARCH

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

March 2021

8-12 Holiday - District Closed
15 Professional Learning Day
Student Holiday

APRIL

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

April 2021

2 Weather Makeup Day
6-9 State Testing
12 Weather Makeup Day

MAY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

May 2021

4-14 State Testing
19 Early Release (9-12)
20 Early Release (K-12)
LAST DAY OF SCHOOL
21 Professional Learning Day
31 Holiday - District Closed

JUNE

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

June 2021

**SCHOOL
TIMES:**

Elementary Schools
8:05 a.m. - 3:40 p.m.
Early Release at 12:05 p.m.

Middle Schools
8:55 a.m. - 4:30 p.m.
Early Release at 12:55 p.m.

Little Elm High School
7:20 a.m. - 2:55 p.m.
Early Release at 11:20 a.m.

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input checked="" type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	APPROVAL OF 2019 TAX ROLL				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	Texas Property Tax Code Section 26.09				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	TASB recommends the governing body of the school district to approve the tax roll. The 2019 tax roll lists the total levy for Little Elm ISD. The tax roll is prepared by the Denton County Tax Assessor/Collector using taxable value information provided by the Denton County Appraisal District and combining it with the tax rate adopted by Little Elm ISD.				
Financial Implications:	N/A				
Attachments:	2019 LEISD Tax Roll Summary				
Recommendation:	The Administration recommends the Board of Trustees approve the 2019 Little Elm ISD Tax Roll as submitted.				
Motion:	I move that the Board approve the 2019 Little Elm ISD Tax Roll as submitted.				

Denton County Tax Office

Run Date: 10/1/2019 5:21 PM

Page 1 of 2

2019 Tax Roll Summary

S10 - LITTLE ELM ISD

		Amount	Count
TOTAL NUMBER OF ACCOUNTS			22,658
APPRAISAL VALUES			
ROLLCODE: MOBILE HOME	Improvement	7,477,971	0
ROLLCODE: PERSONAL	Personal	105,561,996	0
ROLLCODE: REAL	Agriculture	60,711,096	0
	Improvement	3,778,898,183	0
	Improvement Non-Home Site	214,819,621	0
	Land	1,256,140,674	0
	Land Ag Land	118,951	0
	Land Non-Home Site	449,584,948	0
TOTAL APPRAISALS			5,873,313,440
DEFERRALS			
Ag 1D1		60,576,399	151
TOTAL DEFERRALS			60,576,399
EXEMPTIONS			
100% Disabled Veteran		38,900,156	139
Absolute Exemption - CHDO		4,650,000	1
Cap Adjustment, XT		36,568,435	1,900
Disabled		1,110,099	124
Disabled Vet Donated Home		275,668	1
Disabled Veteran 10% to 29%		671,706	85
Disabled Veteran 30% to 49%		417,000	47
Disabled Veteran 50% to 69%		750,000	75
Disabled Veteran 70% to 100%		1,420,951	231
Full		2,075,693	4
General Homestead		288,427,521	11,726
Miscellaneous - XV		170,639,982	374
Nominal Value		6,732	70
Other Exemption, XF, XH, XU		2,100,425	16
Over 65		31,947,169	3,291
Personal Use Vehicle, XN		101,435	6
Private Schools- XJ		3,313,212	3
Surviving Spouse		1,120,000	117
Surviving Spouse 100% Disabl		2,056,411	11
Surviving Spouse Disabled Per		0	3
TOTAL EXEMPTIONS			586,552,595
GRAND TOTAL FOR DEFERRALS AND EXEMPTIONS			647,128,994
TOTAL APPRAISED VALUE			5,873,313,440
TAXABLE VALUE			5,226,184,446
LEVY			
ROLLCODE: MOBILE HOME	Levy	103,237.28	473
ROLLCODE: PERSONAL	Levy	1,614,923.89	607
ROLLCODE: REAL	Levy	75,331,855.91	21,578

Denton County Tax Office

Run Date: 10/1/2019 5:21 PM

Page 2 of 2

	TOTAL LEVY		77,050,017.08	
LEVY LOST DUE TO FROZEN				
Levy Lost Due To Frozen		3,344,383.81		0
	TOTAL LEVY LOST DUE TO FROZEN		3,344,383.81	
OTHER LOST LEVY				
		0		0
	TOTAL OTHER LOST LEVY		0	
TOTAL LOST LEVY				
		3,344,384		0
	TOTAL TOTAL LOST LEVY		3,344,384	

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 12-16-2019	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	GIFTS AND DONATIONS				
Presenter or Contact Person:	Grant Anderson, Associate Superintendent and Chief Financial Officer				
Policy/Code:	Other Revenues – Grants from Private Sources – CDC (LOCAL)				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	New gifts and donations received by the District will be presented.				
Financial Implications:	Increase of General Fund revenues and increase in appropriate budgets.				
Attachments:	Donation List				
Recommendation:	The Administration recommends the acceptance of gifts and donations as submitted.				
Motion:	I move the Board approve the acceptance of gifts and donations as submitted.				

**LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NEW DONATIONS
December 2019**

Donations Less than \$2,500

Campus/Dept	Fund	Donation From	Description	Date	Monetary	Non-Monetary	Total
Child Nutrition	240	Anonymous Donor	Lakeside Middle School student meal accounts	10/18/19	392.45		392.45
Athletics	461	Lobo Booster Club - Baseball	Help cover travel costs to THSBFA Convention	10/25/19	308.20		308.20
Athletics	461	Sports in Action LLC	LEHS athletic trainer program needs	10/31/19	500.00		500.00
					1,200.65	-	1,200.65

Donations \$2,500 and Greater

Campus/Dept	Fund	Donation From	Description	Date	Monetary	Non-Monetary	Total
Athletics	461	Lobo Booster Club - Soccer	Hotel and meals for College Station soccer tournament Jan 2-4	11/13/19	3,410.00		3,410.00
					3,410.00	-	3,410.00

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 12-16-2019	Reports of the Superintendent <input type="checkbox"/>	Action Item <input checked="" type="checkbox"/>	Consent Agenda <input type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	2019/20 CAPITAL OUTLAY PROJECTS				
Presenter or Contact Person:	Rod Reeves, Executive Director for Operational Services				
Policy/Code:	CV (LEGAL); CVF(LEGAL);CVB(LEGAL)				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	The Administration is seeking the consideration and approval of a revised budget to the Prestwick K-8 forensic study. The first forensic study budget was approved by the Board of Trustees on September 16, 2019 in the amount of \$30,000. After several on-site visits with District consultants, a more in-depth analysis is required to access the shifting of mechanical, electrical and plumbing components at Prestwick K-8.				
Financial Implications:	The total budget cost for the Prestwick K-8 forensic study is \$75,400.				
Attachments:	Overall Project Budget Vendor Proposals				
Recommendation:	The Administration recommends the Board approve the 2019/20 Capital Outlay Projects & Budget as submitted and authorizes the Superintendent or designee to execute final contracts.				
Motion:	I move the Board approve the 2019/20 Capital Outlay Projects & Budgets as submitted and authorizes the Superintendent or designee to execute final contracts.				



BUDGET

Prestwick Forensic Study

Description	Fixed Budget Amount
Construction Activities	\$0
A/E Fees	\$59,900
Hidell & Associates	\$10,500
Glenn Engineering	\$3,900
ECS Geotechnical Engineering	\$12,000
Tri Star Pipe Inspection	
1. Under slab investigation 5 days @ \$3,500/day	\$25,500
2. Outside plumb. Invest. 2 days @ \$4,000 a day	\$8,000
Third Party Vendors	\$0
Third Party Consultants	\$5,000
Material Testing	\$5,000
Permits & Fees	\$1,000
Legal	\$1,000
Other	\$0
Miscellaneous Costs	\$2,500
Printing / Reimbursables	\$2,500
Total Project Cost	\$68,400
Owner's Contingency	\$7,000
Owners Contingency	\$7,000

Total Project Budget

\$75,400

Assumptions

Phase I - Assessment
Assessment will determine scope and cost for Phase II



ASSOCIATES
ARCHITECTS

November 12, 2019

Rod Reeves
Little Elm Independent School District
P.O. Box 6000
300 Lobo Lane
Little Elm, TX 75068

Re: Prestwick Forensic study

Rod

Attached are the proposals we have received to perform the investigative work required to identify potential issues causing the plumbing/below structural slab movement. Following is a summary of the costs of the attached proposals:

• Glenn Engineering		\$ 3,900.00
• ECS Geotechnical Engineering		\$12,000.00
• Tri-Star Pipe Inspection		
1. Under slab investigation	5 days @\$3,500/day	\$25,500.00
2. Outside plumbing investigation	2 days @\$4,000/day	\$ 8,000.00
Total Inspection and Testing Proposal		\$41,400.00

Bill Hidell, AIA
President
Hidell and Associates Architects



October 31, 2019

EXHIBIT 1

Little Elm ISD
c/o Hidell Associates Architects
3033 Kellway Drive, Suite 120
Carrollton, Texas 75006
Attn: Bill Hidell

Re: Professional Services Proposal for
Survey Services
Prestwick STEM Academy

Dear Mr. Hidell,

Glenn Engineering is pleased to submit this Proposal to provide engineering survey services for Prestwick STEM academy located at 3101 Stonefield, The Colony, Texas

SCOPE OF SERVICES

1. Topographic Survey –

\$3,900

Glenn Engineering Corp. (Consultant) will provide survey a topographic survey of the sidewalk around the building per architect's request. The topographic survey will include one foot (1') contours showing building and sidewalks of record. Spot elevations at approximately one hundred foot (100') intervals including top of curb, ditches, streams, finished floors and visible utilities will be collected.

The following services are available from Consultant, but are not included in this limited *Scope of Services*:

1. Geotechnical investigation and consulting services
2. Quality control and material testing services
3. Filing and permit fees, pro rata fees, platting fee.
4. Any required application or city fees.
5. Environmental impact statements and assessments
6. Negotiations with franchised utilities for service to the site
7. Change orders as a result of Owner or Architect mandated revisions
8. Floodplain and/or stream studies, if required
9. Dedication of off-site easements
10. Design of site, area security, and accent lighting and exterior electrical
11. Irrigation design

GLENN ENGINEERING CORPORATION
TEXAS FIRM NO. F303
4500 Fuller Drive, Suite 220, Irving, Texas 75038
972-717-5151

BASIS OF COMPENSATION

Compensation shall be lump sum amount as outlined above plus reimbursable non-labor expenses. Reimbursable expenses will be billed at cost and are all expenses incurred by the Engineer which are directly chargeable to the project, which in general include expenses for communications, reproduction, deliveries, city fees and similar incidentals.

In the event of termination by CLIENT during any phase of the Services, CONSULTANT will be reimbursed for services rendered on the basis of CONSULTANT's direct labor cost times a factor of 3.00 for services rendered to date of termination by CONSULTANT's principals and employees engaged directly on the Project plus unpaid reimbursable expenses.

Records pertinent to CONSULTANT's compensation will be kept in accordance with generally accepted accounting practices. Copies will be made available to CLIENT at cost on request prior to final payment for CONSULTANT's services.

All invoices are payable upon receipt. If any payment due Glenn Engineering for services and expenses invoiced in accordance with this Agreement is not received within thirty (30) days after receipt of the invoice, the amounts due Glenn Engineering will be increased at the rate of 0.5% per month for each month beyond the thirty (30) day payment period. In addition, Glenn Engineering may, after giving seven days written notice, suspend services under this Agreement until all amounts due have been paid in full. Furthermore, Glenn Engineering may withhold design drawings, documents, specifications, reports, or any other tangible items produced under the terms of this Agreement until outstanding invoices are paid.

Compensation for any additional services beyond the *Scope of Services* presented in this Proposal will be on the basis of direct labor cost times a multiplier of 3.00 plus non-labor expenses.

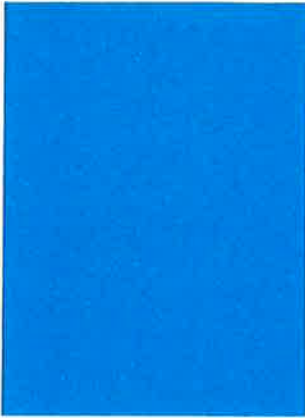
We trust that you will find the above satisfactory. If so, please signify your acceptance by executing both originals in the spaces provided below and return one executed original to our office. We appreciate the opportunity to be of service and hope that our association of this project will be mutually beneficial. If you should have any questions, please do not hesitate to call.

If you should have any questions, please do not hesitate to call.

Sincerely,
GLENN ENGINEERING



Robert Howman



ECS Southwest, LLP

Proposal for Subsurface Exploration and Geotechnical Engineering
Distressed LEISD STEM Academy

Stonefield Road and Oxford Street
The Colony, Texas

ECS Proposal 19:9821-GP

November 7, 2019

Jay Jayatilaka, Ph. D, P.E.
Jay.jayatilaka@ecslimited.com





ECS SOUTHWEST, LLP

"Setting the Standard for Service"

Geotechnical • Construction Materials • Environmental • Facilities

November 7, 2019

Mr. Bill Hidell
Hidell Associates Architects
3033 Kellway Drive, Suite 120
Carrollton, Texas 75006

ECS Proposal No. 19:9821-GP

Reference: Proposal for Subsurface Exploration and Geotechnical Engineering
Distressed LEISD STEM Academy
Stonefield Road and Oxford Street
The Colony, Texas

Dear Mr. Hidell:

As requested, ECS Southwest, LLP (ECS) is pleased to present the following proposal for providing subsurface exploration and geotechnical engineering services for the referenced project. In preparing this proposal, we have reviewed the information provided as well as geotechnical data within the project vicinity.

Project Description

The two story school building is located east of the intersection of Stonefield Road and Oxford Street in The Colony, Texas. The floor slab of the building is a structural slab placed on 12 inches of carton forms. Some of the utility lines under the slab have been broken and water leaks have been observed.

The purpose of this study is to determine the possible causes of the pipe damage, explore whether the water leaks caused loss of subgrade soils and to find possible remedial solutions.

Scope of Services

Field Exploration

Two (2) interior borings and four (4) exterior borings are planned. The interior borings will be drilled to a depth of 7 feet below top of floor slab. The exterior borings will be drilled to a depth of 30 feet. The borings will be located in the field by ECS personnel using hand-held GPS unit. We will coordinate our test boring locations in order to avoid any public underground utilities indicated by the Texas 811 locating system. In addition, we will obtain services of a private utility locator to mark private utilities.

The interior borings will be drilled using a portable drilling equipment. Samples will be obtained by pushing Shelby tubes into the ground. An engineer will visually observe the distress areas and examine the soil samples in the field during drilling operations.

A truck-mounted drill rig with continuous flight augers will be utilized to drill the exterior borings. Representative soil samples will be obtained by means of the split-barrel and Shelby tube sampling procedures in accordance with ASTM Specifications D-1586 and D-1587, respectively. Texas Cone Penetrometer tests will be performed to evaluate the load carrying capacity of the bedrock encountered in the borings. These tests will be performed in general accordance with test method Tex-132-E in the Texas Department of Transportation (TxDOT) Manual of Testing Procedures. Groundwater levels will be measured during drilling and at the completion of each boring.

Laboratory Testing

Laboratory testing of representative soil samples will be performed to determine physical and engineering properties of the soil. The laboratory testing will include the following:

- moisture content
- Atterberg limits
- swell tests
- Unit weight of soil
- Unconfined compressive strength

Engineering Report

The results of the field and laboratory data will be evaluated to develop geotechnical recommendations and prepare an engineering report. The engineering report will include the following items:

- a. Observations from our site reconnaissance including current site conditions, surface drainage features, and surface topographic conditions.
- b. A review of the published soil and geologic conditions.
- c. A subsurface characterization and a description of the field exploration and laboratory tests performed.
- d. Final logs of the soil borings and records of the field exploration in accordance with the standard practice of geotechnical engineers, and the results of the laboratory tests will be noted on the final boring logs or included on a separate test report sheet.
- e. Possible causes of the pipe damage.
- f. A discussion of loss of subgrade soils under floor slabs.
- g. Recommendations for possible remedial solutions.

Fee

ECS will provide our geotechnical services for a lump-sum fee of **\$12,000.00**.

Schedule

In preparing this proposal, we have assumed that the client will assist in the coordination of our access to the site. We anticipate being able to start our scope of work immediately after written authorization to proceed. Within two to three weeks of authorization, we anticipate that on-site coordination, access and utility clearance will allow us to mobilize our drill rig to perform our field scope, weather permitting.

We anticipate that drilling operations will require one to two days and we anticipate that laboratory testing, after drilling is completed, will require about one (1) week. Therefore, for time budgeting purposes, we anticipate our scope will be completed in about four (4) to five (5) weeks after written authorization to proceed. Preliminary information can be forwarded to the project team within a few days after drilling is completed.

Utility Clearance and Site Restoration

We will contact Texas 811 to locate underground utilities at the site; however, our experience indicates that Texas 811 will not locate utilities beyond the point of distribution (meters or gauge points) on private property. We will coordinate our test boring locations in order to avoid any underground utilities indicated by the Texas 811 locating system. We will obtain services of a private utility locator to mark private utilities. Please read the following section on private utility locator services.

Contracting a private utility locator service is not a guarantee that all utilities within a work site will be identified, but a service that is offered to lower the risk of the owner/client. Private locator services can identify utility alignments that incorporate significant iron content in the conduit materials. However, private utilities possessing the higher likelihood of not being easily identifiable, beyond the point of distribution, include all utilities not containing significant ferrous (iron) content (examples would include but not be limited to most sanitary sewer alignments, copper or PVC water lines, fiber optic lines without tracer ribbons, copper electric lines with no surface exposure, drainage tiles/pipes, and irrigation lines).

Where a private locator service identifies a potential risk that is not traceable through conventional methods, ECS will notify the client immediately and work to resolve the issue. Additional costs related to the resolution of these potential utility conflicts will be invoiced at the unit rates in our current fee schedule, or as negotiated and approved at the time of the occurrence.

November 7, 2019

ECS SOUTHWEST, LLP

Upon completion of subsurface exploration drilling, we will backfill each of the excavations and patch the floor slabs and pavements. The boring areas will be broom cleaned. Power washing is not included. Restoration of floor covering is also not included in our scope.

Closing

If other items are required because of unexpected field conditions or because of a request for additional services, they would be invoiced in accordance with our current Fee Schedule. Before modifying or expanding the extent of our exploration program, you would be informed of our intentions for both your review and authorization.

Our "Terms and Conditions of Service," which are included as an attachment to this letter, is an integral part of our proposal. These conditions represent the current recommendations of the Geoprofessional Business Association, the Consulting Engineers' Council, and the Geo-Institute of the American Society of Civil Engineers.

Our insurance carrier requires that we receive written authorization prior to initiation of work, and a signed contract prior to the release of any work product. This letter is the agreement for our services. Your acceptance of this proposal may be indicated by signing and returning the enclosed copy to us. We are pleased to have this opportunity to offer our services and look forward to working with you on the project.

Respectfully submitted,

ECS SOUTHWEST, LLP



Ranasinghege (Jay) Jayatilaka, Ph.D., P.E.
Principal Engineer

Attachments: Proposal Acceptance Sheet
 Terms and Conditions of Service



November 7, 2019

ECS SOUTHWEST, LLP

**PROPOSAL ACCEPTANCE FORM
ECS SOUTHWEST, LLP**

Proposal No.: 19:9821-GP
Scope of Work: Subsurface Exploration and Geotechnical Engineering Services
Project: Distressed LEISD STEM Academy
Location: Stonefield Road and Oxford Street, The Colony, Texas

Client Signature: _____ Date: _____

Please complete this page and return one copy of this proposal to ECS to indicate acceptance of this proposal and to initiate work on the above-referenced project. The Client's signature above also indicates that he/she has read or has had the opportunity to read the accompanying Terms and Conditions of Service and agrees to be bound by such Terms and Conditions of Service.

BILLING INFORMATION (If different from proposal addressee)
(Please Print or Type)

Name of Client: _____
Name of Contact Person: _____
Telephone No. of Contact Person: _____
Email Address of Contact Person: _____
Company Name: _____
Person/Title: _____
Department: _____
Billing Address: _____
Telephone Number: _____
Fax Number: _____
Client Project/Account Number: _____
Special Conditions for Invoice: _____
Submittal and Approval: _____

ECS offers a full array of services to assist you with all phases of your project, including but not limited to:

<input type="checkbox"/> Phase I, II and III Environmental Site Assessments	<input type="checkbox"/> Third Party Mechanical, Electrical, Plumbing Inspections Services	<input type="checkbox"/> Building Envelope, Roofing, and Waterproofing Inspection and Consultation
<input type="checkbox"/> Archaeological Assessments	<input type="checkbox"/> Geotechnical Engineering Services	<input type="checkbox"/> Pre- and Post-Construction Condition Assessments
<input type="checkbox"/> Wetlands Delineations	<input type="checkbox"/> Construction Materials Testing	<input type="checkbox"/> Specialty Materials and Forensics Testing
<input type="checkbox"/> Asbestos/Lead Paint Services	<input type="checkbox"/> Septic/Drainfield Design Services	
<input type="checkbox"/> Indoor Air Quality Mold Services	<input type="checkbox"/> LEED® Consulting Services	

Please indicate any of the services you are interested in and a member of the ECS team will contact you to discuss how we can be of service to your project.



ECS SOUTHWEST, LLP TERMS AND CONDITIONS OF SERVICE

The professional services (the "Services") to be provided by ECS SOUTHWEST, LLP ("ECS") pursuant to the Proposal shall be provided in accordance with these Terms and Conditions of Service ("Terms"), including any addenda as may be incorporated or referenced in writing shall form the Agreement between ECS and Client.

1.0 INDEPENDENT CONSULTANT STATUS - ECS shall serve as an independent professional consultant to CLIENT for Service on the Project, identified above, and shall have control over, and responsibility for, the means and methods for providing the Services identified in the Proposal, including the retention of Subcontractors and Subconsultants

2.0 SCOPE OF SERVICES - It is understood that the fees, reimbursable expenses and time schedule defined in the Proposal are based on information provided by CLIENT and/or CLIENT'S contractors and consultants. CLIENT acknowledges that if this Information is not current, is incomplete or inaccurate, If conditions are discovered that could not be reasonably foreseen, or If CLIENT orders additional services, the scope of services will change, even while the Services are in progress.

3.0 STANDARD OF CARE

3.1 In fulfilling its obligations and responsibilities enumerated in the Proposal, ECS shall be expected to comply with and its performance evaluated in light of the standard of care expected of professionals in the industry performing similar services on projects of like size and complexity at that time in the region (the "Standard of Care"). Nothing contained in the Proposal, the agreed-upon scope of Services, these Terms and Conditions of Service or any ECS report, opinion, plan or other document prepared by ECS shall constitute a warranty or guaranty of any nature whatsoever.

3.2 CLIENT understands and agrees that ECS will rely on the facts learned from data gathered during performance of Services as well as those facts provided by the CLIENT. CLIENT acknowledges that such data collection is limited to specific areas that are sampled, bored, tested, observed and/or evaluated. Consequently, CLIENT waives any and all claims based upon erroneous facts provided by the CLIENT, facts subsequently learned or regarding conditions in areas not specifically sampled, bored, tested, observed or evaluated by ECS.

3.3 If a situation arises that causes ECS to believe compliance with CLIENT'S directives would be contrary to sound engineering practices, would violate applicable laws, regulations or codes, or will expose ECS to legal claims or charges, ECS shall so advise CLIENT. If ECS' professional judgment is rejected, ECS shall have the right to terminate its Services in accordance with the provisions of Section 25.0, below.

3.4 If CLIENT decides to disregard ECS' recommendations with respect to complying with applicable Laws or Regulations, ECS shall determine if applicable law requires ECS to notify the appropriate public officials. CLIENT agrees that such determinations are ECS' sole right to make.

4.0 CLIENT DISCLOSURES

4.1 Where the Scope of Services requires ECS to penetrate a Site surface, CLIENT shall furnish and/or shall direct CLIENT'S consultant(s) or agent(s) to furnish ECS information identifying the type and location of utility lines and other man-made objects known, suspected, or assumed to be located beneath or behind the Site's surface. ECS shall be entitled to rely on such information for completeness and accuracy without further investigation, analysis, or evaluation.

4.2 "Hazardous Materials" shall include but not be limited to any substance that poses or may pose a present or potential hazard to human health or the environment whether contained in a product, material, by-product, waste, or sample, and whether it exists in a solid, liquid, semi-solid or gaseous form. CLIENT shall notify ECS of any known, assumed, or suspected regulated, contaminated, or other similar Hazardous Materials that may exist at the Site prior to ECS mobilizing to the Site.

4.3 If any Hazardous Materials are discovered, or are reasonably suspected by ECS after its Services begin, ECS shall be entitled to amend the scope of Services and adjust its fees to reflect the additional work or personal protective equipment and/or safety precautions required by the existence of such Hazardous Materials.

5.0 INFORMATION PROVIDED BY OTHERS - CLIENT waives, releases and discharges ECS from and against any claim for damage, injury or loss allegedly arising out of or in connection with errors, omissions, or inaccuracies in documents and other information in any form provided to ECS by CLIENT or CLIENT'S agents, contractors, or consultants, including such information that becomes incorporated into ECS documents.

6.0 CONCEALED RISKS - CLIENT acknowledges that special risks are inherent in sampling, testing and/or evaluating concealed conditions that are hidden from view and/or neither readily apparent nor easily accessible, e.g., subsurface conditions, conditions behind a wall, beneath a floor, or above a ceiling. Such circumstances require that certain assumptions be made regarding existing conditions, which may not be verifiable without expending additional sums of money or destroying otherwise adequate or serviceable portions of a building or component thereof. Accordingly, ECS shall not be responsible for the verification of such conditions unless verification can be made by simple visual observation. Client agrees to bear any and all costs, losses, damages and expenses (including, but not limited to, the cost of ECS' Additional Services) in any way arising from or in connection with the existence or discovery of such concealed or unknown conditions.

7.0 RIGHT OF ENTRY/DAMAGE RESULTING FROM SERVICES

7.1 CLIENT warrants that it possesses the authority to grant ECS right of entry to the Site for the performance of Services. CLIENT hereby grants ECS and its subcontractors and/or agents, the right to enter from time to time onto the property in order for ECS to perform

its Services. CLIENT agrees to indemnify and hold ECS harmless from any claims arising from allegations that ECS trespassed or lacked authority to access the Site.

7.2 CLIENT warrants that it possesses all necessary permits, licenses and/or utility clearances for the Services to be provided by ECS except where ECS' Proposal explicitly states that ECS will obtain such permits, licenses, and/or utility clearances.

7.3 ECS will take reasonable precautions to limit damage to the Site and its improvements during the performance of its Services. CLIENT understands that the use of exploration, boring, sampling, or testing equipment may cause minor, but common, damage to the Site. The correction and restoration of such common damage is CLIENT'S responsibility unless specifically included in ECS' Proposal.

7.4 CLIENT agrees that it will not bring any claims for liability or for injury or loss against ECS arising from (i) procedures associated with the exploration, sampling or testing activities at the Site, (ii) discovery of Hazardous Materials or suspected Hazardous Materials, or (iii) ECS' findings, conclusions, opinions, recommendations, plans, and/or specifications related to discovery of contamination.

8.0 UNDERGROUND UTILITIES

8.1 ECS shall exercise the Standard of Care in evaluating client-furnished Information as well as Information readily and customarily available from public utility locating services (the "Underground Utility Information") in its effort to identify underground utilities. The extent of such evaluations shall be at ECS' sole discretion.

8.2 CLIENT recognizes that the Underground Utility Information provided to or obtained by ECS may contain errors or be incomplete. CLIENT understands that ECS may be unable to identify the locations of all subsurface utility lines and man-made features.

8.3 CLIENT waives, releases, and discharges ECS from and against any claim for damage, injury or loss allegedly arising from or related to subterranean structures (pipes, tanks, cables, or other utilities, etc.) which are not called to ECS' attention in writing by CLIENT, not correctly shown on the Underground Utility Information and/or not properly marked or located by the utility owners, governmental or quasi-governmental locators, or private utility locating services as a result of ECS' or ECS' subcontractor's request for utility marking services made in accordance with local industry standards.

9.0 SAMPLES

9.1 Soil, rock, water, building materials and/or other samples and sampling by-products obtained from the Site are and remain the property of CLIENT. Unless other arrangements are requested by CLIENT and mutually agreed upon by ECS in writing, ECS will retain samples not consumed in laboratory testing for up to sixty (60) calendar days after the issuance of any document containing data obtained from such samples. Samples consumed by laboratory testing procedures will not be stored.

9.2 Unless CLIENT directs otherwise, and excluding those issues covered in Section 10.0, CLIENT authorizes ECS to dispose of CLIENT'S non-hazardous samples and sampling or testing process by-products in accordance with applicable laws and regulations.

10.0 ENVIRONMENTAL RISKS

10.1 When Hazardous Materials are known, assumed, suspected to exist, or discovered at the Site, ECS will endeavor to protect its employees and address public health, safety, and environmental issues in accordance with the Standard of Care. CLIENT agrees to compensate ECS for such efforts.

10.2 When Hazardous Materials are known, assumed, or suspected to exist, or discovered at the Site, ECS and/or ECS' subcontractors will exercise the Standard of Care in containerizing and labeling such Hazardous Materials in accordance with applicable laws and regulations, and will leave the containers on Site. CLIENT is responsible for the retrieval, removal, transport and disposal of such contaminated samples, and sampling process byproducts in accordance with applicable law and regulation.

10.3 Unless explicitly stated in the Scope of Services, ECS will neither subcontract for nor arrange for the transport, disposal, or treatment of Hazardous Materials. At CLIENT'S written request, ECS may assist CLIENT in identifying appropriate alternatives for transport, off-site treatment, storage, or disposal of such substances, but CLIENT shall be solely responsible for the final selection of methods and firms to provide such services. CLIENT shall sign all manifests for the disposal of substances affected by contaminants and shall otherwise exercise prudence in arranging for lawful disposal.

10.4 In those instances where ECS is expressly retained by CLIENT to assist CLIENT in the disposal of Hazardous Materials, samples, or wastes as part of the Proposal, ECS shall do so only as CLIENT'S agent (notwithstanding any other provision of this AGREEMENT to the contrary). ECS will not assume the role of, nor be considered a generator, storer, transporter, or disposer of Hazardous Materials.

10.5 Subsurface sampling may result in unavoidable cross-contamination of certain subsurface areas, as when a probe or excavation/boring device moves through a contaminated zone and links it to an aquifer, underground stream, pervious soil stratum, or other hydrous body not previously contaminated, or connects an uncontaminated zone with a contaminated zone. Because sampling is an essential element of the Services indicated herein, CLIENT agrees this risk cannot be eliminated. Provided such services were performed in accordance with the Standard of Care, CLIENT waives, releases and discharges ECS from and against any claim for damage, injury, or loss allegedly arising from or related to such cross-contamination.

10.6 CLIENT understands that a Phase I Environmental Site Assessment (ESA) is conducted solely to permit ECS to render a professional opinion about the likelihood of the site having a Recognized Environmental Condition on, in, beneath, or near the Site at the time the Services are conducted. No matter how thorough a Phase I ESA study may be, findings derived from its conduct are highly limited and ECS cannot know or state for an absolute

- fact that the Site is unaffected or adversely affected by one or more Recognized Environmental Conditions. CLIENT represents and warrants that it understands the limitations associated with Phase I ESAs.
- 11.0 OWNERSHIP OF DOCUMENTS**
- 11.1 ECS shall be deemed the author and owner (or licensee) of all documents, technical reports, letters, photos, boring logs, field data, field notes, laboratory test data, calculations, designs, plans, specifications, reports, or similar documents and estimates of any kind furnished by it [the "Documents of Service"] and shall retain all common law, statutory and other reserved rights, including copyrights. CLIENT shall have a limited, non-exclusive license to use copies of the Documents of Service provided to it in connection with the Project for which the Documents of Service are provided until the completion of the Project.
- 11.2 ECS' Services are performed and Documents of Service are provided for the CLIENT'S sole use. CLIENT understands and agrees that any use of the Documents of Service by anyone other than the CLIENT, its licensed consultants and its contractors is not permitted. CLIENT further agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its contractors' use of ECS' Documents of Service.
- 11.3 CLIENT agrees to not use ECS' Documents of Service for the Project if the Project is subsequently modified in scope, structure or purpose without ECS' prior written consent. Any reuse without ECS' written consent shall be at CLIENT'S sole risk and without liability to ECS or to ECS' subcontractor(s). CLIENT agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its use of ECS' Documents of Service after any modification in scope, structure or purpose.
- 11.4 CLIENT agrees to not make any modification to the Documents of Service without the prior written authorization of ECS. To the fullest extent permitted by law, CLIENT agrees to indemnify, defend, and hold ECS harmless from any damage, loss, claim, liability or cost (including reasonable attorneys' fees and defense costs) arising out of or in connection with any unauthorized modification of the Documents of Service by CLIENT or any person or entity that acquires or obtains the Documents of Service from or through CLIENT. CLIENT represents and warrants that the Documents of Service shall be used only as submitted by ECS.
- 12.0 SAFETY**
- 12.1 Unless expressly agreed to in writing in its Proposal, CLIENT agrees that ECS shall have no responsibility whatsoever for any aspect of site safety other than for its own employees. Nothing herein shall be construed to relieve CLIENT and/or its contractors, consultants or other parties from their responsibility for site safety. CLIENT also represents and warrants that the General Contractor is solely responsible for Project site safety and that ECS personnel may rely on the safety measures provided by the General Contractor.
- 12.2 In the event ECS assumes in writing limited responsibility for specified safety issues, the acceptance of such responsibilities does not and shall not be deemed an acceptance of responsibility for any other non-specified safety issues, including, but not limited to those relating to excavating, trenching, shoring, drilling, backfilling, blasting, or other construction activities.
- 13.0 CONSTRUCTION TESTING AND REMEDIATION SERVICES**
- 13.1 CLIENT understands that construction testing and observation services are provided in an effort to reduce, but cannot eliminate, the risk of problems arising during or after construction or remediation. CLIENT agrees that the provision of such Services does not create a warranty or guarantee of any type.
- 13.2 Monitoring and/or testing services provided by ECS shall not in any way relieve the CLIENT'S contractor(s) from their responsibilities and obligations for the quality or completeness of construction as well as their obligation to comply with applicable laws, codes, and regulations.
- 13.3 ECS has no responsibility whatsoever for the means, methods, techniques, sequencing or procedures of construction selected, for safety precautions and programs incidental to work or services provided by any contractor or other consultant. ECS does not and shall not have or accept authority to supervise, direct, control, or stop the work of any contractor or consultant or any of their subcontractors or subconsultants.
- 13.4 ECS strongly recommends that CLIENT retain ECS to provide construction monitoring and testing services on a full time basis to lower the risk of defective or incomplete Work being installed by CLIENT'S contractor(s). If CLIENT elects to retain ECS on a part time basis for any aspect of construction monitoring and/or testing, CLIENT accepts the risks that a lower level of construction quality may occur and that defective or incomplete work may result and not be detected by ECS' part time monitoring and testing. Unless the CLIENT can show that the error or omission is contained in ECS' reports, CLIENT waives, releases and discharges ECS from and against any other claims for errors, omissions, damages, injuries, or loss alleged to arise from defective or incomplete work that was monitored or tested by ECS on a part time basis. Except as set forth in the preceding sentence, CLIENT agrees to indemnify and hold ECS harmless from all damages, costs, and attorneys' fees, for any claims alleging errors, omissions, damage, injury or loss allegedly resulting from Work that was monitored or tested by ECS on a part time basis.
- 14.0 CERTIFICATIONS** - CLIENT may request, or governing jurisdictions may require, ECS to provide a "certification" regarding the Services provided by ECS. Any "certification" required of ECS by the CLIENT or jurisdiction(s) having authority over some or all aspects of the Project shall consist of ECS' inferences and professional opinions based on the limited sampling, observations, tests, and/or analyses performed by ECS at discrete locations and times. Such "certifications" shall constitute ECS' professional opinion of a condition's existence, but ECS does not guarantee that such condition exists, nor does it relieve other parties of the responsibilities or obligations such parties have with respect to the possible existence of such a condition. CLIENT agrees it cannot make the resolution of any dispute with ECS or payment of any amount due to ECS contingent upon ECS signing any such "certification."
- 15.0 BILLINGS AND PAYMENTS**
- 15.1 Billings will be based on the unit rates, plus travel costs, and other reimbursable expenses as stated in the Professional Fees section of the Proposal. Any Estimate of Professional Fees stated in these Terms shall not be considered as a not-to-exceed or lump sum amount unless otherwise explicitly stated. CLIENT understands and agrees that even if ECS agrees to a lump sum or not-to-exceed amount, that amount shall be limited to number of hours, visits, trips, tests, borings, or samples stated in the Proposal.
- 15.2 CLIENT agrees that all Professional Fees and other unit rates shall be adjusted annually to account for inflation based on the most recent 12-month average of the Consumer Price Index (CPI-U) for all items as established by www.bls.gov when the CPI-U exceeds an annual rate of 2.0%.
- 15.3 Should ECS identify a Changed Condition(s), ECS shall notify the CLIENT of the Changed Condition(s). ECS and CLIENT shall promptly and in good faith negotiate an amendment to the Scope of Services, Professional Fees, and time schedule.
- 15.4 CLIENT recognizes that time is of the essence with respect to payment of ECS' invoices, and that timely payment is a material consideration for this agreement. All payment shall be in U.S. funds drawn upon U.S. banks and in accordance with the rates and charges set forth in the Professional Fees. Invoices are due and payable upon receipt.
- 15.5 If CLIENT disputes all or part of an invoice, CLIENT shall provide ECS with written notice stating in detail the facts of the dispute within fifteen (15) calendar days of the invoice. CLIENT agrees to pay the undisputed amount of such invoice promptly.
- 15.6 ECS reserves the right to charge CLIENT an additional charge of one-and-one-half (1.5) percent (or the maximum percentage allowed by law, whichever is lower) of the invoiced amount per month for any payment received by ECS more than thirty (30) calendar days from the date of the invoice, excepting any portion of the invoiced amount in dispute. All payments will be applied to accrued interest first and then to the unpaid principal amount. Payment of invoices shall not be subject to unilateral discounting or set-offs by CLIENT.
- 15.7 CLIENT agrees that its obligation to pay for the Services is not contingent upon CLIENT'S ability to obtain financing, zoning, approval of governmental or regulatory agencies, permits, final adjudication of a lawsuit, CLIENT'S successful completion of the Project, settlement of a real estate transaction, receipt of payment from CLIENT'S client, or any other event unrelated to ECS provision of Services. Retainage shall not be withheld from any payment, nor shall any deduction be made from any invoice on account of penalty, liquidated damages, or other sums incurred by CLIENT. It is agreed that all costs and legal fees including actual attorney's fees, and expenses incurred by ECS in obtaining payment under this Agreement, in perfecting or obtaining a lien, recovery under a bond, collecting any delinquent amounts due, or executing judgments, shall be reimbursed by CLIENT.
- 15.8 Unless CLIENT has provided notice to ECS in accordance with Section 16.0 of these Terms, payment of any invoice by the CLIENT shall mean that the CLIENT is satisfied with ECS' Services and is not aware of any defects in those Services.
- 16.0 DEFECTS IN SERVICE**
- 16.1 CLIENT, its personnel, its consultants, and its contractors shall promptly inform ECS during active work on any project of any actual or suspected defects in the Services so to permit ECS to take such prompt, effective remedial measures that in ECS' opinion will reduce or eliminate the consequences of any such defective Services. The correction of defects attributable to ECS' failure to perform in accordance with the Standard of Care shall be provided at no cost to CLIENT. However, ECS shall not be responsible for the correction of any deficiency attributable to CLIENT-furnished information, the errors, omissions, defective materials, or improper installation of materials by CLIENT'S personnel, consultants or contractors, or work not observed by ECS. CLIENT shall compensate ECS for the costs of correcting such defects.
- 16.2 Modifications to reports, documents and plans required as a result of jurisdictional reviews or CLIENT requests shall not be considered to be defects. CLIENT shall compensate ECS for the provision of such Services.
- 17.0 INSURANCE** - ECS represents that it and its subcontractors and subconsultants maintain Workers Compensation insurance, and that ECS is covered by general liability, automobile and professional liability insurance policies in coverage amounts it deems reasonable and adequate. ECS shall furnish certificates of insurance upon request. The CLIENT is responsible for requesting specific inclusions or limits of coverage that are not present in ECS insurance package. The cost of such inclusions or coverage increases, if available, will be at the expense of the CLIENT.
- 18.0 LIMITATION OF LIABILITY**
- 18.1 CLIENT AGREES TO ALLOCATE CERTAIN RISKS ASSOCIATED WITH THE PROJECT BY LIMITING ECS' TOTAL LIABILITY TO CLIENT ARISING FROM ECS' PROFESSIONAL LIABILITY, I.E. PROFESSIONAL ACTS, ERRORS, OR OMISSIONS AND FOR ANY AND ALL CAUSES INCLUDING NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY, INJURIES, DAMAGES, CLAIMS, LOSSES, EXPENSES, OR CLAIM EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) RELATING TO PROFESSIONAL SERVICES PROVIDED UNDER THIS AGREEMENT TO THE FULLEST EXTENT PERMITTED BY LAW. THE ALLOCATION IS AS FOLLOWS.
- 18.1.1 If the proposed fees are \$10,000 or less, ECS' total aggregate liability to CLIENT shall not exceed \$20,000, or the total fee received for the services rendered, whichever is greater.
- 18.1.2 If the proposed fees are in excess of \$10,000, ECS' total aggregate liability to CLIENT shall not exceed \$40,000, or the total fee for the services rendered, whichever is greater.
- 18.2 CLIENT agrees that ECS shall not be responsible for any injury, loss or damage of any nature, including bodily injury and property damage, arising directly or indirectly, in whole or in part, from acts or omissions by the CLIENT, its employees, agents, staff, consultants, contractors, or subcontractors to the extent such injury, damage,

- or loss is caused by acts or omissions of CLIENT, its employees, agents, staff, consultants, contractors, subcontractors or person/entities for whom CLIENT is legally liable.
- 18.3 CLIENT agrees that ECS' liability for all non-professional liability arising out of this agreement or the services provided as a result of the Proposal be limited to \$500,000.
- 19.0 INDEMNIFICATION**
- 19.1 Subject Section 18.0, ECS agrees to hold harmless and indemnify CLIENT from and against damages arising from ECS' negligent performance of its Services, but only to the extent that such damages are found to be caused by ECS' negligent acts, errors or omissions, (specifically excluding any damages caused by any third party or by the CLIENT.)
- 19.2 To the fullest extent permitted by Law, CLIENT agrees to indemnify, and hold ECS harmless from and against any and all liability, claims, damages, demands, fines, penalties, costs and expenditures (including reasonable attorneys' fees and costs of litigation defense and/or settlement) ("Damages") caused in whole or in part by the negligent acts, errors, or omissions of the CLIENT or CLIENT'S employees, agents, staff, contractors, subcontractors, consultants, and clients, provided such Damages are attributable to: (a) the bodily injury, personal injury, sickness, disease and/or death of any person; (b) the injury to or loss of value to tangible personal property; or (c) a breach of these Terms. The foregoing indemnification shall not apply to the extent such Damage is found to be caused by the sole negligence, errors, omissions or willful misconduct of ECS.
- 19.3 It is specifically understood and agreed that in no case shall ECS be required to pay an amount of Damages disproportionate to ECS' culpability. If CLIENT is A HOMEOWNER, HOMEOWNERS' ASSOCIATION, CONDOMINIUM OWNER, CONDOMINIUM OWNER'S ASSOCIATION, OR SIMILAR RESIDENTIAL OWNER, ECS RECOMMENDS THAT CLIENT RETAIN LEGAL COUNSEL BEFORE ENTERING INTO THIS AGREEMENT TO EXPLAIN CLIENT'S RIGHTS AND OBLIGATIONS HEREUNDER, AND THE LIMITATIONS, AND RESTRICTIONS IMPOSED BY THIS AGREEMENT. CLIENT AGREES THAT FAILURE OF CLIENT TO RETAIN SUCH COUNSEL SHALL BE A KNOWING WAIVER OF LEGAL COUNSEL AND SHALL NOT BE ALLOWED ON GROUNDS OF AVOIDING ANY PROVISION OF THIS AGREEMENT.
- 19.4 If CLIENT IS A RESIDENTIAL BUILDER OR RESIDENTIAL DEVELOPER, CLIENT SHALL INDEMNIFY AND HOLD HARMLESS ECS AGAINST ANY AND ALL CLAIMS OR DEMANDS DUE TO INJURY OR LOSS INITIATED BY ONE OR MORE HOMEOWNERS, UNIT-OWNERS, OR THEIR HOMEOWNER'S ASSOCIATION, COOPERATIVE BOARD, OR SIMILAR GOVERNING ENTITY AGAINST CLIENT WHICH RESULTS IN ECS BEING BROUGHT INTO THE DISPUTE.
- 19.5 IN NO EVENT SHALL THE DUTY TO INDEMNIFY AND HOLD ANOTHER PARTY HARMLESS UNDER THIS SECTION 19.0 INCLUDE THE DUTY TO DEFEND.
- 20.0 CONSEQUENTIAL DAMAGES**
- 20.1 CLIENT shall not be liable to ECS and ECS shall not be liable to CLIENT for any consequential damages incurred by either due to the fault of the other or their employees, consultants, agents, contractors or subcontractors, regardless of the nature of the fault or whether such liability arises in breach of contract or warranty, tort, statute, or any other cause of action. Consequential damages include, but are not limited to, loss of use and loss of profit.
- 20.2 ECS shall not be liable to CLIENT, or any entity engaged directly or indirectly by CLIENT, for any liquidated damages due to any fault, or failure to act, in part or in total by ECS, its employees, agents, or subcontractors.
- 21.0 SOURCES OF RECOVERY**
- 21.1 All claims for damages related to the Services provided under this agreement shall be made against the ECS entity contracting with the CLIENT for the Services, and no other person or entity. CLIENT agrees that it shall not name any affiliated entity including parent, peer, or subsidiary entity or any individual officer, director, or employee of ECS, specifically including its professional engineers and geologists.
- 21.2 In the event of any dispute or claim between CLIENT and ECS arising out of in connection with the Project and/or the Services, CLIENT and ECS agree that they will look solely to each other for the satisfaction of any such dispute or claim. Moreover, notwithstanding anything to the contrary contained in any other provision herein, CLIENT and ECS agree that their respective shareholders, principals, partners, members, agents, directors, officers, employees, and/or owners shall have no liability whatsoever arising out of or in connection with the Project and/or Services provided hereunder. In the event CLIENT brings a claim against an affiliated entity, parent entity, subsidiary entity, or individual officer, director or employee in contravention of this Section 21, CLIENT agrees to hold ECS harmless from and against all damages, costs, awards, or fees (including attorneys' fees) attributable to such act.
- 22.0 THIRD PARTY CLAIMS EXCLUSION -** CLIENT and ECS agree that the Services are performed solely for the benefit of the CLIENT and are not intended by either CLIENT or ECS to benefit any other person or entity. To the extent that any other person or entity is benefited by the Services, such benefit is purely incidental and such other person or entity shall not be deemed a third party beneficiary to the AGREEMENT. No third-party shall have the right to rely on ECS' opinions rendered in connection with ECS' Services without written consent from both CLIENT and ECS, which shall include, at a minimum, the third-party's agreement to be bound to the same Terms and Conditions contained herein and third-party's agreement that ECS' Scope of Services performed is adequate.
- 23.0 DISPUTE RESOLUTION**
- 23.1 In the event any claims, disputes, and other matters in question arising out of or relating to these Terms or breach thereof (collectively referred to as "Disputes"), the parties shall promptly attempt to resolve all such Disputes through executive negotiation between senior representatives of both parties familiar with the Project. The parties shall arrange a mutually convenient time for the senior representative of each party to meet. Such meeting shall occur within fifteen (15) days of either party's written request for executive negotiation or as otherwise mutually agreed. Should this meeting fail to result in a mutually agreeable plan for resolution of the Dispute, CLIENT and ECS agree that either party may bring litigation.
- 23.2 CLIENT shall make no claim (whether directly or in the form of a third-party claim) against ECS unless CLIENT shall have first provided ECS with a written certification executed by an independent engineer licensed in the jurisdiction in which the Project is located, reasonably specifying each and every act or omission which the certifier contends constitutes a violation of the Standard of Care. Such certificate shall be a precondition to the institution of any judicial proceeding and shall be provided to ECS thirty (30) days prior to the institution of such judicial proceedings.
- 23.3 Litigation shall be instituted in a court of competent jurisdiction in the county or district in which ECS' office contracting with the CLIENT is located. The parties agree that the law applicable to these Terms and the Services provided pursuant to the Proposal shall be the laws of the Commonwealth of Virginia, but excluding its choice of law rules. Unless otherwise mutually agreed to in writing by both parties, CLIENT waives the right to remove any litigation action to any other jurisdiction. Both parties agree to waive any demand for a trial by jury.
- 24.0 CURING A BREACH**
- 24.1 A party that believes the other has materially breached these Terms shall issue a written cure notice identifying its alleged grounds for termination. Both parties shall promptly and in good faith attempt to identify a cure for the alleged breach or present facts showing the absence of such breach. If a cure can be agreed to or the matter otherwise resolved within thirty (30) calendar days from the date of the termination notice, the parties shall commit their understandings to writing and termination shall not occur.
- 24.2 Either party may waive any right provided by these Terms in curing an actual or alleged breach; however, such waiver shall not affect future application of such provision or any other provision.
- 25.0 TERMINATION**
- 25.1 CLIENT or ECS may terminate this agreement for breach or these terms, non-payment, or a failure to cooperate. In the event of termination, the effecting party shall so notify the other party in writing and termination shall become effective fourteen (14) calendar days after receipt of the termination notice.
- 25.2 Irrespective of which party shall effect termination, or the cause therefore, ECS shall promptly render to CLIENT a final invoice and CLIENT shall immediately compensate ECS for Services rendered and costs incurred including those Services associated with termination itself, including without limitation, demobilizing, modifying schedules, and reassigning personnel.
- 26.0 **TIME BAR TO LEGAL ACTION -** Unless prohibited by law, and notwithstanding any Statute that may provide additional protection, CLIENT and ECS agree that a lawsuit by either party alleging a breach of this agreement, violation of the Standard of Care, non-payment of invoices, or arising out of the Services provided hereunder, must be initiated in a court of competent jurisdiction no more than two (2) years from the time the party knew, or should have known, of the facts and conditions giving rise to its claim, and shall under no circumstances shall such lawsuit be initiated more than three (3) years from the date of substantial completion of ECS' Services.
- 27.0 **ASSIGNMENT -** CLIENT and ECS respectively bind themselves, their successors, assigns, heirs, and legal representatives to the other party and the successors, assigns, heirs and legal representatives of such other party with respect to all covenants of these Terms. Neither CLIENT nor ECS shall assign these Terms, any rights thereunder, or any cause of action arising therefrom, in whole or in part, without the written consent of the other. Any purported assignment or transfer, except as permitted above, shall be deemed null, void and invalid, the purported assignee shall acquire no rights as a result of the purported assignment or transfer and the non-assigning party shall not recognize any such purported assignment or transfer.
- 28.0 **SEVERABILITY -** Any provision of these Terms later held to violate any law, statute, or regulation, shall be deemed void, and all remaining provisions shall continue in full force and effect. CLIENT and ECS shall endeavor to quickly replace a voided provision with a valid substitute that expresses the intent of the issues covered by the original provision.
- 29.0 **SURVIVAL -** All obligations arising prior to the termination of the agreement represented by these Terms and all provisions allocating responsibility or liability between the CLIENT and ECS shall survive the substantial completion of Services and the termination of the agreement.
- 30.0 TITLES: ENTIRE AGREEMENT**
- 30.1 The titles used herein are for general reference only and are not part of the Terms and Conditions.
- 30.2 These Terms and Conditions of Service together with the Proposal, including all exhibits, appendixes, and other documents appended to it, constitute the entire agreement between CLIENT and ECS. CLIENT acknowledges that all prior understandings and negotiations are superseded by this agreement.
- 30.3 CLIENT and ECS agree that subsequent modifications to the agreement represented by these shall not be binding unless made in writing and signed by authorized representatives of both parties.
- 30.4 All preprinted terms and conditions on CLIENT'S purchase order, Work Authorization, or other service acknowledgement forms, are inapplicable and superseded by these Terms and Conditions of Service.
- 30.5 CLIENT'S execution of a Work Authorization, the submission of a start work authorization (oral or written) or issuance of a purchase order constitutes CLIENT'S acceptance of this Proposal and its agreement to be fully bound the foregoing Terms. If CLIENT fails to provide ECS with a signed copy of these Terms or the attached Work Authorization, CLIENT agrees that by authorizing and accepting the services of ECS, it will be fully bound by these Terms as if they had been signed by CLIENT.

END OF TERMS AND CONDITIONS



P. O. Box 172015 ♦ Arlington, Texas 76003-2015
Metro (817) 319-7793 ♦ Fax (817) 563-6200

PROPOSAL

November 6, 2019

Mr. Bill Hidell
Hidell Associates Architects
3033 Kellway Dr., Suite 120
Carrollton, TX 75006

RE: Sanitary Sewer CCTV Inspection & Testing, Prestwick STEM Academy

Per your request, I respectfully submit the following:

Tri-Star Pipe Inspection will perform hydrostatic testing and video inspection of the sanitary sewer lines at Prestwick STEM Academy per markups on the plans we have received. All inspections will be recorded and 2 thumb drives will be provided. Any defects will be located and marked. If any leaks are indicated from the hydrostatic test, we will isolate areas of the system to identify exactly where the leaks are. In addition, we will provide a written report of our findings plus pictures of any defects.

We will need access to any areas of the school where the lines are located. If any cleanouts can not be accessed, we will do our best to inspect from upstream cleanouts. If necessary, we will break cleanout caps out in order to access the line.

The estimated time to perform all of the lines under slab (inside the school) is 5 days. Cost will be \$3500.00 per day (crew of 3-4 persons) plus the cost to replace any cleanout caps that have to be destroyed in removing them.

In addition, we will inspect the lines outside of the school using our mainline (robotic) camera where possible and push camera when necessary to assess the lines from the building to the sewer main. Estimated time for this will be 2 days at a rate of \$4000.00 per day.

All interior work will be performed during the Christmas break. Depending on time, some of the outside work may need to be performed after the holidays.

If you have any questions or concerns, please give me a call at 817-319-7793.

Sincerely,

Tom Lewis
Tri-Star Pipe Inspection

www.tristarpipelineinspection.com

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 12-16-2019	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	DECLARING TECHNOLOGY EQUIPMENT SURPLUS AND AUTHORIZING FOR DISPOSAL AND DONATION				
Presenter or Contact Person:	Clay Walker, Director for Technology Services				
Policy/Code:	CI (LOCAL), CI (LEGAL)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Numerous components of technology equipment items have been displaced throughout the District and are of negligible salvage value, being either obsolete or beyond economical repair. Due to the age and condition of these items, LEISD Administration requests that the items listed in the attachment be declared surplus and authorized for disposal.				
Financial Implications:	N/A				
Attachments:	Surplus List				
Recommendation:	The Administration recommends that the identified items be declared surplus and authorize them for disposal.				
Motion:	I move that the Board declare surplus the identified items and authorize them for disposal as submitted.				

Campus

Zellars

Item

iPad

iPad

iPad

Laptop

Lenovo Desktop

LMS

HP LV1911 - MONITOR

HP LV1911 - MONITOR

HP LV1911 - MONITOR

HP LV1911 - MONITOR

HP LV1911 - MONITOR

HP LV1911 - MONITOR

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PSA

Chromebase

Desktop

Desktop

Desktop

HB

Projector

Brent

Sony CD Player CFD-S01

Brent

SchoolMate Cassette Player

Brent

Headphones

Brent

HP LaserJet 4200n Printer

Brent

Anthro TAB32 Charging Cart

Brent

HandHeld Panther Scanner

Brent

Epson EMP-S4 Projector

Brent

Epson EMP-S4 Projector

Brent

Epson EMP-S4 Projector

Brent

Misc. Cables/Remotes

Brent	Acer AL1706Ab Monitor
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Epson Projector
Chavez	Monitor
Chavez	Plantronics
Chavez	Epson Projector

Serial Numbers

dmpgpe4mdfhw

dmpgpepmdfhw

dmpgperddfhw

LR-1BCBC

7844P7US5DVAKC - 56191400029443

6CM419286B

6CM41927KN

6CM41926R2

6CM4252ML7

6CM41925J3

6CM4192866

6CM4192867

6CM41925L0

6CM419264X

6CM419264T

6CM41927L4

6CM419286M

6CM4192655

6CM419284R

6CM419264Y

6CM41927KR

6CM419274Z

6CM41925J8

6CM419268V

6CM41926R5

6CM41927KS

6CM4192750

6CM419268L

610NTABAD920

MXL429208F

2UA4160TMX

MXL4251P5Y

J3VF733400L

N/A

S0040313-1529

N/A

N/A

N/A

07043E1177

J3VG655041F

J3VF733414L

J3VG661076F

N/A

ETL460C1486240D5E24001

J3VF741435L

J3VG661071F

J3VF733401L

KM3F847608L

J3VF733402L

J3VF733417L

J3VF733419L

J3VF733398L

99802405243

0FW3YH

J3VF733425L