

Comprehensive Annual Financial Report

**For fiscal year ending
August 31, 2020**



**Lake Dallas ISD
104 Swisher Road
Lake Dallas, Texas 75065**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
LAKE DALLAS, TEXAS

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2020**

PREPARED BY:

**WESLEY C. EVERSOLE, RTSBA
DEPUTY SUPERINTENDENT/CFO**

**ANNE HAEHN
DIRECTOR OF ACCOUNTING**

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2020

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CERTIFICATE OF BOARD

Lake Dallas Independent School District
Name of School District

Denton
County

061-912
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, 2020, at a meeting of the Board of Trustees of such school district on the 11th day of January, 2021.

Signature of Board Secretary

Signature of Board President



**INTRODUCTORY SECTION
(UNAUDITED)**



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT

104 Swisher Road • Box 548
LAKE DALLAS, TEXAS 75065
940-497-4039
Fax 940-497-3737
www.ldisd.net

January 11, 2021

Board of Trustees
Lake Dallas Independent School District
P.O. Box 548
Lake Dallas, Texas 75065

To the Board of Trustees and the Citizens of the Lake Dallas Independent School District:

The Comprehensive Annual Financial Report of the Lake Dallas Independent School District (District) for the fiscal year ended August 31, 2020, is submitted. Responsibility for both the accuracy of the data and the completeness of the report rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the various funds and account groups of the District. All disclosures necessary to enable the reader to understand the District's economic activities have been included.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

The Lake Dallas Independent School District Board of Trustees (Board), a seven-member group, is the government level, which has responsibilities for overall activities related to public elementary and secondary school education within the jurisdiction of the District. The District received funding from local, state, and federal funding sources. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to influence operations and primary accountability for fiscal matters significantly.

Profile of the District

Lake Dallas ISD includes all the District's funds and any component units for which the District is financially accountable.

Lake Dallas ISD is adjacent to Lewisville Lake in North Texas. The school district covers 9.8 square miles in Denton County, with the lake's beauty as a backdrop. Lake Dallas, Shady Shores, Corinth, and Hickory Creek are the four towns within Lake Dallas ISD boundaries. With a focus on family and community, Lake Dallas ISD is excited about the achievement of the three elementary schools, one middle school and one high school. Our mission is to provide quality education to reach students' full academic and social potential.

Located approximately 30 miles from downtown Dallas on the growing I-35 corridor, the District has recorded an increased population over several decades. The District's character has changed from a part-time recreational and retirement community to a year-round residential area. New home construction has been significant but has slowed in the past years.

The Lake Dallas ISD is approximately twenty miles from the Dallas/Ft. Worth metroplex and from DFW International Airport. The Dallas-Ft. Worth area is an important center of trade, finance, and other major services. The quality of life and diversified economic base make this area a choice home, industrial, and manufacturing places to locate. This economic footing should allow for sustained growth in the future.

Lake Dallas ISD educates almost 4,000 students on five campuses. The District offers programs and educational opportunities suited to the needs of a broad spectrum of students. Student attendance is commendable. In LDISD, 96% of all students are present in school each day. Lake Dallas ISD schools, programs, staff, and students earn State and regional recognition regularly.

A challenging curriculum, dedicated staff, and supportive community ensure exceptional educational opportunities for all students. Lake Dallas schools continually strive for academic excellence in all areas. Lake Dallas ISD is dedicated to giving every student the best possible education through an intensive core curriculum based on the Texas Education Agency's guidelines.

Lake Dallas ISD is committed to being one of the nation's best school systems, continually improving and refining instructional programs and operational processes in the interest of effectiveness, productivity, and efficiency. Our standards for students and staff members are high, and we continuously strive to raise them higher.

Major Initiatives

District Curriculum is vertically aligned throughout all grade levels and based on the Texas Essential Knowledge and Skill (TEKS). The District has a vibrant, growing student population, an excellent array of programs, a strong curriculum, access to various intellectual resources, and a progressive, innovative atmosphere. An educated School Board and a professional, dedicated, and inventive staff, as well as an involved community, make Lake Dallas ISD a leader in education.

Lake Dallas ISD voters approved a \$105 million bond package to update several campuses across the District. Projects that were selected were based on the direction of a long-range planning committee led by community members. In September 2020, Lake Dallas ISD's Unlimited Tax School Building Bonds, Series 2020-A were offered to investors in the national capital markets. The District sold \$70M at an "All-In" true interest rate of 2.94%, which was 0.82% below expectations.

Construction has begun on the projects list below:

- Corinth Elementary School - Safety and security updates as well as physical and visual updates to its campus building
- Lake Dallas Middle School - Significant physical education and athletic improvements to replace decades-old space on its campus.
- Lake Dallas High School - Updates to modernize the campus, including new education space, new campus administration space, a multipurpose indoor extracurricular facility, and improvements to safety and security of the facility.

All Projects should be completed by fall 2021.

Financial Information

The Comprehensive Annual Financial Report for the year ended August 31, 2020, is prepared following generally accepted accounting principles (GAAP). This report also conforms with the financial reporting standards established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). This report includes all funds of the District.

Funds are organized into three distinct types dictated by the nature of the activities involved:

Governmental Fund Types:

- General Fund
- Debt Service Fund
- Capital Projects Fund
- Special Revenue Funds

Proprietary Fund Types:

- Internal Service Funds
- Enterprise Fund

Fiduciary Fund Type:

- Agency Funds

Financial Policies and Planning

The annual budget serves as the foundation of the District's financial planning and control. These budgetary controls' objectives are set to ensure compliance with legal provisions and provide a roadmap to achieve state and local goals.

Under the Texas Education Code provisions, the District is required to develop a plan to improve student performance. Lake Dallas ISD utilizes a collaborative planning process that includes community and staff input to expand its education plan. District and campus plans are reviewed annually to be mutually supportive of the state goals and objectives under Education Code, Chapter 4.

The planning team is known as the District Educational Improvement Council (DEIC). The DEIC is responsible for developing the District Improvement Plan (DIP). The Board of Trustees oversee the District-level planning and decision-making committee's meeting procedures and annually approves their plan recommendations.

Budgetary Controls

Budgetary controls' objective is to ensure compliance with legal provisions in the annual appropriated budget approved by the Board of Trustees. Every school district in Texas is required by law to prepare and file a budget with the Texas Education Agency. Activities of the general fund, food service fund, and debt service fund are included in the District's budget.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at each fund's functional category level. These categories are defined by the Texas Education Agency and identify the purpose of the transactions. A listing of these categories as well as related financial information, is included herein. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in this report's financial section, the District continues meeting its responsibility for sound financial management.

Internal Controls

The extent of internal controls that a school district should establish is a judgment made by management. Management's decision regarding the importance of internal control necessary is affected by circumstances such as the organization's size and the number of personnel available. Consideration must be given to the relationship between costs and benefits. Also, the nature of internal control is such that even appropriate internal control methods and systems will not guarantee a district's objectives will be achieved, nor will they ensure its success.

Internal controls procedures are established to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of financial reporting
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations

Relevant Financial Policy

The School Board has been instrumental in maintaining and increasing the reserves of the District. The Board recognizes that maintaining an appropriate fund balance is a critical factor in the District's financial planning and budgeting processes. Although fund balance levels could be affected by legislative actions and the amount of available state and federal resources, the Board has been proactive in building the District's reserves to fund unanticipated expenditures or the offset future short term revenue reductions. The Board has maintained an appropriate fund balance to avoid short-term borrowing and demonstrate financial stability, therefore preserving or enhancing its bond rating.

State Funding

The State of Texas's current system provides funding for public education via a financing formula that weights students' attendance levels, property value per student, and the District's tax effort.

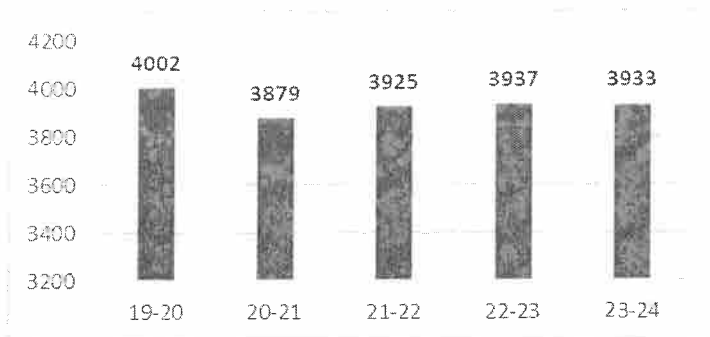
Debt Administration

The District has deployed various debt management practices to lower its borrowing costs. These include refunding existing bonds at a lower rate and prepaying bonds before the scheduled maturity. Such actions have provided the District's taxpayers with over \$26 million of direct savings since 2012. These practices have helped the District maintain its credit rating of 'A.A.-'. The ratings reflect that LDISD has very strong household income levels, a diverse and growing tax base, and a solid financial position with management consistently maintaining stable revenues supported by conservative budgeting. The 'AAA' enhanced rating assigned to the District's series 2020 bonds reflects the Texas Permanent School Fund's credit enhancement.

Enrollment

Enrollment has fallen as the District and families grapple with pandemic closures and health concerns. The school district plans its budget based on estimated student enrollment and state aid earned based on student attendance.

Projected Enrollment



District Facilities

School facilities are in good condition. The District maintains its facilities with internal staff. Lake Dallas Middle School and Corinth Elementary were built in the 1980s, with significant additions and substantial renovations occurring in the 2000s. Lake Dallas High School was built in 1998 with additional classroom and athletic spaces added in 2007. Shady Shores Elementary School was built in 2004. With the passing of a bond election in 2020, renovations and additions will occur at Lake Dallas High School, Lake Dallas Middle School, Lake Dallas Elementary School, and Corinth Elementary School.

Campus	Year Built	Addition
Lake Dallas High School	1998	2007
Lake Dallas Middle School	1980	2003
Corinth Elementary School	1985	2001
Lake Dallas Elementary School	2009	
Shady Shores Elementary School	2004	

The community is one of unconditional support for the District. Lake Dallas ISD has a history of 6 bond elections since 1995. All six bond elections have passed with overwhelming support. The District also held a Tax Rate election in 2008 and won with an 84% passage rate. Residents continue to support the school and demand quality education for their students.

Independent Audit

State law requires an annual audit performed by an independent certified public accountant. Lake Dallas ISD's School Board has selected the accounting firm of Hankins, Eastup, Deaton, Tonn and Seay to perform this audit. An audit report is generated and is presented to the School Board each January. The final audit meets all state and federal reporting requirements.

Education

Lake Dallas ISD is a public school system whose District mission is to create an educational environment to prepare every child to achieve their lifelong academic and social potential. Recognizing that the quality of life, both today and in the future, depends upon the quality of education provided by the public schools, the Lake Dallas Independent School District is dedicated to education and committed to meeting every individual's needs. The District's vision is to champion a dynamic model of future-focused education.

LDHS is also proud to be one of the first high schools in North Texas to form a partnership with North Central Texas College, enabling LDHS students to receive college hours and to earn an associate degree while in high school.

The State of Texas Assessment of Academic Readiness (STAAR) results show that Lake Dallas ISD students perform above regional and State averages in all state assessments. Also, Lake Dallas High School students perform above state and region averages in College Readiness Indicators.

Economic Condition and Outlook

Over the last several years, Lake Dallas ISD's local economy has experienced an upturn. The diversity of businesses located in the area and the range of housing available combined with the transpiration grid of the metroplex and proximity to Dallas-Fort Worth and Alliance airports provide a degree of protection from the economic cycle affecting many other school districts. The District's relationship with the local communities assures the cities' development projects are also desirable for the community at large. With the expansion of I.H. 35, the Lake Cities has seen economic growth and expansion of its commercial tax base.

Financial Awards Programs

This District has submitted its comprehensive annual financial report (CAFR) to the Association of School Business Officials (ASBO) to participate in their awards program. The ASBO Certificate of Excellence in Financial Reporting recognizes school districts that have met the highest standards of excellence in school financial reporting.

The purpose of the program is to:

- A. Encourage school systems to adopt and use generally accepted accounting principles.
- B. Encourage school systems to adopt sound budgetary and financial reporting procedures.
- C. Recognize excellence in school financial reporting.
- D. Contribute to their enhancement of the credibility of school systems' financial management by recognizing and publicizing excellence in school financial reporting.

The District has also submitted their CAFR to the Government Finance Officers Association (GFOA) for their review. The GFOA Certificate of Achievement for Excellence in Financial Reporting is awarded to easily readable and efficiently organized Comprehensive Annual Financial Reports. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current Comprehensive Annual Financial Report meets the GFOA's and ASBO's program requirements.

The District has received both of these prestigious awards for twenty consecutive years. We believe that our current report conforms to the Certificate of Excellence Program requirements.

Board of Trustees

The Board of Trustees holds its regular monthly meeting on the third Monday of each month in the Boardroom located in Lake Dallas ISD Central Services Building, 104 Swisher Road. Proper public notice for all Board meetings is posted on the District website. The Lake Dallas Board of Trustees welcomes public participation in its meetings and encourages citizens to express their views on matters affecting our community's students.

Outstanding Staff

Highly competent, dedicated staff members work together at every level to promote high academic standards and to provide every student with educational opportunities to meet individual needs and interests. Teachers emphasize a strong curriculum, effective instructional techniques, and consistent student discipline.

Lake Dallas staff members recognize the importance of personal attention. Both tutoring and enrichment programs are provided to enhance student development.

Many of Lake Dallas personnel pursue professional growth through university coursework and educational workshops, and staff development sessions. Many have advanced degrees. Staff commitment to personal growth ensures continuing academic excellence for Lake Dallas ISD.

Supportive Community

Community support and involvement are evident in Lake Dallas ISD. Strong PTA groups provide support for the schools and a strong link between home and school. Parent volunteers serve hundreds of hours in various capacities - from helping with extracurricular activities to assisting students and teachers in the classrooms. The community has continually shown the value it places on quality education through the financial and personal support it has given the District.

Comprehensive Safety Program

The District takes every reasonable precaution regarding the safety of students, employees, visitors, and all others with whom it conducts business. The District has developed, implemented, and promoted a comprehensive safety program. The program includes guidelines and procedures for responding to emergencies. See policy CK (Local).

Policies are in place related to:

- Use, possession, or exhibition of a firearm, an illegal knife, a club, or a prohibited weapon, as those terms are defined in the Penal Code,
- Conduct that contains the elements of the offense of aggravated assault, sexual assault, aggravated sexual assault, arson, murder, capital murder, criminal attempt to commit murder or capital murder, indecency with a child, or aggravated kidnapping, as those offenses are defined in the Penal Code;
- Drug- or alcohol-related offenses described in Education Code 37.006
- Criminal mischief
- Persistent misbehavior

Each school has effective emergency procedures that can be implemented on short notice and that will ensure optimum safety for students and school personnel. Lake Dallas ISD has two resource officers to assist with safety issues. The Superintendent has the authority to dismiss school for a part of a day or for longer periods of time, if necessary, in case of unusual or emergency situations. Campus principals have designed and implemented a system to familiarize employees and students with evacuation procedures and shall ensure that evacuation diagrams are appropriately posted. Principals also conduct fire, tornado, or other emergency drills designed to assure the orderly movement of students and personnel to the safest areas available.

Acknowledgments

The preparation of this report could not have been accomplished without the services of the entire staff of the business office. In addition, the Board of Trustees should be commended for its continued support and leadership.

Gayle Stinson Ed.D - Superintendent of Schools

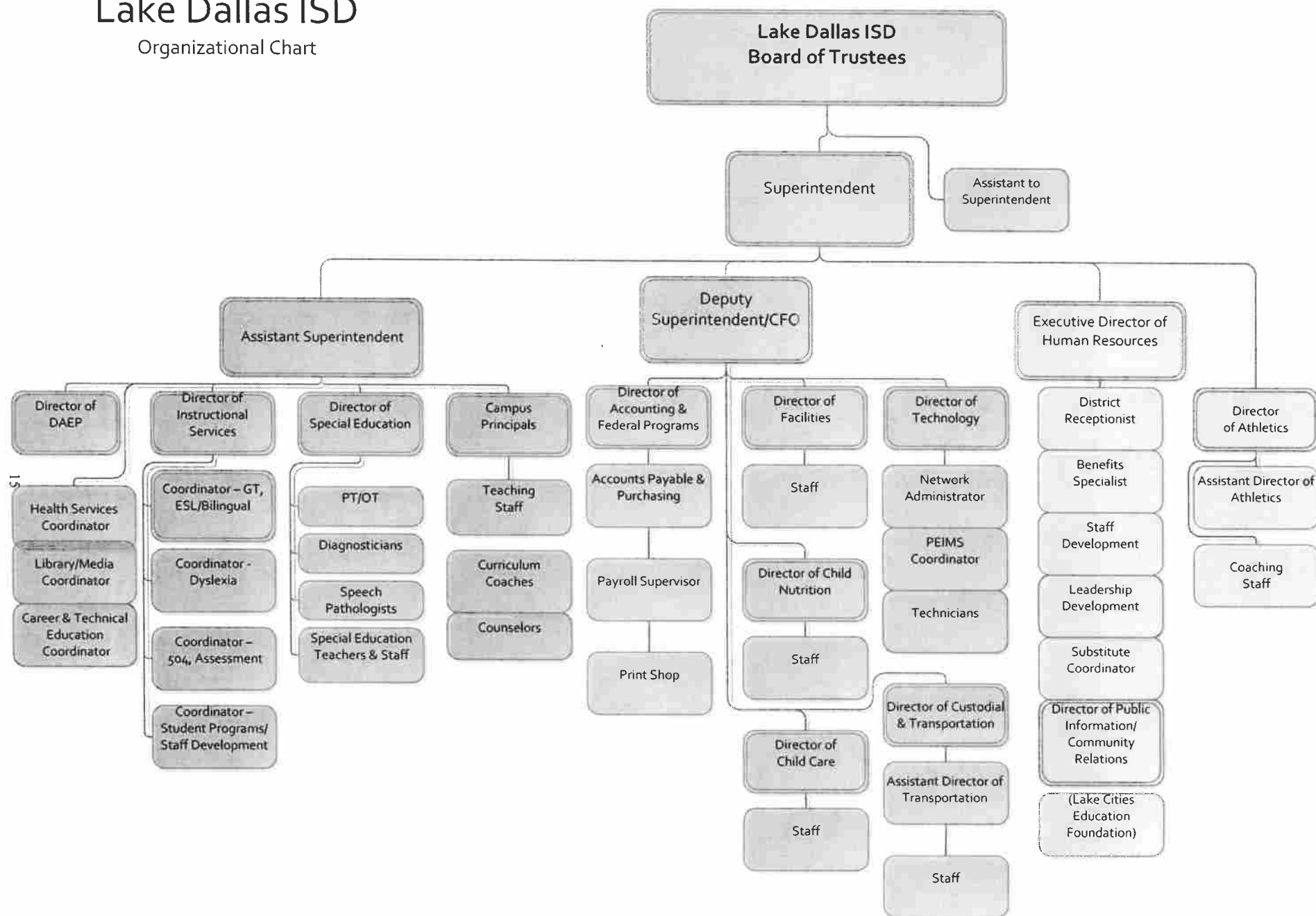
Wes Eversole, RTSBA - Deputy Superintendent/
Chief Financial Officer

Anne Haehn - Director of Accounting



Lake Dallas ISD

Organizational Chart



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

Audit Firm

Hankins, Eastup, Deaton, Tonn & Seay
Certified Public Accountants
902 North Locust
Denton, Texas 76202-0977

Bond Attorneys

Fulbright & Jaworski L.L.P.
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201-2784

Fiscal Agents

The Bank of New York Trust Company
of Florida
10161 Centurion Parkway
2nd Floor
Jacksonville, FL 32256

General Counsel

Walsh, Gallegos, Trevino, Russo & Kyle, P.C.
P.O. Box 168046
Irving, Texas 75016

Tax Attorney

Sawko and Burroughs
1100 Dallas Drive, Ste. 100
Denton, Texas 76201

Financial Advisors

BOK Financial Securities, Inc.
333 West Campbell Road, Suite 350
Richardson, Texas 75080

Official Depository

Independent Financial
2004 Stemmons Freeway
Lake Dallas, Texas 75065

Tax Collector

Denton County Tax Collector Assessor
P.O. Box 1249
Denton, Texas 76201

Tax Appraisal

Denton Central Appraisal District
3911 Morse St.
Denton, TX 76208

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT

PRINCIPAL OFFICIALS

Elected Officials:

Board of Trustees:

Lance Stacy	President
Chad Thiessen	Vice President
Glen Gowans	Secretary
Scott Baird	Member
Mark Tucker	Member
Courtney Tankersley	Member
Steve Payne	Member

Appointed Officials:

Gayle Stinson, Ed.D	Superintendent
Wesley Eversole, RTSBA	Deputy Superintendent/CFO
Marci Malcom, PhD.	Assistant Superintendent of Curriculum and Instruction
Karla Landrum	Executive Director of Human Resources
Mark Ruggles, PhD.	Director of Special Education
Wendy Konz	Director of Maintenance & Transportation
David Talbert	Director of Facilities
Anne Haehn	Director of Accounting
Stephanie Reese	Director of Food Service
Matt Clark	Director of Curriculum and Instruction
Mike Dabney	Director of Technology
Scott Head	Athletic Director
Kristi Strickland, PhD.	High School Principal
Randall Caldwell	Middle School Principal
Jennifer Bryant	Shady Shores Elementary School Principal
Jennifer Perry, PhD.	Lake Dallas Elementary School Principal
Vangee Deussen	Corinth Elementary School Principal



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Lake Dallas Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in cursive script, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in cursive script, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lake Dallas Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



Independent Auditors' Report

To the Board of Trustees
Lake Dallas Independent School District
Lake Dallas, 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 Lake Dallas Independent School District (the District), as of and for the year ended August 31, 2020, 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 Lake Dallas Independent School District as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 25 through 31, budgetary comparison information on page 81 and the *pension and OPEB schedules* on pages 82 through 88 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 Lake Dallas Independent School District's basic financial statements. The introductory section, other supplementary information (as described in the accompanying table of contents), statistical section 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 other supplementary information (as described in the accompanying table of contents), 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 other supplementary information (as described in the accompanying table of contents), 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021 on our consideration of Lake Dallas 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 Lake Dallas Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay

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

January 7, 2021

**LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2020
(UNAUDITED)**

As management of Lake Dallas 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, 2020. The District has implemented Government Accounting Standards Board Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". Please read this narrative in conjunction with the independent auditors' report on page 23, and the District's Basic Financial Statements that begin on page 35.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of Lake Dallas Independent School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal period by \$17,614,485 (negative net position). Of this amount, \$(26,424,204) (negative unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies.
- The District's total net position increased by \$1,078,586 during the fiscal year from the results of current year operations.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$78,118,142. 15.5% of this total amount, \$12,121,614, 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 \$12,121,614 or 30.8% of the total general fund expenditures, an increase of \$803,113 from the prior year. Final general fund revenues were very close (0.37%) to final revenue estimates.

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 35 through 37). 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 38) 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 49) 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 35. 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 the child care program.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 38 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 under 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—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most 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 fund (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities—such as the District's print shop and computer operations.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. The District's fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 47. 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 (\$18,695,090) to (\$17,616,504). 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 (\$26,426,223) at August 31, 2020.

In 2020, net position of our business-type activities remained at \$2,019 during the year. This activity is relatively insignificant to the overall operations of the District, but it represents significant services to the District through the Child Care program.

Table I
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 27,424,645	\$ 86,769,320	\$ 2,668	\$ 2,668	\$ 27,427,313	\$ 86,771,988
Capital assets	99,386,158	112,810,503	-	-	99,386,158	112,810,503
Total assets	126,810,803	199,579,823	2,668	2,668	126,813,471	199,582,491
Deferred outflows of resources	15,186,399	13,358,176	-	-	15,186,399	13,358,176
Total assets and deferred outflows of resources	141,997,202	212,937,999	2,668	2,668	141,999,870	212,940,667
Long-term liabilities	149,020,959	213,780,353	-	-	149,020,959	213,780,353
Other liabilities	5,192,749	8,128,921	649	649	5,193,398	8,129,570
Total liabilities	154,213,708	221,909,274	649	649	154,214,357	221,909,923
Deferred inflows of resources	6,478,584	8,645,229	-	-	6,478,584	8,645,229
Total liabilities and deferred inflows of resources	160,692,292	230,554,503	649	649	160,692,941	230,555,152
Net Position:						
Net investments in capital assets	4,729,315	6,731,610	-	-	4,729,315	6,731,610
Restricted	1,839,221	2,078,109	-	-	1,839,221	2,078,109
Unrestricted	(25,263,626)	(26,426,223)	2,019	2,019	(25,261,607)	(26,424,204)
Total net position	\$ (18,695,090)	\$ (17,616,504)	\$ 2,019	\$ 2,019	\$ (18,693,071)	\$ (17,614,485)

Table II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 834,690	\$ 680,419	\$ 387,544	\$ 311,086	\$ 1,222,234	\$ 991,505
Operating grants and contributions	5,316,853	5,641,076	-	-	5,316,853	5,641,076
General Revenues:						
Maintenance and operations taxes	22,439,330	22,787,658	-	-	22,439,330	22,787,658
Debt service taxes	9,577,335	10,656,269	-	-	9,577,335	10,656,269
State aid	12,850,386	14,070,295	-	-	12,850,386	14,070,295
Investment earnings	678,764	1,216,971	-	-	678,764	1,216,971
Miscellaneous	118,352	238,138	-	-	118,352	238,138
Grants not restricted	433,858	423,744	-	-	433,858	423,744
Total Revenue	<u>52,249,568</u>	<u>55,714,570</u>	<u>387,544</u>	<u>311,086</u>	<u>52,637,112</u>	<u>56,025,656</u>
Expenses:						
Instruction, curriculum and media services	27,225,428	29,290,883	-	-	27,225,428	29,290,883
Instructional and school leadership	3,056,442	3,246,272	-	-	3,056,442	3,246,272
Student support services	3,230,257	3,582,917	-	-	3,230,257	3,582,917
Child nutrition	1,957,297	1,833,588	-	-	1,957,297	1,833,588
Extracurricular activities	1,705,455	1,050,970	-	-	1,705,455	1,050,970
General administration	1,629,207	1,691,746	-	-	1,629,207	1,691,746
Plant maintenance, security and data processing	7,027,296	6,389,338	-	-	7,027,296	6,389,338
Community services	6,793	21,310	390,371	387,722	397,164	409,032
Debt services	4,787,947	7,214,780	-	-	4,787,947	7,214,780
Payments related to shared services arrangements	39,800	22,400	-	-	39,800	22,400
Intergovernmental charges	198,865	215,144	-	-	198,865	215,144
Total Expenses	<u>50,864,787</u>	<u>54,559,348</u>	<u>390,371</u>	<u>387,722</u>	<u>51,255,158</u>	<u>54,947,070</u>
Increase (Decrease) in Net Position before transfers	1,384,781	1,155,222	(2,827)	(76,636)	1,381,954	1,078,586
Nonoperating Revenues (Expenses)						
Transfers in (out)	(2,827)	(76,636)	2,827	76,636	-	-
Increase (Decrease) in Net Position	1,381,954	1,078,586	-	-	1,381,954	1,078,586
Net position at beginning of year	(20,077,044)	(18,695,090)	2,019	2,019	(20,075,025)	(18,693,071)
Net position at end of year	<u>\$ (18,695,090)</u>	<u>\$ (17,616,504)</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ (18,693,071)</u>	<u>\$ (17,614,485)</u>

The cost of all governmental activities for the current fiscal year was \$54,559,348. However, as shown in the Statement of Activities on pages 36 and 37, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$33,443,927 because some of the costs were paid by those who directly benefited from the programs \$680,419 or by other governments and organizations that subsidized certain programs with grants and contributions \$5,641,076 or by State equalization funding \$14,070,295.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 38) reported a combined fund balance of \$78,118,142, which is \$56,495,560 higher than last year's total of \$21,622,582. Included in this year's total change in fund balance is an increase of \$803,113 in the District's General Fund. The primary reason for the General Fund's increase was the increase in State funding. The Debt Service Fund increased by \$295,912 due to increased property tax revenue. The Capital Projects Fund increased by \$55,368,958 due to a bond issuance during the year for construction projects.

The District's General Fund balance of \$12,166,727 reported on page 38 differs from the General Fund's budgetary fund balance of \$11,558,346 reported in the budgetary comparison schedule on page 81. This is principally due to cost savings in all functions. Revenues collected from the Federal Impact Aid and Medicaid Reimbursement programs were also more than anticipated.

THE DISTRICT'S BUDGET

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 2019). 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2020, the District had \$112,810,503 (net of accumulated depreciation) 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 \$13,424,345, or 13.51 percent, above last year, due to construction projects.

This fiscal period's major additions consisted of furniture, equipment and building improvements paid for out of the Capital Projects Fund.

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

Debt Administration

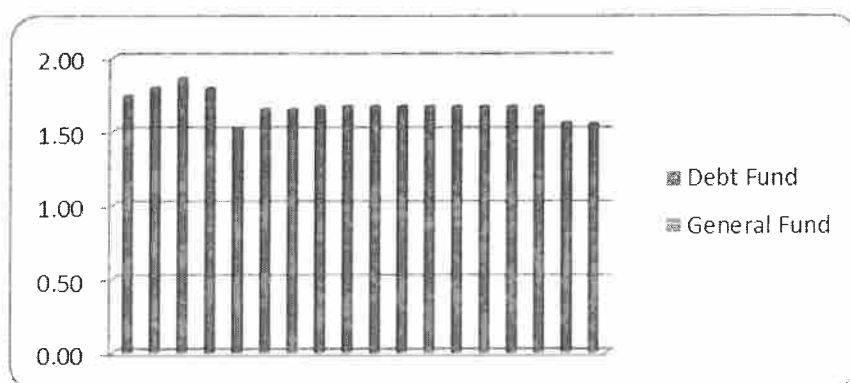
At year-end, the District had \$186,663,832 in long-term debt (including bonds, notes payable, accreted interest on bonds and discount/premium on debt issuance) versus \$120,317,873 last year—an increase of 55.14 percent.

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Federal, State, and local guidelines and regulations guide the budget development process. The Texas Education Agency (TEA) requires the General, Food Service and Debt Service funds to be budgeted and adopted annually by the District's Board of Trustees. The tax rate has two components: the tax for maintenance and operations and the tax to service long-term debt. The Maintenance and operations budget is based on a \$1.5503/100 valuation tax rate. This tax rate is a decrease of \$0.018 from the preceding year. This new tax rate is down from a high point in 2005-2006 of \$1.86. The chart below reflects the tax rate history of the District.

Tax Rate History



Texas funds schools based on attendance, whether students are learning in classrooms or virtually from home during the pandemic. Because many districts have seen enrollments drop, state leaders agreed to fund districts for the first 18 weeks of this academic year based on their prior year attendance numbers instead of actual student counts. But as January approaches, the reprieve is nearing its end, and the District is hopeful that the State extends funding based on prior year enrollment.

Budgetary issues addressed include a budget based upon student enrollment and striving to reach Federal, State, local goals, maintain current programs, and budget funds to adhere to all state and federal mandates.

The General Fund accounts for most of the day-to-day operations of the District. Debt Service Fund expenditures account for voter-authorized debt payments. The Child Nutrition Fund supports the student food service program and is funded by user fees and reimbursements from the National School Breakfast and Lunch program.

The school district anticipates receiving 58.3% of its general fund revenue from taxes and other local sources. The District is expecting a decrease in state funding of approximately \$900,000. The Texas Legislature passed a school finance and property tax reform bill (HB3) that increased public education funding and financed property tax compression State funds account for 39.8% of the total budgeted general fund operating revenue. Federal funds account for the remaining 1.9% of operating revenue. The overall General Fund revenue decrease is expected to be 1.1% due to lower student enrollment.

The Debt Service Fund is used to account for the accumulation of resources and the payment of bonds approved by the voters. The \$11M debt service budget will be used to service liabilities incurred during the 2020-21 school year.

The Child Nutrition budget is \$1.9 million and financed from student/staff charges and federal funding. National School Breakfast and Lunch Program funding will increase over the preceding year as more students become eligible for the program.

For years, the District has reduced budgets to provide for increasing personnel and supply costs when possible. Even with those cuts, the District has worked to maintain a competitive position to recruit and retain quality staff.

Inflationary costs for goods and services, new program costs that result from requirements of the State and Federal accountability system, and other new requirements have all been incorporated into the proposed budget.

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 Lake Dallas Independent School District, 104 Swisher, Lake Dallas, Texas 75065, (940) 497-4039.

BASIC FINANCIAL STATEMENTS



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 65,310,654	\$ 2,785	\$ 65,313,439
1120	Current Investments	20,000,000	-	20,000,000
1220	Property Taxes - Delinquent	729,130	-	729,130
1230	Allowance for Uncollectible Taxes	(72,913)	-	(72,913)
1240	Due from Other Governments	646,564	-	646,564
1250	Accrued Interest	85,808	-	85,808
1300	Inventories	24,964	-	24,964
1410	Prepayments	45,113	-	45,113
	Capital Assets:			
1510	Land	4,290,840	-	4,290,840
1520	Buildings, Net	85,510,833	-	85,510,833
1530	Furniture and Equipment, Net	4,062,825	-	4,062,825
1580	Construction in Progress	18,946,005	-	18,946,005
1000	Total Assets	199,579,823	2,785	199,582,608
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	3,226,642	-	3,226,642
1705	Deferred Outflow Related to TRS Pension	6,858,902	-	6,858,902
1706	Deferred Outflow Related to TRS OPEB	3,272,632	-	3,272,632
1700	Total Deferred Outflows of Resources	13,358,176	-	13,358,176
LIABILITIES				
2110	Accounts Payable	4,133,160	639	4,133,799
2140	Accrued Interest Payable	245,140	-	245,140
2150	Payroll Deductions and Withholdings	223,185	-	223,185
2160	Accrued Wages Payable	2,425,280	-	2,425,280
2180	Due to Other Governments	1,023,152	-	1,023,152
2200	Accrued Expenses	69,548	127	69,675
2300	Unearned Revenue	9,456	-	9,456
	Noncurrent Liabilities:			
2501	Due Within One Year	5,881,043	-	5,881,043
2502	Due in More Than One Year	180,782,789	-	180,782,789
2540	Net Pension Liability (District's Share)	12,217,441	-	12,217,441
2545	Net OPEB Liability (District's Share)	14,899,080	-	14,899,080
2000	Total Liabilities	221,909,274	766	221,910,040
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	2,064,669	-	2,064,669
2606	Deferred Inflow Related to TRS OPEB	6,580,560	-	6,580,560
2600	Total Deferred Inflows of Resources	8,645,229	-	8,645,229
NET POSITION				
3200	Net Investment in Capital Assets	6,731,610	-	6,731,610
	Restricted:			
3820	Restricted for Federal and State Programs	422,779	-	422,779
3850	Restricted for Debt Service	1,655,330	-	1,655,330
3900	Unrestricted	(26,426,223)	2,019	(26,424,204)
3000	Total Net Position	\$ (17,616,504)	\$ 2,019	\$ (17,614,485)

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 27,443,101	\$ 40	\$ 3,056,765
12 Instructional Resources and Media Services	663,803	-	27,394
13 Curriculum and Instructional Staff Development	1,183,979	-	133,168
21 Instructional Leadership	613,427	-	27,962
23 School Leadership	2,632,845	-	122,266
31 Guidance, Counseling, and Evaluation Services	1,741,491	-	403,000
32 Social Work Services	23,649	-	1,411
33 Health Services	385,271	-	17,072
34 Student (Pupil) Transportation	1,432,506	-	138,389
35 Food Services	1,833,588	590,316	1,219,063
36 Extracurricular Activities	1,050,970	88,483	46,428
41 General Administration	1,691,746	-	59,600
51 Facilities Maintenance and Operations	5,239,630	1,580	131,848
52 Security and Monitoring Services	263,154	-	105
53 Data Processing Services	886,554	-	27,270
61 Community Services	21,310	-	-
72 Debt Service - Interest and Fees on Long-Term Debt	7,214,780	-	206,935
93 Payments Related to Shared Services Arrangements	22,400	-	22,400
99 Other Intergovernmental Charges	215,144	-	-
[TG] Total Governmental Activities:	54,559,348	680,419	5,641,076
BUSINESS-TYPE ACTIVITIES:			
01 Unidentified Fund from Trial Balance	387,722	311,086	-
[TB] Total Business-Type Activities:	387,722	311,086	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 54,947,070	\$ 991,505	\$ 5,641,076

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
FR	Transfers In (Out)
TR	Total General Revenues & Transfers
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
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (24,386,296)	\$ -	\$ (24,386,296)
(636,409)	-	(636,409)
(1,050,811)	-	(1,050,811)
(585,465)	-	(585,465)
(2,510,579)	-	(2,510,579)
(1,338,491)	-	(1,338,491)
(22,238)	-	(22,238)
(368,199)	-	(368,199)
(1,294,117)	-	(1,294,117)
(24,209)	-	(24,209)
(916,059)	-	(916,059)
(1,632,146)	-	(1,632,146)
(5,106,202)	-	(5,106,202)
(263,049)	-	(263,049)
(859,284)	-	(859,284)
(21,310)	-	(21,310)
(7,007,845)	-	(7,007,845)
-	-	-
(215,144)	-	(215,144)
(48,237,853)	-	(48,237,853)
-	(76,636)	(76,636)
-	(76,636)	(76,636)
(48,237,853)	(76,636)	(48,314,489)
22,787,658	-	22,787,658
10,656,269	-	10,656,269
14,070,295	-	14,070,295
423,744	-	423,744
1,216,971	-	1,216,971
238,138	-	238,138
(76,636)	76,636	-
49,316,439	76,636	49,393,075
1,078,586	-	1,078,586
(18,695,090)	2,019	(18,693,071)
\$ (17,616,504)	\$ 2,019	\$ (17,614,485)

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 16,370,948	\$ 1,642,951	\$ 46,413,275
1120 Investments - Current	-	-	20,000,000
1220 Property Taxes - Delinquent	506,807	222,323	-
1230 Allowance for Uncollectible Taxes	(50,681)	(22,232)	-
1240 Due from Other Governments	-	-	-
1250 Accrued Interest	-	-	85,808
1260 Due from Other Funds	692,552	206,935	472,498
1410 Prepayments	45,113	-	-
1000 Total Assets	<u>\$ 17,564,739</u>	<u>\$ 2,049,977</u>	<u>\$ 66,971,581</u>
LIABILITIES			
2110 Accounts Payable	\$ 651,069	\$ -	\$ 3,418,279
2150 Payroll Deductions and Withholdings Payable	223,185	-	-
2160 Accrued Wages Payable	2,425,280	-	-
2170 Due to Other Funds	686,341	-	-
2180 Due to Other Governments	1,023,152	-	-
2200 Accrued Expenditures	41,207	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>5,050,234</u>	<u>-</u>	<u>3,418,279</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	347,778	149,507	-
2600 Total Deferred Inflows of Resources	<u>347,778</u>	<u>149,507</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	45,113	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	63,553,302
3480 Retirement of Long-Term Debt	-	1,900,470	-
Committed Fund Balance:			
3545 Campus Activities	-	-	-
3600 Unassigned Fund Balance	12,121,614	-	-
3000 Total Fund Balances	<u>12,166,727</u>	<u>1,900,470</u>	<u>63,553,302</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 17,564,739</u>	<u>\$ 2,049,977</u>	<u>\$ 66,971,581</u>

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

		Total	
Other		Governmental	
Funds		Funds	
\$	644,241	\$	65,071,415
	-		20,000,000
	-		729,130
	-		(72,913)
	646,564		646,564
	-		85,808
	-		1,371,985
	-		45,113
\$	1,290,805	\$	87,877,102
\$	62,901	\$	4,132,249
	-		223,185
	-		2,425,280
	692,552		1,378,893
	-		1,023,152
	28,253		69,460
	9,456		9,456
	793,162		9,261,675
	-		497,285
	-		497,285
	-		45,113
	422,779		422,779
	-		63,553,302
	-		1,900,470
	74,864		74,864
	-		12,121,614
	497,643		78,118,142
\$	1,290,805	\$	87,877,102



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 78,118,142
1 The assets and liabilities of the Internal Service Funds are included in governmental activities, but are not reported in the fund financial statements.	270,112
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	162,913,434
3 Accumulated depreciation has not been included in the fund financial statements.	(50,102,931)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$12,217,441, a Deferred Resource Inflow related to TRS in the amount of \$2,064,669 and a Deferred Resource Outflow related to TRS in the amount of \$6,858,902. This amounted to a decrease in Net Position in the amount of \$7,423,208.	(7,423,208)
5 Bonds payable have not been included in the fund financial statements.	(149,857,191)
6 Accreted interest on capital appreciation bonds has not been included in the fund financial statements.	(13,804,995)
7 Bond discounts and premiums are not recognized in the fund financial statements.	(23,001,646)
8 Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	497,285
9 Deferred charge for refunding has not been included in the fund financial statements.	3,226,642
10 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(245,140)
11 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 \$14,899,080, a Deferred Resource Inflow related to TRS OPEB in the amount of \$6,580,560, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$3,272,632. This amounted to a net decrease in Net Position in the amount of \$18,207,008.	(18,207,008)
19 Net Position of Governmental Activities	\$ (17,616,504)

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 23,140,108	\$ 10,707,573	\$ 1,092,365
5800	State Program Revenues	16,390,521	206,935	-
5900	Federal Program Revenues	705,708	-	-
5020	Total Revenues	40,236,337	10,914,508	1,092,365
EXPENDITURES:				
Current:				
0011	Instruction	22,865,124	-	-
0012	Instructional Resources and Media Services	589,331	-	-
0013	Curriculum and Instructional Staff Development	964,100	-	-
0021	Instructional Leadership	539,841	-	-
0023	School Leadership	2,330,322	-	-
0031	Guidance, Counseling, and Evaluation Services	1,245,475	-	-
0032	Social Work Services	20,605	-	-
0033	Health Services	342,147	-	-
0034	Student (Pupil) Transportation	1,377,204	-	-
0035	Food Services	48,566	-	-
0036	Extracurricular Activities	1,214,566	-	-
0041	General Administration	1,508,239	-	9,940
0051	Facilities Maintenance and Operations	5,099,588	-	-
0052	Security and Monitoring Services	247,019	-	-
0053	Data Processing Services	754,330	-	40,338
Debt Service:				
0071	Principal on Long-Term Debt	-	3,167,988	-
0072	Interest on Long-Term Debt	-	7,601,141	-
0073	Bond Issuance Cost and Fees	-	3,269	588,186
Capital Outlay:				
0081	Facilities Acquisition and Construction	9,931	-	15,738,355
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0099	Other Intergovernmental Charges	200,200	-	-
6030	Total Expenditures	39,356,588	10,772,398	16,376,819
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	879,749	142,110	(15,284,454)
OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued	-	-	63,900,000
7915	Transfers In	-	-	65,226
7916	Premium or Discount on Issuance of Bonds	-	153,802	6,688,186
8911	Transfers Out (Use)	(76,636)	-	-
7080	Total Other Financing Sources (Uses)	(76,636)	153,802	70,653,412
1200	Net Change in Fund Balances	803,113	295,912	55,368,958
0100	Fund Balance - September 1 (Beginning)	11,363,614	1,604,558	8,184,344
3000	Fund Balance - August 31 (Ending)	\$ 12,166,727	\$ 1,900,470	\$ 63,553,302

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

Other Funds	Total Governmental Funds
\$ 626,509	\$ 35,566,555
637,735	17,235,191
2,604,108	3,309,816
3,868,352	56,111,562
1,505,934	24,371,058
-	589,331
86,796	1,050,896
367	540,208
425	2,330,747
338,370	1,583,845
-	20,605
-	342,147
-	1,377,204
1,775,074	1,823,640
46,183	1,260,749
-	1,518,179
-	5,099,588
-	247,019
-	794,668
-	3,167,988
-	7,601,141
-	591,455
-	15,748,286
22,400	22,400
-	200,200
3,775,549	70,281,354
92,803	(14,169,792)
-	63,900,000
-	65,226
-	6,841,988
(65,226)	(141,862)
(65,226)	70,665,352
27,577	56,495,560
470,066	21,622,582
\$ 497,643	\$ 78,118,142

LAKE DALLAS 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, 2020

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 56,495,559
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of reclassifying the 2020 capital outlays is to increase net position.	16,614,562
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.	(3,190,217)
Current year long-term debt principal payments on bonds payable, loans and payments of accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	5,010,022
Current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements, but is shown as an increase in long term liabilities in the government-wide financial statements.	(1,547,825)
Bond premiums and discounts are not amortized in the governmental funds but are capitalized in the statement of net position.	933,833
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 8/31/2019 caused the ending net position to increase in the amount of \$53,637. Contributions made before the measurement but during the 2019 FY were also de-expended and recorded as a reduction in the net pension liability for the District. These contributions were replaced with the District's pension expense for the year of \$1,980,281, which caused a net decrease in net position. The impact of all of these is to decrease net position by \$1,926,644.	(1,926,644)
Revenues from property taxes are shown as unavailable 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.	12,900
The net income (loss) of the Internal Service Funds is reported with governmental activities but not in the fund financial statements.	(574)
Current year amortization of the deferred charge for refundings is not reflected in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(150,841)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(99,383)
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 8/31/2019 but during the current fiscal year caused the ending net position to increase in the amount of \$41,643. These contributions were replaced with the District's OPEB expense for the year, which was a \$372,461 expense and also caused a decrease in net position. The impact of both of these is to decrease the change in net position by \$330,818.	(330,818)
Current year issuances of bonds are shown as other financing sources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.	(63,900,000)
The premiums on the current year issuances of bonds are recorded as other financing sources in the fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(6,841,988)
Change in Net Position of Governmental Activities	\$ 1,078,586

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2020

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,785	\$ 239,239
Due from Other Funds	-	6,908
Inventories	-	24,964
Total Assets	2,785	271,111
LIABILITIES		
Current Liabilities:		
Accounts Payable	639	911
Accrued Expenses	127	88
Total Liabilities	766	999
NET POSITION		
Unrestricted Net Position	2,019	270,112
Total Net Position	\$ 2,019	\$ 270,112

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 285,769	\$ 169,325
State Program Revenues	25,317	5,370
Total Operating Revenues	311,086	174,695
OPERATING EXPENSES:		
Payroll Costs	373,915	74,836
Professional and Contracted Services	6,558	75,516
Supplies and Materials	6,543	24,917
Other Operating Costs	706	-
Total Operating Expenses	387,722	175,269
Income (Loss) Before Transfers	(76,636)	(574)
Transfer In	76,636	-
Change in Net Position	-	(574)
Total Net Position - September 1 (Beginning)	2,019	270,686
Total Net Position - August 31 (Ending)	\$ 2,019	\$ 270,112

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from District	\$ -	\$ 169,325
Cash Received from Employees	285,769	-
Cash Payments for Payroll Costs	(348,598)	(69,466)
Cash Payments for Supplies and Materials	(6,426)	(44,753)
Cash Payments for Other Operating Expenses	(706)	-
Cash Payments for Purchased Services	(6,558)	(75,516)
Net Cash Used for Operating Activities	(76,519)	(20,410)
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfer In	76,636	-
Net Increase (Decrease) in Cash and Cash Equivalents	117	(20,410)
Cash and Cash Equivalents at Beginning of Year	2,668	259,649
Cash and Cash Equivalents at End of Year	\$ 2,785	\$ 239,239
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Used for Operating Activities:</u>		
Operating Income (Loss):	\$ (76,636)	\$ (574)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Inventories	-	1,891
Increase (decrease) in Accounts Payable	117	(21,727)
Net Cash Used for Operating Activities	\$ (76,519)	\$ (20,410)

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2020

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 606,391
Total Assets	<u>\$ 606,391</u>
LIABILITIES	
Accounts Payable	\$ 52,806
Due to Student Groups	553,585
Total Liabilities	<u>\$ 606,391</u>

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

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Dallas 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, the Lake Dallas 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, within the governmental and business-type activities columns, has been removed from these statements however interfund services provided and used are not eliminated in the process of consolidation. 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.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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. Separate statements are presented for governmental and proprietary activities. 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. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

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 generally self-supporting and does not normally require subsidies from the general fund.
3. **Internal Service Funds** - The District utilizes Internal Service Funds to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. These funds facilitate distribution of support costs to the users of support services. The District has internal service funds for its print shop and computer operations.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

4. **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.

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, liabilities and deferred inflows of resources (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 90 day 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. No income from investments reported in one fund is assigned to another fund. All other Governmental Fund Type revenues are recognized when received.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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.

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, Child Nutrition Fund and the Debt Service Fund. The special revenue funds and the Capital Projects Fund 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, 2020	
<u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Fund	\$393,706
Nonappropriated Budget Funds	<u>103,937</u>
All Special Revenue Funds	<u>\$497,643</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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, 2020 that were subsequently provided for in the 2020-21 budget.

F. PREPAYMENTS

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded using the consumption method in both government-wide and fund financial statements. The prepaid items have been identified as a non-spendable fund balance since it is not available for other subsequent expenditures.

G. INVENTORIES

The consumption method is used to account for inventories of printing supplies and computer equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed.

H. INTERFUND RECEIVABLES AND PAYABLES

Short-term amounts owed between funds are classified as "Due to/from other funds". Interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and "internal advances".

I. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary 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 acquisition value. 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 and Improvements	50 Years
Furniture and Equipment	7-10 Years

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

J. 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.

K. CASH EQUIVALENTS

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

L. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 and the deferred charge for refunding. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position are available for general governmental uses. When both restricted and unrestricted net position are available, restricted net position are expended before unrestricted net position is such use is consistent with the restricted purpose.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

The net pension and net OPEB liability are reduced through the General Fund.

N. 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:

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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, 2020 was \$3,226,642.

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, 2020 was \$6,858,902.

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, 2020 was \$3,272,632.

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, 2020 was \$497,285.

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 2020, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$2,064,669.

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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 2019 measurement year). In fiscal year 2020, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$6,580,560.

O. 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 2020, 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, 2020, 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, 2020.

Workers' Compensation Aggregate Deductible

During the year ended August 31, 2020, 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 and their 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 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, 2019, 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, 2020, 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, 2019, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

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Unemployment Compensation Pool

During the year ended August 31, 2020, Lake Dallas 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, 2020, the Fund anticipates that Lake Dallas ISD has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, 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, 2020, Lake Dallas 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, 2020, the Fund anticipates Lake Dallas 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, 2019, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

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P. 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.
- 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. Federal and State grant resources are being restricted because their use is restricted pursuant to the mandates of the Federal or State grants. Capital projects resources are restricted for future capital outlay.
- 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. 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, 2020 for campus activities.
- 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 by Board resolution. Under the Board's adopted policy, the Superintendent has been given the authority to assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- 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.

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The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 38) and are described below:

General Fund

The General Fund has unassigned fund balance of \$12,121,614 at August 31, 2020. Prepayments (prepaid items) of \$45,113 are considered nonspendable fund balance.

Other Major Funds

The Debt Service Fund has restricted funds of \$1,900,470 at August 31, 2020 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$63,553,302 at August 31, 2020 consisting primarily of unspent bond funds.

Other Funds

The fund balance of \$74,864 of the Campus Activity Fund (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The fund balance of \$393,706 in the Food Service Fund is shown as restricted for food service operations. The other fund balances of \$29,073 in the other special revenue funds are restricted due to grant agreements.

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, 2020, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$2,480,657 which includes \$2,817 petty cash and the combined bank balance was \$2,802,649. The District's cash deposits at August 31, 2020 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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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, 2020, the District's cash balances totaled \$2,802,649. 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 are not exposed to custodial credit risk at August 31, 2020.
- 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, 2020, the District held all of its investments in four public funds investment pools (TexPool, Lone Star, LOGIC and TxTerm). 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. Credit risk is monitored and controlled by purchasing quality related instruments that have been evaluated by agencies such as Standard and Poor's or Moody's Investment Services.

The District utilizes government investment pools as part of its investment strategy.

Board policy states that investment pools must:

1. Have an average weighted maturity of less than two years;
2. Are invested exclusively in obligations approved by Government Code Chapter 2256, Subchapter A, regarding authorized investments (Public Funds Investment Act);
3. Are continuously rated by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and

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4. Conform to the requirements in Government Code Section 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

The credit quality **rating** for the four investment pools range from AAA (Standard and Poor's) to AAAM (Standard and 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 each of the four investment pools is less than 120 days. The District follows its investment policy to limit investments only in government investments pools with average maturities of less than 120 days.
- e. Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At August 31, 2020, 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 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 fair 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 at August 31, 2020, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Maturity Date</u>
TexPool	\$ 5,930,114	\$ 5,930,114	N/A
TxTerm	75,421,921	75,421,921	N/A
Lone Star	1,959,944	1,959,944	N/A
LOGIC	128,926	128,926	N/A
Total	<u>\$83,440,905</u>	<u>\$83,440,905</u>	

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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 judgment and considers factors specific to each asset or liability.

The District's investment in Texpool, TxTerm, Lone Star, and Logic (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, 2020, was as follows:

	Balance <u>September 1</u>	Additions/ <u>Completions</u>	Retirement/ <u>Adjustments</u>	Balance <u>August 31</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,940,602	\$ 350,238	\$ -	\$ 4,290,840
Work in progress	<u>6,057,629</u>	<u>12,888,376</u>	-	<u>18,946,005</u>
Total capital assets, not being depreciated	<u>9,998,231</u>	<u>13,238,614</u>	-	<u>23,236,845</u>
Capital assets, being depreciated:				
Buildings and improvements	126,076,898	2,818,227	-	128,895,125
Furniture and equipment	<u>10,223,743</u>	<u>557,721</u>	-	<u>10,781,464</u>
Total capital assets, being depreciated	<u>136,300,641</u>	<u>3,375,948</u>	-	<u>139,676,589</u>
Less accumulated depreciation for:				
Buildings and improvements	(40,806,389)	(2,577,903)	-	(43,384,292)
Furniture and equipment	<u>(6,106,325)</u>	<u>(612,314)</u>	-	<u>(6,718,639)</u>
Total accumulated depreciation	<u>(46,912,714)</u>	<u>(3,190,217)</u>	-	<u>(50,102,931)</u>
Total capital assets, being depreciated, net	<u>89,387,927</u>	<u>185,731</u>	-	<u>89,573,658</u>
Governmental activities capital assets, net	<u>\$ 99,386,158</u>	<u>\$13,424,345</u>	<u>\$ -</u>	<u>\$112,810,503</u>

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

Governmental activities:	
Instruction	\$1,901,243
Instructional Resources & Media Services	47,082
Curriculum & Instructional Staff Development	82,589
Instructional Leadership	45,631
School Leadership	174,600
Guidance, Counseling & Evaluation Services	93,036
Social Work Services	1,635
Health Services	26,056
Student (Pupil) Transportation	93,283
Extracurricular Activities	119,773
General Administration	113,960
Plant Maintenance and Operations	395,718
Security & Data Processing Services	80,667
Capital Outlay and Other	14,944
Total depreciation expense-Governmental activities	<u>\$3,190,217</u>

NOTE 5. LONG-TERM DEBT

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds and a loan. All long-term debt represents transactions in the District's governmental activities. No long-term debt exists in the District's business-type 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, 2020:

Description	Interest Rate Payable	Amount Original Issue	Amounts Outstanding 9/1/19	Additions	Refunded/ Retired	Amounts Outstanding 8/31/20	Due Within One Year
Bonded Indebtedness:							
1999 Bldg/Refunding	4.40-6.06%	\$ 8,861,571	\$ 2,406,860	\$ -	\$ 679,302	\$ 1,727,558	\$ 638,900
2001 Bldg/Refunding	4.00-5.70%	13,264,871	4,083,869	-	98,995	3,984,874	72,603
2010 Refunding	2.00-4.50%	6,340,000	2,480,000	-	455,000	2,025,000	480,000
2012 Refunding	1.90-4.05%	9,340,000	5,830,000	-	125,000	5,705,000	125,000
2013 Refunding	2.00-4.00%	8,955,000	8,855,000	-	-	8,855,000	-
2014 Refunding	2.00-4.00%	9,295,000	8,540,000	-	800,000	7,740,000	825,000
2015 Refunding	0.47-5.00%	19,063,027	17,446,751	-	69,692	17,377,059	53,821
2016 Refunding	2.00-4.00%	24,877,700	23,352,700	-	305,000	23,047,700	335,000
2019 Building Bonds	4.00-5.00%	16,130,000	16,130,000	-	635,000	15,495,000	675,000
2019-A Building Bonds	3.00-5.00%	63,900,000	-	63,900,000	-	63,900,000	-
Total Bonded Indebtedness			<u>89,125,180</u>	<u>63,900,000</u>	<u>3,167,989</u>	<u>149,857,191</u>	<u>3,205,324</u>
Accreted Interest			14,099,203	1,547,825	1,842,033	13,804,995	1,711,234
Discount/Premium on Issuance of Debt			17,093,490	6,841,988	933,832	23,001,646	964,485
Total Other Obligations			<u>31,192,693</u>	<u>8,389,813</u>	<u>2,775,865</u>	<u>36,806,641</u>	<u>2,675,719</u>
Total Obligations of District			<u>\$120,317,873</u>	<u>\$72,289,813</u>	<u>\$ 5,943,854</u>	<u>\$186,663,832</u>	<u>\$5,881,043</u>

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The 1999, 2001, 2015, and 2016 bond series include outstanding capital appreciation bonds in the principal amount of \$7,772,192. The bonds mature variously through 2033. Interest accrues on these bonds each February 15 and August 15, even though the interest is not paid until maturity. The accrued interest of \$13,804,995 is accounted for as Accrued 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, 2020.

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

Year Ended August 31,	<u>General Obligation</u>		Total
	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2021	\$ 3,205,324	\$ 7,837,857	\$ 11,043,181
2022	3,603,244	7,813,437	11,416,681
2023	3,296,826	7,730,305	11,027,131
2024	3,976,148	7,539,008	11,515,156
2025	3,991,253	7,890,902	11,882,155
2026-2030	21,470,690	37,942,716	59,413,406
2031-2035	32,573,706	26,833,495	59,407,201
2036-2040	30,580,000	11,596,400	42,176,400
2041-2045	24,400,000	6,281,801	30,681,801
2046-2049	<u>22,760,000</u>	<u>1,774,375</u>	<u>24,534,375</u>
	<u>\$149,857,191</u>	<u>\$123,240,296</u>	<u>\$273,097,487</u>

NOTE 6. DEBT ISSUANCE REFUNDING AND DEFEASED BONDS OUTSTANDING

In November 2019, the District issued \$63,900,000 (par value) in unlimited tax school building bonds to provide funds for authorized construction projects. The net proceeds of the issue were \$70,000,000 (\$63,900,000 par amount of the bonds plus \$6,841,988 of premium paid on the bonds less \$588,186 of underwriting fees and other issuance costs). Excess proceeds of \$153,802 were deposited to the District's Debt Service Fund.

In prior years, the District has defeased other bond series in advance refunding transactions. As of August 31, 2020, there were \$3,195,000 (par value) of defeased bonds outstanding.

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

Balance – August 31, 2019	\$3,377,483
Current year amortization	<u>(150,841)</u>
Balance – August 31, 2020	<u>\$3,226,642</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7. 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 2019-20 fiscal year was based was \$2,194,318,562. Taxes are delinquent if not paid by August 31. 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, 2020, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0683 and \$0.50 per \$100 valuation, respectively, for a total of \$1.5683 per \$ 100 valuation.

Current tax collections for the year ended August 31, 2020 were 98.93% 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, 2020, property taxes receivable, net of estimated uncollectible taxes, totaled \$456,126 and \$200,091 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 8. DEFINED BENEFIT PENSION PLAN

Plan Description. Lake Dallas 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 <https://trs.texas.gov/trs%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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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.

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.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Lake Dallas ISD FY2020 Employer Contributions		\$ 878,546
Lake Dallas ISD FY2020 Member Contributions		\$ 2,297,154
Lake Dallas ISD FY2020 NECE On-Behalf Contributions		\$ 1,724,596

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 the TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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As the non-employer contributing entity for public education, 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 including public schools 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.
- 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.
- When the employing district is a public school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. The contribution rate called the Public Education Employer Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

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. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Actuarial Assumptions. The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

Discount Rate. A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%.

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 geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	FY2019 Target Allocation ¹	New Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³
Global Equity			
U.S.	18%	18%	6.4%
Non-U.S. Developed	13%	13%	6.3%
Emerging Markets	9%	9%	7.3%
Directional Hedge Funds	4%	-	-
Private Equity	13%	14%	8.4%
Stable Value			
U.S. Treasuries	11%	16%	3.1%
Absolute Return	-	-	-
Stable Value Hedge Funds	4%	5%	4.5%
Real Return			
Global Inflation Linked Bonds ⁴	3%	-	-
Real Estate	14%	15%	8.5%
Energy, Natural Resources & Infrastructure	5%	6%	7.3%
Commodities	-	-	-
Risk Parity			
Risk Parity	5%	8%	5.8%/6.5% ⁵
Leverage			
Cash	1%	2%	2.5%
Asset Allocation Leverage	-	-6%	2.7%
Total	<u>100%</u>	<u>100%</u>	<u>7.23%</u>

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 (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Lake Dallas ISD's proportionate share of the net pension liability:	\$18,779,998	\$12,217,441	\$6,900,521

¹ Target allocations are based on the Strategic Asset Allocation as of FY2019

² New allocations are based on the Strategic Asset Allocation to be implemented FY2020

³ 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

⁴ New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

⁵ 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2020, Lake Dallas Independent School District reported a liability of \$12,217,441 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Lake Dallas Independent School District. The amount recognized by Lake Dallas 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 Lake Dallas Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$12,217,441
State's proportionate share that is associated with the District	<u>20,460,211</u>
Total	<u>\$32,677,652</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.000235027050%, an increase of 99.0% from its proportionate share of 0.0233469298% at August 31, 2018.

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 single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

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, 2020, Lake Dallas Independent School District recognized pension expense of \$1,724,596 and revenue of \$1,724,596 for support provided by the State.

At August 31, 2020, Lake Dallas 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 (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 51,324	\$ 424,209
Changes in actuarial assumptions	3,790,450	1,566,393
Difference between projected and actual investment earnings	122,677	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,015,905	74,067
Contributions paid to TRS subsequent to the measurement date	878,546	-
Total	\$6,858,902	\$2,064,669

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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\$878,546 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, 2021. 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
2021	\$ 1,001,799
2022	850,929
2023	904,626
2024	882,717
2025	384,777
Thereafter	(109,162)

NOTE 9. 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 health insurance coverage to 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 non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. 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.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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The premium rates for retirees are reflected in the following table:

TRS-Care Monthly for Retirees		
	<u>Medicare</u>	<u>Non-Medicare</u>
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 .65% 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.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</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%
Lake Dallas ISD FY20 Employer Contributions		\$58,185
Lake Dallas ISD FY20 Member Contributions		\$43,044
Lake Dallas ISD FY20 NECE On-behalf Contributions		\$62,714

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 hiring a TRS retiree, employers 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 \$73.6 million in fiscal year 2019.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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Actuarial Assumptions. The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions.

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, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63%
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
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65
Ad hoc post-employment benefit changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 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 (2.63%) in measuring the Net OPEB Liability.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of the Net OPEB Liability:	\$17,987,972	\$14,899,080	\$12,482,633

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 of 8.5%.

	1% Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase (9.5%)
District's proportionate share of the Net OPEB Liability:	\$12,154,145	\$14,899,080	\$18,576,031

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2020, the District reported a liability of \$14,899,080 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	\$14,899,080
State's proportionate share that is associated with the District	<u>19,797,546</u>
Total	<u>\$34,696,626</u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was 0.000315049590%, an increase of 99.0% compared to the August 31, 2018 proportionate share of 0.0317486056%.

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 discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of the pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.

**LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while activity employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$359,957 and revenue of \$359,957 for support provided by the State.

At August 31, 2020, 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	\$ 730,927	\$2,438,077
Changes in actuarial assumptions	827,528	4,007,487
Difference between projected and actual investment earnings	1,607	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,475,447	134,996
Contributions paid to TRS subsequent to the measurement date	237,123	-
Total	\$3,272,632	\$6,580,560

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

Year ended August 31:	OPEB Expense Amount
2021	\$ (629,251)
2022	(629,251)
2023	(629,771)
2024	(630,069)
2025	(629,987)
Thereafter	(396,721)

NOTE 10. 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, 2020, 2019 and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$128,287, \$106,119 and \$83,163, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

NOTE 11. HEALTH CARE

During the year ended August 31, 2020, employees of Lake Dallas Independent School District were covered by the TRS-Active Care health insurance plan (the Plan). The District contributed \$245 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.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
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NOTE 12. INTERFUND TRANSFERS AND BALANCES

The following is a summary of the District's transfers for the fiscal year ended August 31, 2020:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ -	\$ 76,636
Capital Projects Fund	-	65,226
Non-Major Funds:		
Special Revenue Fund	65,226	-
Enterprise Fund	76,636	-
	<u>\$141,862</u>	<u>\$141,862</u>

\$76,636 was transferred from the General Fund to the Childcare Fund to help with operating costs. \$65,226 was transferred from a Special Revenue Fund to Capital Projects Fund to cover costs for a capital related expense.

Virtually all of the interfund balances below are short-term loans due to the fact that checking account balances for most governmental funds are pooled into one demand account. There are no interfund balances that are not expected to be repaid within one year.

Interfund balances at August 31, 2020, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Major Funds:		
General Fund:		
Special Revenue Funds	\$ 692,552	\$ -
Capital Projects Fund	-	472,498
Debt Service Fund	-	206,935
Total General Fund	<u>692,552</u>	<u>679,433</u>
Capital Projects Fund:		
General Fund	<u>472,498</u>	-
Debt Service Fund:		
General Fund	<u>206,935</u>	-
Total Major Funds	<u>1,371,985</u>	<u>679,433</u>
Non-Major Funds:		
Special Revenue Funds:		
General Fund	-	692,552
Internal Service Fund	-	6,908
Total Special Revenue Funds	-	<u>699,460</u>
Internal Service Fund:		
Special Revenue Fund	<u>6,908</u>	-
Total Internal Service Fund	<u>6,908</u>	-
Total Non-Major Funds	<u>6,908</u>	<u>699,460</u>
	<u>\$1,378,893</u>	<u>\$1,378,893</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 13. RECEIVABLES 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, 2020, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Local Governments	Total
Special Revenue	\$ -	\$646,564	\$ -	\$646,564
Total	\$ -	\$646,564	\$ -	\$646,564

NOTE 14. CONTINGENT LIABILITIES

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments which exceed bond issue stated interest rates. The exact amount of liability, if any, will not be known until as long as five years from the bond issuance date. At August 31, 2020 there was no estimated rebate liability.

NOTE 15. LITIGATION AND CONTINGENCIES

The District is not a party to any legal actions, accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such 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, 2020 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 Funds	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$22,669,792	\$ -	\$10,606,056	\$ -	\$33,275,848
Food Sales	-	566,680	-	-	566,680
Investment Income	213,291	2,887	58,427	942,365	1,216,970
Penalties, interest and other tax related income	112,088	-	43,090	-	155,178
Co-curricular student activities	88,483	-	-	-	88,483
Other	56,454	56,942	-	150,000	263,396
Total	\$23,140,108	\$ 626,509	\$10,707,573	\$1,092,365	\$35,566,555

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 17. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Fund	Total
Unearned Grants	<u>\$ -</u>	<u>\$9,456</u>	<u>\$9,456</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	\$423,744	\$423,744
Medicaid Administrative Claiming			
Program-MAC	93.778	2,566	2,566
Medicaid Reimbursement (SHARS)		218,510	218,510
Federal Flood Control	10.904	<u>60,887</u>	<u>60,887</u>
Total for General Fund		<u>\$705,707</u>	<u>\$705,707</u>

NOTE 19. SUBSEQUENT EVENTS

Management evaluates subsequent events through the date of the report, which is the date the financial statements were available to be issued.

NOTE 20. RISKS AND UNCERTAINTIES

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic, which disaster declaration he has subsequently extended. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a series of executive orders relating to COVID-19 preparedness and mitigation. Under Executive Order GA-26, public schools, which ceased in-person instruction from the middle of March to the end of May and transitioned totally to remote instruction, resumed operations in the summer under protocols outlined in guidance from the TEA.

TEA has informed Texas school districts that COVID-19 related school closings and/or absenteeism will not impact ADA calculations and school funding so long as a school district commits to support students instructionally while they are at home. The District has developed remote instructional resources for its students and has begun delivering remote instruction in conjunction with in-person instruction. Therefore, the District does not anticipate a reduction in State funding as a result of the school closures at this time.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

The District continues to monitor the spread of COVID-19 and is working with local, State and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the District. The District's bonded debt is secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 22,970,619	\$ 23,282,507	\$ 23,140,108	\$ (142,399)
5800 State Program Revenues	16,832,065	16,319,536	16,390,521	70,985
5900 Federal Program Revenues	586,462	715,884	705,708	(10,176)
5020 Total Revenues	40,389,146	40,317,927	40,236,337	(81,590)
EXPENDITURES:				
Current:				
0011 Instruction	23,131,455	23,001,481	22,865,124	136,357
0012 Instructional Resources and Media Services	594,487	591,626	589,331	2,295
0013 Curriculum and Instructional Staff Development	971,315	965,992	964,100	1,892
0021 Instructional Leadership	575,605	572,765	539,841	32,924
0023 School Leadership	2,342,637	2,330,761	2,330,322	439
0031 Guidance, Counseling, and Evaluation Services	1,300,459	1,293,888	1,245,475	48,413
0032 Social Work Services	20,530	20,610	20,605	5
0033 Health Services	342,184	342,161	342,147	14
0034 Student (Pupil) Transportation	1,853,922	1,680,980	1,377,204	303,776
0035 Food Services	-	49,659	48,566	1,093
0036 Extracurricular Activities	1,169,292	1,230,249	1,214,566	15,683
0041 General Administration	1,430,139	1,508,711	1,508,239	472
0051 Facilities Maintenance and Operations	5,250,598	5,269,241	5,099,588	169,653
0052 Security and Monitoring Services	270,047	270,130	247,019	23,111
0053 Data Processing Services	783,019	779,793	754,330	25,463
Capital Outlay:				
0081 Facilities Acquisition and Construction	35,000	11,548	9,931	1,617
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	5,000	1,000	-	1,000
0099 Other Intergovernmental Charges	187,000	202,600	200,200	2,400
6030 Total Expenditures	40,262,689	40,123,195	39,356,588	766,607
1100 Excess of Revenues Over Expenditures	126,457	194,732	879,749	685,017
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	-	(76,636)	(76,636)
1200 Net Change in Fund Balances	126,457	194,732	803,113	608,381
0100 Fund Balance - September 1 (Beginning)	11,363,614	11,363,614	11,363,614	-
3000 Fund Balance - August 31 (Ending)	\$ 11,490,071	\$ 11,558,346	\$ 12,166,727	\$ 608,381

LAKE DALLAS 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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.000235027%	0.02334693%	0.018264875%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 12,217,441	\$ 12,850,717	\$ 5,840,123
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	20,460,211	22,529,858	15,271,643
Total	<u>\$ 32,677,652</u>	<u>\$ 35,380,575</u>	<u>\$ 21,111,766</u>
District's Covered Payroll	\$ 28,111,928	\$ 27,397,418	\$ 26,574,196
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.46%	46.90%	21.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

Note: GASB Codification, Vol. 2, P20.183 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, 2019 for year 2020, 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 year 2015.

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.

<u>FY 2017</u>			<u>FY 2016</u>			<u>FY 2015</u>		
<u>Plan Year 2016</u>			<u>Plan Year 2015</u>			<u>Plan Year 2014</u>		
0.018637105%			0.0198897%			0.0100669%		
\$	7,042,685		\$	7,030,744		\$	2,689,008	
18,223,942			17,229,897			14,622,939		
<u>\$ 25,266,627</u>			<u>\$ 24,260,641</u>			<u>\$ 17,311,947</u>		
\$	25,849,885		\$	24,956,220		\$	23,960,423	
27.24%			28.17%			11.22%		
78.00%			78.43%			83.25%		

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 878,546	\$ 824,909	\$ 786,464
Contribution in Relation to the Contractually Required Contribution	(878,546)	(824,909)	(786,464)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 29,863,870	\$ 28,111,928	\$ 27,397,418
Contributions as a Percentage of Covered Payroll	2.94%	2.93%	2.87%

Note: GASB Codification, Vol. 2, P20.183 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.

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.

2017		2016		2015	
\$	598,616	\$	592,480	\$	588,942
	(598,616)		(592,480)		(588,942)
\$	-	\$	-	\$	-
\$	26,574,196	\$	25,849,885	\$	24,956,220
	2.25%		2.29%		2.36%

LAKE DALLAS 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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.00031505%	0.031748606%	0.028767545%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 14,899,080	\$ 15,852,369	\$ 12,469,879
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	19,797,546	23,874,982	21,870,140
Total	<u>\$ 34,696,626</u>	<u>\$ 39,727,351</u>	<u>\$ 34,340,019</u>
District's Covered Payroll	\$ 28,111,928	\$ 27,397,418	\$ 26,574,196
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	53.00%	57.87%	46.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	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 2020 are for the measurement date of August 31, 2019. The amounts 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.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 237,123	\$ 223,600	\$ 218,925
Contribution in Relation to the Contractually Required Contribution	(237,123)	(223,600)	(218,925)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 29,863,870	\$ 28,111,928	\$ 27,397,418
Contributions as a Percentage of Covered Payroll	0.79%	0.80%	0.80%

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.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2020

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 single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

OPEB LIABILITY:

Changes of benefit terms:

There were no changes in benefit terms since the prior measurement date.

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 discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of the pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while activity employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Activities accounted for in the Special Revenue Funds are:

ESEA Title I, A Improving Basic Program
IDEA-Part B, Formula
IDEA-Part B, Preschool
National Breakfast and Lunch Program
Summer Feeding Program
Career and Technical - Basic Grant
ESEA, Title II, A Training and Recruiting
Title III, A English Lang. Acquisition
Summer School LEP

State Programs:

Advanced Placement Incentives
State Instructional Material
Math Achievement Academics
Campus Activity Funds

Capital Projects Fund

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 452,261
1240	Due from Other Governments	63,247	193,552	645	8,730
1000	Total Assets	<u>\$ 63,247</u>	<u>\$ 193,552</u>	<u>\$ 645</u>	<u>\$ 460,991</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 4,724	\$ -	\$ 39,032
2170	Due to Other Funds	63,247	188,828	645	-
2200	Accrued Expenditures	-	-	-	28,253
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>63,247</u>	<u>193,552</u>	<u>645</u>	<u>67,285</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	393,706
Committed Fund Balance:					
3545	Campus Activities	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,706</u>
4000	Total Liabilities and Fund Balances	<u>\$ 63,247</u>	<u>\$ 193,552</u>	<u>\$ 645</u>	<u>\$ 460,991</u>

EXHIBIT H-1 (Cont'd)

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	276 Title I - SIP Academy Grant	288 Summer School LEP	289 ESEA Title IV Part A	397 Advanced Placement Incentives
\$ - 12,864	\$ - 15,997	\$ - 10,255	\$ - 249,793	\$ - 18,000	\$ - -	\$ - 6,550	\$ 9,456 -
<u>\$ 12,864</u>	<u>\$ 15,997</u>	<u>\$ 10,255</u>	<u>\$ 249,793</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ 6,550</u>	<u>\$ 9,456</u>
\$ - 12,864 - -	\$ 1,550 14,447 - -	\$ - 10,255 - -	\$ - 249,793 - -	\$ - 18,000 - -	\$ - - - -	\$ - 6,550 - -	\$ - - - 9,456
<u>12,864</u>	<u>15,997</u>	<u>10,255</u>	<u>249,793</u>	<u>18,000</u>	<u>-</u>	<u>6,550</u>	<u>9,456</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 12,864</u>	<u>\$ 15,997</u>	<u>\$ 10,255</u>	<u>\$ 249,793</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ 6,550</u>	<u>\$ 9,456</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes		410 State Instructional Materials	429 Math Achievement Academics	461 Campus Activity Funds	Total Nonmajor Governmental Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ 41,864	\$ -	\$ 140,660	\$ 644,241
1240	Due from Other Governments	1,705	65,226	-	646,564
1000	Total Assets	<u>\$ 43,569</u>	<u>\$ 65,226</u>	<u>\$ 140,660</u>	<u>\$ 1,290,805</u>
LIABILITIES					
2110	Accounts Payable	\$ 14,496	\$ -	\$ 3,099	\$ 62,901
2170	Due to Other Funds	-	65,226	62,697	692,552
2200	Accrued Expenditures	-	-	-	28,253
2300	Unearned Revenue	-	-	-	9,456
2000	Total Liabilities	<u>14,496</u>	<u>65,226</u>	<u>65,796</u>	<u>793,162</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	29,073	-	-	422,779
Committed Fund Balance:					
3545	Campus Activities	-	-	74,864	74,864
3000	Total Fund Balances	<u>29,073</u>	<u>-</u>	<u>74,864</u>	<u>497,643</u>
4000	Total Liabilities and Fund Balances	<u>\$ 43,569</u>	<u>\$ 65,226</u>	<u>\$ 140,660</u>	<u>\$ 1,290,805</u>



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 596,164
5800 State Program Revenues	-	-	-	20,655
5900 Federal Program Revenues	281,404	705,185	10,837	1,200,614
5020 Total Revenues	281,404	705,185	10,837	1,817,433
EXPENDITURES:				
Current:				
0011 Instruction	264,688	342,012	10,837	-
0013 Curriculum and Instructional Staff Development	16,716	2,036	-	-
0021 Instructional Leadership	-	367	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	338,370	-	-
0035 Food Services	-	-	-	1,775,074
0036 Extracurricular Activities	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	22,400	-	-
6030 Total Expenditures	281,404	705,185	10,837	1,775,074
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	42,359
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	42,359
0100 Fund Balance - September 1 (Beginning)	-	-	-	351,347
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 393,706

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	276 Title I - SIP Academy Grant	288 Summer School LEP	289 ESEA Title IV Part A	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	195
34,086	61,047	31,249	249,793	18,000	5,343	6,550	-
34,086	61,047	31,249	249,793	18,000	5,343	6,550	195
29,779	1,030	31,249	249,793	18,000	5,343	2,600	-
4,307	59,592	-	-	-	-	3,950	195
-	-	-	-	-	-	-	-
-	425	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
34,086	61,047	31,249	249,793	18,000	5,343	6,550	195
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	410 State Instructional Materials	429 Math Achievement Academics	461 Campus Activity Funds	Total Nonmajor Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 30,345	\$ 626,509
5800 State Program Revenues	550,253	65,576	1,056	637,735
5900 Federal Program Revenues	-	-	-	2,604,108
5020 Total Revenues	550,253	65,576	31,401	3,868,352
EXPENDITURES:				
Current:				
0011 Instruction	550,253	350	-	1,505,934
0013 Curriculum and Instructional Staff Development	-	-	-	86,796
0021 Instructional Leadership	-	-	-	367
0023 School Leadership	-	-	-	425
0031 Guidance, Counseling, and Evaluation Services	-	-	-	338,370
0035 Food Services	-	-	-	1,775,074
0036 Extracurricular Activities	-	-	46,183	46,183
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	22,400
6030 Total Expenditures	550,253	350	46,183	3,775,549
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	65,226	(14,782)	92,803
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	(65,226)	-	(65,226)
1200 Net Change in Fund Balance	-	-	(14,782)	27,577
0100 Fund Balance - September 1 (Beginning)	29,073	-	89,646	470,066
3000 Fund Balance - August 31 (Ending)	\$ 29,073	\$ -	\$ 74,864	\$ 497,643

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 784,438	\$ 784,438	\$ 596,164	\$ (188,274)
5800 State Program Revenues	9,385	9,385	20,655	11,270
5900 Federal Program Revenues	1,151,686	1,151,686	1,200,614	48,928
5020 Total Revenues	1,945,509	1,945,509	1,817,433	(128,076)
EXPENDITURES:				
Current:				
0035 Food Services	1,944,747	1,944,747	1,775,074	169,673
6030 Total Expenditures	1,944,747	1,944,747	1,775,074	169,673
1200 Net Change in Fund Balances	762	762	42,359	41,597
0100 Fund Balance - September 1 (Beginning)	351,347	351,347	351,347	-
3000 Fund Balance - August 31 (Ending)	\$ 352,109	\$ 352,109	\$ 393,706	\$ 41,597

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2020

FOR THE YEAR ENDED AUGUST 31, 2022.				
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	\$ 10,653,864	\$ 10,653,864	\$ 10,707,573	\$ 53,709
5800 State Program Revenues	-	-	206,935	206,935
5020 Total Revenues	10,653,864	10,653,864	10,914,508	260,644
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	10,600,000	3,167,988	3,167,988	-
0072 Interest on Long-Term Debt	-	7,754,943	7,601,141	153,802
0073 Bond Issuance Cost and Fees	-	10,000	3,269	6,731
6030 Total Expenditures	10,600,000	10,932,931	10,772,398	160,533
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	53,864	(279,067)	142,110	421,177
OTHER FINANCING SOURCES (USES):				
7916 Premium or Discount on Issuance of Bonds	-	307,604	153,802	(153,802)
1200 Net Change in Fund Balances	53,864	28,537	295,912	267,375
0100 Fund Balance - September 1 (Beginning)	1,604,558	1,604,558	1,604,558	-
3000 Fund Balance - August 31 (Ending)	\$ 1,658,422	\$ 1,633,095	\$ 1,900,470	\$ 267,375

OTHER SUPPLEMENTARY INFORMATION:
INTERNAL SERVICE FUNDS



INTERNAL SERVICE

FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost reimbursement basis.

Print Shop - This fund accounts for the printing services provided by the District Print Shop.

Computer Operations - This fund accounts for technology services provided to other departments.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2020

	752	754	Total
	Print Shop	Computer Operations	Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 128,715	\$ 110,524	\$ 239,239
Due from Other Funds	2,656	4,252	6,908
Inventories	22,854	2,110	24,964
Total Assets	<u>154,225</u>	<u>116,886</u>	<u>271,111</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	911	-	911
Accrued Expenses	88	-	88
Total Liabilities	<u>999</u>	<u>-</u>	<u>999</u>
NET POSITION			
Unrestricted Net Position	<u>153,226</u>	<u>116,886</u>	<u>270,112</u>
Total Net Position	<u>\$ 153,226</u>	<u>\$ 116,886</u>	<u>\$ 270,112</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

	752	754	Total Internal Service Funds
	Print Shop	Computer Operations	
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 169,325	\$ -	\$ 169,325
State Program Revenues	5,370	-	5,370
Total Operating Revenues	<u>174,695</u>	<u>-</u>	<u>174,695</u>
OPERATING EXPENSES:			
Payroll Costs	74,836	-	74,836
Professional and Contracted Services	75,516	-	75,516
Supplies and Materials	24,343	574	24,917
Total Operating Expenses	<u>174,695</u>	<u>574</u>	<u>175,269</u>
Operating Income (Loss)	-	(574)	(574)
Total Net Position - September 1 (Beginning)	<u>153,226</u>	<u>117,460</u>	<u>270,686</u>
Total Net Position August 31 (Ending)	<u>\$ 153,226</u>	<u>\$ 116,886</u>	<u>\$ 270,112</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

	752	754	Total
	Print Shop	Computer Operations	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from District	\$ 169,325	\$ -	\$ 169,325
Cash Payments for Payroll Costs	(69,466)	-	(69,466)
Cash Payments for Supplies and Materials	(44,753)	-	(44,753)
Cash Payments for Purchased Services	(75,516)	-	(75,516)
Net Cash Used For Operating Activities	(20,410)	-	(20,410)
Net Decrease in Cash and Cash Equivalents	(20,410)	-	(20,410)
Cash and Cash Equivalents at Beginning of Year	149,125	110,524	259,649
Cash and Cash Equivalents at End of Year	<u>\$ 128,715</u>	<u>\$ 110,524</u>	<u>\$ 239,239</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss):	\$ -	\$ (574)	\$ (574)
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Inventories	1,317	574	1,891
Increase (decrease) in Accounts Payable	(21,727)	-	(21,727)
Net Cash Used for Operating Activities	<u>\$ (20,410)</u>	<u>\$ -</u>	<u>\$ (20,410)</u>

OTHER SUPPLEMENTARY INFORMATION:

AGENCY FUND

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 638,988	\$ 599,051	\$ 631,648	\$ 606,391
Liabilities:				
Accounts Payable	\$ 56,147	\$ -	\$ 3,341	\$ 52,806
Due to Other Funds	7,602	-	7,602	-
Due to Student Groups	575,239	-	21,654	553,585
Total Liabilities	\$ 638,988	\$ -	\$ 32,597	\$ 606,391
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 638,988	\$ 599,051	\$ 631,648	\$ 606,391
Liabilities:				
Accounts Payable	\$ 56,147	\$ -	\$ 3,341	\$ 52,806
Due to Other Funds	7,602	-	7,602	-
Due to Student Groups	575,239	-	21,654	553,585
Total Liabilities	\$ 638,988	\$ -	\$ 32,597	\$ 606,391

OTHER SUPPLEMENTARY INFORMATION:

REQUIRED TEA SCHEDULES

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.170000	0.500000	1,215,992,122
2013	1.170000	0.500000	1,203,818,215
2014	1.170000	0.500000	1,244,533,513
2015	1.170000	0.500000	1,343,350,119
2016	1.170000	0.500000	1,422,319,042
2017	1.170000	0.500000	1,601,010,736
2018	1.170000	0.500000	1,748,779,669
2019	1.170000	0.500000	1,953,569,778
2020 (School year under audit)	1.068300	0.500000	2,194,318,562
1000 TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 68,620	\$ -	\$ 1,662	\$ 696	\$ (4,372)	\$ 61,890
18,659	-	822	351	-	17,486
37,279	-	871	372	-	36,036
45,345	-	12,276	5,246	-	27,823
52,670	-	12,215	5,220	-	35,235
56,649	-	12,560	5,367	-	38,722
59,379	-	15,784	6,745	2,940	39,790
64,731	-	11,751	5,022	(843)	47,115
175,529	-	68,158	29,127	(8,667)	69,577
-	33,137,389	22,450,715	10,507,683	176,465	355,456
<u>\$ 578,861</u>	<u>\$ 33,137,389</u>	<u>\$ 22,586,814</u>	<u>\$ 10,565,829</u>	<u>\$ 165,523</u>	<u>\$ 729,130</u>



**STATISTICAL
SECTION
(UNAUDITED)**



Statistical Section

This part of the Lake Dallas Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	114
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	123
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	130
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	136
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	142
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT ^(1,2)
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014 (3)
Governmental Activities:				
Net Investment in Capital Assets	\$ 5,374,717	\$ 6,917,917	\$ 6,110,394	\$ 6,964,541
Restricted for Federal and State Programs	476,951	452,319	353,245	363,149
Restricted for Debt Service	916,427	397,695	717,021	165,123
Restricted for Campus Activities	22,208	43,228	47,627	-
Unrestricted Net Position	(13,595,936)	(15,000,928)	(15,129,099)	(16,854,334)
Total Governmental Activities Net Position (1,2)	<u>\$ (6,805,633)</u>	<u>\$ (7,189,769)</u>	<u>\$ (7,900,812)</u>	<u>\$ (9,361,521)</u>
Business-Type Activities:				
Unrestricted Net Position	\$ -	\$ 17,965	\$ -	\$ -
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 17,965</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:				
Net Investment in Capital Assets	\$ 5,374,717	\$ 6,917,917	\$ 6,110,394	\$ 6,964,541
Restricted for Federal and State Programs	476,951	452,319	353,245	363,149
Restricted for Debt Service	916,427	397,695	717,021	165,123
Restricted for Campus Activities	22,208	43,228	47,627	-
Unrestricted Net Position	(13,595,936)	(14,982,963)	(15,129,099)	(16,854,334)
Total Primary Government Net Position (1,2)	<u>\$ (6,805,633)</u>	<u>\$ (7,171,804)</u>	<u>\$ (7,900,812)</u>	<u>\$ (9,361,521)</u>

Source: The Statement of Net Position for the Lake Dallas Independent School District.

Notes: (1) Effective for the fiscal year ended August 31, 2013, the District implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "Net Assets" are now reported as "Net Position".

(2) Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

(3) Net position for fiscal year 2014 was adjusted in 2015 for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Adjustment to periods prior to 2014 was not practical.

2015	2016	2017	2018	2019	2020
\$ 10,701,163	\$ 10,532,295	\$ 999,254	\$ (1,011,015)	\$ 4,729,315	\$ 6,731,610
372,313	289,104	276,416	387,245	380,420	422,779
204,440	552,093	548,129	1,016,462	1,458,801	1,655,330
-	-	-	-	-	-
(21,228,700)	(18,901,486)	(7,925,164)	(20,469,736)	(25,263,626)	(26,426,223)
<u>\$ (9,950,784)</u>	<u>\$ (7,527,994)</u>	<u>\$ (6,101,365)</u>	<u>\$ (20,077,044)</u>	<u>\$ (18,695,090)</u>	<u>\$ (17,616,504)</u>

<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>
<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>

\$ 10,701,163	\$ 10,532,295	\$ 999,254	\$ (1,011,015)	\$ 4,729,315	\$ 6,731,610
372,313	289,104	276,416	387,245	380,420	422,779
204,440	552,093	548,129	1,016,462	1,458,801	1,655,330
-	-	-	-	-	-
(21,228,700)	(18,899,467)	(7,923,145)	(20,467,717)	(25,261,607)	(26,424,204)
<u>\$ (9,948,765)</u>	<u>\$ (7,525,975)</u>	<u>\$ (6,099,346)</u>	<u>\$ (20,075,025)</u>	<u>\$ (18,693,071)</u>	<u>\$ (17,614,485)</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Instruction	\$ 20,218,443	\$ 19,417,571	\$ 19,604,501	\$ 20,594,920
Instructional Resources & Media Services	611,435	525,739	545,040	561,763
Curriculum & Staff Development	748,658	743,596	775,300	855,170
Instructional Leadership	311,479	328,888	461,658	419,164
School Leadership	1,824,013	1,931,761	2,018,860	2,028,199
Guidance, Counseling & Evaluation Services	1,096,335	1,052,165	1,210,347	1,325,337
Social Work Services	-	391	16,336	17,276
Health Services	345,364	328,698	354,303	326,353
Student (Pupil) Transportation	1,131,566	1,273,673	1,022,918	1,052,382
Food Services	1,743,118	1,717,847	1,893,064	1,761,483
Cocurricular/Extracurricular Activities	1,300,510	1,350,211	1,319,230	1,344,164
General Administration	1,200,834	1,184,065	1,233,522	1,419,162
Plant Maintenance & Operations	5,425,032	4,344,652	4,342,753	4,620,415
Security Monitoring Services	118,717	123,984	131,168	153,783
Data Processing Services	638,803	702,435	634,526	832,017
Community Services	-	-	-	-
Debt Service - Interest and Fees	6,095,207	5,413,137	5,570,370	5,493,125
Facilities Furnishings - Noncapital	-	-	-	-
Shared Services Special Education	-	-	-	-
Juvenile Justice Alternative Education Program	-	-	-	801
Tax Appraisal Fees	175,100	171,105	165,545	158,721
Total Expenses	<u>42,984,614</u>	<u>40,609,918</u>	<u>41,299,441</u>	<u>42,964,235</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	11,810	11,495	2,415	6,556
Food Services	868,652	854,998	810,140	834,368
Cocurricular/Extracurricular Activities	115,525	117,257	92,023	99,245
Plant Maintenance & Operations	60,570	38,720	40,930	20,470
Operating Grants and Contributions	5,829,481	4,600,798	4,233,864	3,952,861
Total Governmental Program Revenues	<u>6,886,038</u>	<u>5,623,268</u>	<u>5,179,372</u>	<u>4,913,500</u>
Total Governmental Net (Expense) Revenue	<u>\$ (36,098,576)</u>	<u>\$ (34,986,650)</u>	<u>\$ (36,120,069)</u>	<u>\$ (38,050,735)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes - General Purposes	\$ 14,505,620	\$ 14,518,282	\$ 14,545,942	\$ 14,850,909
Property Taxes - Debt Service	6,173,212	6,186,799	6,205,067	6,359,350
State Aid-Formula Grants	13,274,716	12,919,301	13,562,403	14,672,165
Grants and Contributions not Restricted	363,396	677,771	863,331	402,391
Investment Earnings	56,595	51,453	61,232	49,716
Miscellaneous	149,499	240,158	174,947	263,108
Transfers Out	(11,132)	-	(3,896)	(7,613)
Gain on Sale of Assets	-	8,750	-	-
Total General Revenues and Other Changes				
in Net Position Governmental Activities	<u>34,511,906</u>	<u>34,602,514</u>	<u>35,409,026</u>	<u>36,590,026</u>
Change in Net Position Governmental Activities	<u>(1,586,670)</u>	<u>(384,136)</u>	<u>(711,043)</u>	<u>(1,460,709)</u>
Business-Type Activities:				
Revenue-Charge for Service	390,496	371,397	322,582	313,933
Expense-Day Care Service	403,056	353,482	344,443	321,546
Operating Grants and Contributions	-	-	-	-
Transfer In	11,132	-	3,896	7,613
Change in Net Position-Business-Type Activities	<u>(1,428)</u>	<u>17,965</u>	<u>(17,965)</u>	<u>-</u>
Total Primary Government Change in Net Position	<u>\$ (1,588,098)</u>	<u>\$ (366,171)</u>	<u>\$ (729,008)</u>	<u>\$ (1,460,709)</u>

Source: The Statement of Activities for the Lake Dallas Independent School District.

Note: Fiscal years prior to 2013 are restated for GASB No. 63 and No. 65.

2015	2016	2017	2018	2019	2020
\$ 21,602,235	\$ 23,420,949	\$ 23,396,271	\$ 16,521,116	\$ 25,381,434	\$ 27,443,101
577,352	615,380	608,202	435,713	648,672	663,803
864,442	1,062,067	1,146,177	824,663	1,195,322	1,183,979
433,087	537,969	544,277	382,487	607,779	613,427
2,037,524	2,221,927	2,239,641	1,523,744	2,448,663	2,632,845
1,302,368	1,479,360	1,534,056	1,094,629	1,654,565	1,741,491
17,781	19,264	21,085	11,942	21,759	23,649
303,402	349,952	348,539	233,779	368,200	385,271
996,880	1,027,448	1,131,794	716,565	1,185,733	1,432,506
1,828,423	2,040,332	1,869,615	1,767,424	1,957,297	1,833,588
1,450,777	1,650,080	1,484,754	1,215,238	1,705,455	1,050,970
1,371,000	1,431,261	1,422,654	1,072,859	1,629,207	1,691,746
4,581,366	4,641,156	4,860,641	3,956,372	5,948,185	5,239,630
148,585	142,798	157,201	226,556	215,223	263,154
662,639	1,169,096	804,769	602,488	863,888	886,554
-	-	10,691	4,023	6,793	21,310
5,354,996	2,903,668	4,206,670	3,730,281	4,576,171	7,214,780
-	-	63,123	1,780,675	211,776	-
-	-	50,205	56,200	39,800	22,400
-	-	-	2,403	-	-
153,902	154,181	172,488	179,701	198,865	215,144
<u>43,686,759</u>	<u>44,866,888</u>	<u>46,072,853</u>	<u>36,338,858</u>	<u>50,864,787</u>	<u>54,559,348</u>
1,950	9,285	151,386	10,680	11,315	40
759,799	698,891	777,262	705,650	707,946	590,316
73,706	137,602	88,174	92,362	109,408	88,483
2,435	3,443	3,315	4,425	6,021	1,580
<u>4,357,148</u>	<u>6,008,342</u>	<u>4,997,486</u>	<u>(1,901,848)</u>	<u>5,316,853</u>	<u>5,641,076</u>
<u>5,195,038</u>	<u>6,857,563</u>	<u>6,017,623</u>	<u>(1,088,731)</u>	<u>6,151,543</u>	<u>6,321,495</u>
<u>\$ (38,491,721)</u>	<u>\$ (38,009,325)</u>	<u>\$ (40,055,230)</u>	<u>\$ (37,427,589)</u>	<u>\$ (44,713,244)</u>	<u>\$ (48,237,853)</u>
\$ 16,203,206	\$ 16,810,170	\$ 18,523,586	\$ 20,182,739	\$ 22,439,330	\$ 22,787,658
6,898,513	7,182,779	7,903,046	8,622,478	9,577,335	10,656,269
15,568,660	15,552,620	14,292,335	13,456,486	12,850,386	14,070,295
432,334	606,466	388,692	388,721	433,858	423,744
39,472	77,326	163,067	339,170	678,764	1,216,971
251,061	221,434	227,052	2,348,060	118,352	238,138
-	(18,680)	(15,919)	(19,861)	(2,827)	(76,636)
-	-	-	-	-	-
<u>39,393,246</u>	<u>40,432,115</u>	<u>41,481,859</u>	<u>45,317,793</u>	<u>46,095,198</u>	<u>49,316,439</u>
<u>901,525</u>	<u>2,422,790</u>	<u>1,426,629</u>	<u>7,890,204</u>	<u>1,381,954</u>	<u>1,078,586</u>
353,939	340,628	303,073	336,824	387,544	311,086
351,920	359,308	338,986	356,685	390,371	387,722
-	-	19,994	-	-	-
-	18,680	15,919	19,861	2,827	76,636
<u>2,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 903,544</u>	<u>\$ 2,422,790</u>	<u>\$ 1,426,629</u>	<u>\$ 7,890,204</u>	<u>\$ 1,381,954</u>	<u>\$ 1,078,586</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable Fund Balance:					
Prepayments	\$ 198,664	\$ 185,983	\$ 186,633	\$ 189,985	\$ 10,731
Assigned Fund Balance:					
Fiscal year 2018 Budget Deficit	-	-	-	-	-
Unassigned	<u>7,997,172</u>	<u>8,598,497</u>	<u>8,610,944</u>	<u>8,661,210</u>	<u>9,531,344</u>
Total General Fund	<u>\$ 8,195,836</u>	<u>\$ 8,784,480</u>	<u>\$ 8,797,577</u>	<u>\$ 8,851,195</u>	<u>\$ 9,542,075</u>
All Other Governmental Funds					
Restricted Fund Balance:					
Retirement of Long-Term Debt	\$ 913,359	\$ 397,129	\$ 628,469	\$ 139,593	\$ 214,899
Federal or State Grants	476,951	452,319	353,245	363,149	372,313
Capital Acquisition and					
Contractual Obligation	804,818	475,714	588,381	433,642	770,835
Committed Fund Balance:					
Campus Activities	<u>22,208</u>	<u>43,228</u>	<u>47,627</u>	<u>75,125</u>	<u>76,659</u>
Total All Other Governmental Funds	<u>\$ 2,217,336</u>	<u>\$ 1,368,390</u>	<u>\$ 1,617,722</u>	<u>\$ 1,011,509</u>	<u>\$ 1,434,706</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 3,042	\$ 3,782	\$ 11,272	\$ 24,286	\$ 45,113
-	169,826	-	-	-
<u>10,055,011</u>	<u>10,148,627</u>	<u>10,455,894</u>	<u>11,339,328</u>	<u>12,121,614</u>
<u>\$ 10,058,053</u>	<u>\$ 10,322,235</u>	<u>\$ 10,467,166</u>	<u>\$ 11,363,614</u>	<u>\$ 12,166,727</u>
\$ 588,223	\$ 860,722	\$ 980,605	\$ 1,604,558	\$ 1,900,470
289,104	276,416	387,245	380,420	422,779
842,019	848,353	663,394	8,184,344	63,553,302
<u>91,739</u>	<u>88,063</u>	<u>73,977</u>	<u>89,646</u>	<u>74,864</u>
<u>\$ 1,811,085</u>	<u>\$ 2,073,554</u>	<u>\$ 2,105,221</u>	<u>\$ 10,258,968</u>	<u>\$ 65,951,415</u>

**LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

Fiscal Year	2011	2012	2013	2014
REVENUES:				
Total Local and Intermediate Sources	\$ 21,943,479	\$ 22,029,278	\$ 21,916,928	\$ 22,403,813
State Program Revenues	15,701,523	15,367,206	15,770,892	16,834,060
Federal Program Revenues	3,766,070	2,831,114	2,888,706	2,187,218
Total Revenues	<u>41,411,072</u>	<u>40,227,598</u>	<u>40,576,526</u>	<u>41,425,091</u>
EXPENDITURES:				
Current:				
Instruction	18,614,269	17,999,346	18,090,353	19,022,062
Instructional Resources & Media Services	558,438	478,975	498,623	514,093
Curriculum & Instructional Staff Development	690,037	684,337	716,481	802,070
Instructional Leadership	284,740	300,250	433,233	393,625
School Leadership	1,666,044	1,763,372	1,851,721	1,867,111
Guidance, Counseling & Evaluation Services	1,002,229	960,315	1,119,179	1,231,707
Social Work Services	-	391	16,336	17,276
Health Services	315,429	299,426	325,248	296,514
Student (Pupil) Transportation	1,153,028	1,160,381	1,133,915	1,121,481
Food Services	1,636,960	1,611,689	1,787,694	1,653,268
Cocurricular/Extracurricular Activities	1,192,403	1,235,315	1,205,187	1,241,695
General Administration	1,096,750	1,078,744	1,128,983	1,240,316
Plant Maintenance and Operations	4,333,894	3,970,249	3,971,130	4,238,758
Security and Monitoring Services	108,427	112,956	120,222	142,541
Data Processing Services	588,296	639,954	572,509	768,326
Community Services	-	-	-	-
Debt Service:				
Debt Service - Principal on long-term debt	3,031,480	3,479,937	2,699,486	2,556,288
Debt Service - Interest on long-term debt	4,051,998	3,678,527	4,367,004	4,608,806
Debt Service - Bond Issuance Cost and Fees	7,356	166,773	153,890	144,750
Capital Outlay:				
Facilities Acquisition and Construction	1,163,356	903,700	107,576	20,148
Intergovernmental:				
Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	-	801
Other Intergovernmental Charges	175,100	171,105	165,545	158,721
Total Expenditures	<u>41,670,234</u>	<u>40,695,742</u>	<u>40,464,315</u>	<u>42,040,357</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(259,162)</u>	<u>(468,144)</u>	<u>112,211</u>	<u>(615,266)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	92,390	665,859	100,000
Transfers Out	(11,132)	(92,390)	(669,755)	(107,613)
Bonds Issued	-	9,340,000	8,955,000	9,295,000
Premium or discount on Issuance of Bonds	-	617,120	1,040,260	701,308
Sale of Real or Personal Property	-	8,750	-	-
Capital Lease Proceeds	-	-	-	-
Non-current Loan	658,262	35,604	-	-
Payments to Bond Refunding Escrow Agent	-	(9,793,632)	(9,841,146)	(9,850,887)
Refund of Prior Year Taxes	-	-	-	(75,137)
Total Other Financing Sources (Uses)	<u>647,130</u>	<u>207,842</u>	<u>150,218</u>	<u>62,671</u>
Net Change in Fund Balances	<u>\$ 387,968</u>	<u>\$ (260,302)</u>	<u>\$ 262,429</u>	<u>\$ (552,595)</u>
Debt service as a percentage of noncapital expenditures	17.49%	17.99%	17.51%	17.05%

2015	2016	2017	2018	2019	2020
\$ 24,267,450	\$ 25,277,027	\$ 27,807,379	\$ 31,912,030	\$ 33,683,573	\$ 35,566,555
17,976,575	18,247,506	16,783,305	16,041,408	15,315,210	17,235,191
2,380,465	2,967,718	2,672,292	3,045,203	3,334,167	3,309,816
<u>44,624,490</u>	<u>46,492,251</u>	<u>47,262,976</u>	<u>50,998,641</u>	<u>52,332,950</u>	<u>56,111,562</u>
20,292,379	21,148,185	21,377,389	22,130,354	24,204,385	24,371,058
536,718	546,198	551,588	575,768	579,452	589,331
815,428	959,912	1,042,807	1,097,393	1,112,733	1,050,896
411,108	482,176	493,726	520,584	562,148	540,208
1,902,508	1,940,524	2,025,767	2,117,988	2,153,750	2,330,747
1,226,646	1,316,630	1,386,036	1,476,687	1,495,284	1,583,845
17,930	18,518	18,948	19,625	20,124	20,605
278,717	303,370	315,015	319,824	320,673	342,147
979,160	1,084,652	1,110,579	1,243,785	1,148,052	1,377,204
1,742,163	1,845,766	1,869,405	1,767,424	1,906,464	1,823,640
1,349,429	1,491,906	1,359,900	1,498,981	1,509,780	1,260,749
1,290,885	1,240,379	1,292,688	1,342,275	1,402,526	1,518,179
4,232,882	4,201,445	4,490,946	4,498,155	4,895,183	5,099,588
137,878	132,113	146,372	211,013	618,408	247,019
605,141	1,093,345	805,850	768,398	1,716,417	794,668
-	-	-	250	6,793	-
2,639,168	2,541,705	2,555,323	2,027,213	4,521,360	3,167,988
4,645,179	4,680,862	4,979,100	5,068,512	5,218,593	7,601,141
296,535	316,954	10,345	3,511	211,776	591,455
252,759	395,440	215,652	2,239,637	7,532,315	15,748,286
-	-	-	56,200	-	-
-	-	50,205	2,403	39,800	22,400
153,902	154,181	160,658	166,646	183,921	200,200
<u>43,806,515</u>	<u>45,894,261</u>	<u>46,258,299</u>	<u>49,152,626</u>	<u>61,359,937</u>	<u>70,281,354</u>
817,975	597,990	1,004,677	1,846,015	(9,026,987)	(14,169,792)
525,000	100,000	-	299,698	-	65,226
(525,000)	(118,680)	(15,919)	(319,559)	(2,827)	(141,862)
19,063,027	24,877,700	-	-	16,130,000	63,900,000
9,175,973	6,013,881	-	-	1,950,010	6,841,988
5,300	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(27,948,198)	(30,578,534)	(462,105)	(1,649,558)	-	-
-	-	-	-	-	-
296,102	294,367	(478,024)	(1,669,419)	18,077,183	70,665,352
<u>\$ 1,114,077</u>	<u>\$ 892,357</u>	<u>\$ 526,653</u>	<u>\$ 176,596</u>	<u>\$ 9,050,196</u>	<u>\$ 56,495,560</u>
16.72%	15.87%	16.36%	15.13%	18.09%	19.75%



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (UNAUDITED)

Fiscal Year	ASSESSED VALUE			Total Estimated Taxable Value	Total Direct Rate
	Residential or Real Property	Personal Property	Less Exemptions		
2011	\$1,270,631,001	\$ 74,685,726	\$ 140,252,455	\$ 1,205,064,272	1.670
2012	1,314,548,001	58,534,985	157,090,864	1,215,992,122	1.670
2013	1,327,242,099	78,989,731	202,413,615	1,203,818,215	1.670
2014	1,431,827,466	69,971,289	257,265,242	1,244,533,513	1.670
2015	1,559,600,334	74,999,543	291,249,758	1,343,350,119	1.670
2016	1,873,062,576	80,632,887	531,376,421	1,422,319,042	1.670
2017	1,901,567,473	67,846,198	368,402,935	1,601,010,736	1.670
2018	2,116,051,150	69,116,832	436,388,313	1,748,779,669	1.670
2019	2,351,916,735	89,156,031	487,502,988	1,953,569,778	1.670
2020	2,426,406,345	89,722,983	321,810,766	2,194,318,562	1.5683

Source: Denton County Tax Collector

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)

Lake Dallas Independent School District Direct Rates				
Fiscal Year	Maintenance and Operations	Debt Service	Total	
2011	\$ 1.170	\$ 0.500	\$	1.670
2012	1.170	0.500		1.670
2013	1.170	0.500		1.670
2014	1.170	0.500		1.670
2015	1.170	0.500		1.670
2016	1.170	0.500		1.670
2017	1.170	0.500		1.670
2018	1.170	0.500		1.670
2019	1.170	0.500		1.670
2020	1.0683	0.500		1.5683

Source: Appropriate government entities' tax departments.

Notes:

(1) Includes levies for operating and debt service costs.

 Overlapping Rates (1)

County of Denton	City of Lake Dallas	City of Corinth	Town of Hickory Creek	Corinth MUD #1
\$ 0.27390	\$ 0.71000	\$ 0.59292	\$0.424287	\$ 0.150
0.27736	0.71000	0.59135	0.424287	0.150
0.28287	0.71000	0.60489	0.424287	-
0.28491	0.70193	0.60489	0.416882	-
0.26200	0.66807	0.58489	0.401367	-
0.24841	0.66807	0.58193	0.387319	-
0.23781	0.66175	0.53686	0.366933	-
0.22557	0.66175	0.53000	0.347535	-
0.22528	0.64497	0.54500	0.330402	-
0.224985	0.64206	0.57817	0.319943	-

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Description	2020		Percentage of Total Taxable Assessed Value
		Taxable Assessed Value	Rank	
Oxford 2181 Inc.	Real Estate	\$ 36,000,000	1	1.64%
Mansions at Hickory Creek LP	Real Estate	33,299,995	2	1.52%
Boulevard 2010 LLC	Real Estate	28,369,309	3	1.29%
Denton County Elec Coop	Utility	25,275,228	4	1.15%
Millennium Place LP	Real Estate	25,003,859	5	1.14%
AV Ashleye Village LP	Real Estate	13,648,221	6	0.62%
Oncor Electric Delivery Co.	Utility	13,638,470	7	0.62%
Tower Ridge Corinth I, LTD	Real Estate	11,363,745	8	0.52%
Wal-Mart Stores Real Estate	Retail	11,200,000	9	0.51%
Destiny Dallas LP	Real Estate	8,751,577	10	0.40%
Goldfield, Alan H. & Shirley M.	Real Estate			
HD Supply Utilities, Ltd.	Warehouse			
United Aircraft Services	Services			
Kensington Square LP PS	Apartment			
RRC (TX) LP	Real Estate			
TOTAL		<u>\$ 206,550,404</u>		<u>9.41%</u>

The 2020 taxable valuation is based on the 2018-2019 tax roll with a total assessed value of
\$ 2,194,318,562

Source of information: Denton Central Appraisal District

2011		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 15,086,139	1	1.25%
4,671,871	10	0.39%
8,625,660	4	0.72%
6,299,659	6	0.52%
14,102,641	2	1.17%
12,649,353	3	1.05%
5,743,418	7	0.48%
7,022,656	5	0.58%
4,850,000	9	0.40%
5,000,000	8	0.41%
<u>\$ 84,051,397</u>		<u>6.97%</u>

The 2011 taxable valuation is based on the 2010-2011 tax roll with a total assessed value of \$1,205,064,272

Source of information: Denton Central Appraisal District

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Tax Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections
		Amount	Percentage of Levy		Amount
2011	\$ 20,461,313	\$ 20,293,265	99.18%	\$ 148,730	\$ 20,441,995
2012	20,511,720	20,372,587	99.32%	121,595	20,494,182
2013	20,542,830	20,397,497	99.29%	109,199	20,506,696
2014	20,948,111	20,820,019	99.39%	118,205	20,938,224
2015	22,684,911	22,504,021	99.20%	188,507	22,692,528
2016	23,682,610	23,532,301	99.37%	153,144	23,685,445
2017	26,042,409	25,842,333	99.23%	188,185	26,030,518
2018	28,577,451	28,415,273	99.23%	116,431	28,531,704
2019	31,698,749	31,523,220	99.45%	97,285	31,620,505
2020	33,137,389	33,152,643	98.93%	-	33,152,643

Source of information: Annual Financial Report.

<u>to Date</u>		Outstanding Delinquent Taxes as % of Tax Levy
<u>Percentage of Levy</u>	<u>Outstanding Delinquent Taxes</u>	
99.91%	\$ 19,266	0.09%
99.91%	17,486	0.09%
99.82%	36,036	0.18%
99.95%	27,823	0.13%
100.03%	35,235	0.16%
100.01%	38,722	0.16%
99.95%	39,790	0.15%
99.84%	47,115	0.16%
99.75%	69,577	0.22%
100.05%	355,456	1.07%

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Accreted Interest on Bonds	Capital Leases	Unamortized Bond Premium	Loan	Total Primary Government	Percentage of Personal Income *	Total Outstanding Debt Per Capita *
2011	\$ 97,019,818	\$22,287,040	\$ -	\$4,161,606	\$658,262	\$124,126,726	16.68%	\$ 5,455
2012	93,571,648	24,329,620	-	4,292,642	662,099	122,856,009	16.35%	5,365
2013	90,742,582	25,526,225	-	5,149,278	597,607	122,015,692	15.22%	5,230
2014	87,922,086	26,431,403	-	5,629,727	531,815	120,515,031	14.89%	5,137
2015	85,340,015	28,787,501	-	6,097,526	464,697	120,689,739	14.75%	4,996
2016	82,931,615	26,180,674	-	7,379,975	326,377	116,818,641	14.09%	4,810
2017	80,182,514	25,875,328	-	6,371,993	251,121	112,680,956	13.37%	4,627
2018	77,342,787	14,273,805	-	15,791,678	173,753	107,582,023	12.55%	4,348
2019	89,125,180	14,099,203	-	17,093,490	-	120,317,873	13.81%	4,812
2020	149,857,191	13,804,995	-	23,001,646	-	186,663,832	21.07%	7,163

Source: District Records

* See Exhibit S-13 for personal income and population data

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2020
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Corinth, City of	\$ 46,250,000	45.45%	\$ 21,020,625
Denton, City of	810,925,000	0.25%	2,027,313
Denton County	611,835,000	2.05%	12,542,618
Hickory Creek, Town of	6,615,000	99.41%	6,575,972
Lake Dallas, City of	3,945,000	100.00%	<u>3,945,000</u>
Subtotal, overlapping bonded debt			46,111,527
Lake Dallas ISD	186,663,832	100.000%	<u>186,663,832</u>
Total direct and overlapping debt			<u>\$ 232,775,359</u>

Source: Taxable value data used to estimate applicable percentages provided by the Municipal Advisory Council.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lake Dallas Independent School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of each entity's taxable assessed value that is within the District's boundaries and dividing it by each entity's total taxable assessed value.



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED
 DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2011	22,756	\$ 1,205,064,272	\$ 124,126,726	\$ 913,359	\$123,213,367	10.22%	\$ 5,415
2012	22,901	1,215,922,122	122,856,009	397,129	122,458,880	10.07%	5,347
2013	23,328	1,203,818,215	122,015,692	628,469	121,387,223	10.08%	5,203
2014	23,462	1,244,533,513	120,515,031	139,593	120,375,438	9.67%	5,131
2015	24,159	1,343,350,119	120,689,739	214,899	120,474,840	8.97%	4,987
2016	24,289	1,422,319,042	116,818,641	588,223	116,230,418	8.17%	4,785
2017	24,352	1,601,010,736	112,680,956	860,722	111,573,113	6.97%	4,582
2018	24,743	1,748,779,669	107,582,023	980,605	106,427,665	6.09%	4,301
2019	25,002	1,953,569,778	120,317,873	1,604,558	118,713,315	6.16%	4,748
2020	26,060	2,194,318,562	186,663,832	1,900,470	184,763,362	8.51%	7,090

Source: North Central Council of Governments, District Financial Statements,
 and Denton Central Appraisal District.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014
Total Assessed Value	<u>\$1,205,064,272</u>	<u>\$1,215,992,122</u>	<u>\$1,203,818,215</u>	<u>\$1,244,533,513</u>
Debt Limit (10% of Total Assessed Value)	<u>\$ 120,506,427</u>	<u>\$ 121,599,212</u>	<u>\$ 120,381,822</u>	<u>\$ 124,453,351</u>
Debt Applicable to Limit:				
General Obligation Bonds	\$ 97,019,818	\$ 93,571,648	\$ 90,742,582	\$ 87,922,086
Less Net Position in Debt Service Fund	<u>913,359</u>	<u>397,129</u>	<u>628,469</u>	<u>139,593</u>
Total Amount of Debt Applicable to Debt Limit	<u>96,106,459</u>	<u>93,174,519</u>	<u>90,114,113</u>	<u>87,782,493</u>
Legal Debt Margin	<u>\$ 24,399,968</u>	<u>\$ 28,424,693</u>	<u>\$ 30,267,709</u>	<u>\$ 36,670,858</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	79.75%	76.62%	74.86%	70.53%

Source of Information: Denton Central Appraisal District and District Financial Information

Note: Under state finance law, Lake Dallas Independent School District's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

2015	2016	2017	2018	2019	2020
<u>\$1,343,350,119</u>	<u>\$1,422,319,042</u>	<u>\$1,601,010,736</u>	<u>\$1,748,779,669</u>	<u>\$1,953,569,778</u>	<u>\$2,194,318,562</u>
<u>\$ 134,335,012</u>	<u>\$ 142,231,904</u>	<u>\$ 160,101,073</u>	<u>\$ 174,877,967</u>	<u>\$ 195,359,978</u>	<u>\$ 219,431,856</u>
<u>\$ 85,340,015</u>	<u>\$ 82,931,615</u>	<u>\$ 80,182,514</u>	<u>\$ 77,342,787</u>	<u>\$ 89,125,180</u>	<u>\$ 149,857,191</u>
<u>214,899</u>	<u>588,223</u>	<u>860,722</u>	<u>1,016,462</u>	<u>1,458,801</u>	<u>1,655,330</u>
<u>85,125,116</u>	<u>82,343,392</u>	<u>79,321,792</u>	<u>76,326,325</u>	<u>87,666,379</u>	<u>148,201,861</u>
<u>\$ 49,209,896</u>	<u>\$ 59,888,512</u>	<u>\$ 80,779,281</u>	<u>\$ 98,551,642</u>	<u>\$ 107,693,599</u>	<u>\$ 71,229,995</u>
63.37%	57.89%	50.46%	56.35%	55.13%	32.46%

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate *</u>
2011	22,756	\$ 744,075,688	\$ 32,968	6.7%
2012	22,901	751,364,972	32,809	6.4%
2013	23,328	801,671,640	34,377	5.4%
2014	23,462	809,562,341	34,505	5.1%
2015	24,159	818,131,083	33,864	3.6%
2016	24,289	829,267,538	34,142	3.4%
2017	24,352	842,978,647	34,616	3.5%
2018	24,743	857,000,458	34,636	3.3%
2019	25,002	871,078,962	34,840	2.8%
2020	26,060	885,962,431	33,997	5.7%

Source: North Central Texas Council of Governments

* Texas Workforce Commission

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC STATISTICS
 (UNAUDITED)
 AUGUST 31, 2020

Student Data

Student Ethnicity:	
White	50.2%
Hispanic	32.1%
Black	8.8%
Other	8.8%
Attendance Rate:	96.7%
Dropout Rate:	0.3%
Number of Students per Campus:	
Lake Dallas	
Elementary	633
Middle School	893
High School	1,303
Corinth	
Elementary	600
Shady Shores	
Elementary	556
Total Students	3,985

Faculty Data

Teachers	296.4
Counselors	9.6
Administrators	19.8
Educational Aides	74.4
Advance Degrees/Certifications:	
Master Degrees	71.7
Doctoral Degrees	5
Average Experience of Teachers	12.1 Years
Student/Teacher Ratio	13.4 to 1
Cost per Student based on expenses reported in the governmental financial statements	9,399
Percentage of Student population who received free or reduced meals	40.64%

Source of Information: District enrollment and financial records



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
ENROLLMENT AND ATTENDANCE DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

		Average Daily Attendance		
	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Percent of Enrollment</u>
2010/11	4,030	3,877	0.60%	96.20%
2011/12	4,002	3,846	-0.80%	96.10%
2012/13	4,015	3,788	-1.50%	94.30%
2013/14	3,961	3,746	-1.10%	94.57%
2014/15	4,011	3,804	1.50%	94.84%
2015/16	3,978	3,768	-1.00%	94.72%
2016/17	3,963	3,751	-0.50%	94.65%
2017/18	3,964	3,752	0.03%	94.65%
2018/19	4,031	3,802	1.33%	94.32%
2019/20	3,986	3,770	-0.85%	94.58%

Source of information: Superintendent's Annual Report.

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Description	2020		Percentage of Total City Employment
		Employees	Rank	
Lake Dallas ISD	School District	595.1	1	26.85%
Coserve	Electric Utility	479	2	21.61%
North Central Texas College	College	258	3	11.64%
Wal-Mart	Retail	329	4	14.85%
City of Corinth	Government	150	5	6.77%
Huffines Corinth	Car Dealership	150	6	6.77%
Albertsons	Grocery	120	7	5.41%
ComCo Systems	Manufacturer	47	8	2.12%
Lake Cities Fire Dept.	Fire Protection	53	9	2.39%
Stone Systems of N. Texas	Services	35	10	1.58%
Labinal	Avionic Manufacturing			
Llano Utility	Utility/Construction			
Video Plus	Media/Marketing Comm.			
HD Supply	Wholesale Distribution			
TOTAL		2,216		100.00%

Source of Information: Lake Cities Chamber of Commerce

2011		
Employees	Rank	Percentage of Total City Employment
607	2	23.04%
331	4	12.56%
400	3	15.18%
154	5	5.84%
110	7	4.17%
720	1	27.32%
95	8	3.61%
154	6	5.84%
64	9	2.44%
<u>2,635</u>		<u>100.00%</u>

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>
2010-2011	4,104	\$29,745,120	\$ 7,248	2.01%	287	14.3
2011-2012	4,087	29,370,300	7,186	-0.86%	269	15.2
2012-2013	4,015	30,097,517	7,496	4.31%	266	15.1
2013-2014	3,961	31,766,333	8,020	6.99%	263	15.1
2014-2015	4,011	33,066,180	8,244	2.79%	270	14.9
2015-2016	3,978	34,634,615	8,707	5.62%	275	14.5
2016-2017	3,963	35,487,172	8,955	2.77%	277	14.2
2017-2018	3,964	36,482,451	9,203	2.77%	282	14.0
2018-2019	4,031	37,885,546	9,399	1.03%	284	14.2
2019-2020	3,986	39,356,588	9,873	5.04%	296	13.4

Source of Information: AEIS Report

<u>Economically Disadvantaged</u>	<u>Limited English Proficient</u>
1436	236
1446	232
1461	248
1626	278
1521	301
1514	338
1572	362
1786	362
1798	380
1620	381

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
STAFF INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Total Professional Staff</u>	<u>Educational Aides</u>
2010-2011	286.9	55.5	14.0	4.0	360.4	40.5
2011-2012	268.6	53.7	15.0	4.0	341.3	56.4
2012-2013	265.9	59.9	17.0	4.0	346.8	60.4
2013-2014	262.8	60.0	17.0	4.0	343.3	65.1
2014-2015	270.2	61.7	17.0	4.0	352.9	68.8
2015-2016	274.9	63.7	16.0	4.0	358.6	64.5
2016-2017	278.2	64.4	16.0	4.0	362.6	67.3
2017-2018	282.4	58.4	17.0	5.0	362.8	71.9
2018-2019	284.2	58.4	18.0	5.0	365.6	68.9
2019-2020	296.4	56.1	19.8	5.0	377.3	74.4

Source of Information: AEIS Report

Auxiliary Staff	Total Staff	% Change
185.2	586.1	0.29%
147.4	545.1	-7.00%
148.1	555.4	1.89%
151.0	559.9	0.81%
150.2	571.9	2.14%
142.9	566.0	-1.03%
146.9	576.8	1.91%
155.0	589.7	2.24%
140.8	575.3	-2.44%
143.3	595.1	3.44%

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
TEACHERS SALARY DATA
2019-20 SCHOOL YEAR

<u>Years of Experience</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>
0	\$ 53,000	\$ 54,500	\$ 55,500
1	53,125	54,625	55,625
2	53,325	54,825	55,825
3	53,525	55,025	56,025
4	53,725	55,225	56,225
5	53,925	55,425	56,425
6	54,625	56,125	57,125
7	54,775	56,275	57,275
8	54,925	56,425	57,425
9	55,075	56,575	57,575
10	55,225	56,725	57,725
11	55,375	56,875	57,875
12	55,525	57,025	58,025
13	55,675	57,175	58,175
14	55,825	57,325	58,325
15	55,975	57,475	58,475
16	56,825	58,325	59,325
17	57,525	59,025	60,025
18	58,025	59,525	60,525
19	58,325	59,825	60,825
20	58,625	60,125	61,125
21	59,025	60,525	61,525
22	60,025	61,525	62,525
23	61,025	62,525	63,525
24	62,025	63,525	64,525
25	63,025	64,525	65,525
26	64,025	65,525	66,525
27	65,025	66,525	67,525
28	66,025	67,525	68,525
29	67,025	68,525	69,525
30	68,025	69,525	70,525
31	69,025	70,525	71,525
32	70,025	71,525	72,525
33	70,725	72,225	73,225
34	71,225	72,725	73,725
35	71,575	73,075	74,075
36	71,675	73,175	74,175
37	71,875	73,375	74,375
38	72,275	73,775	74,775
39	72,875	74,375	75,375
40	73,475	74,975	75,975

Average Salary by Years of Experience

Beginning Teachers	\$ 54,196
1-5 Years of Experience	\$ 55,160
6-10 Years of Experience	\$ 56,963
11-20 Years of Experience	\$ 58,313
Over -20 Years of Experience	\$ 67,793

Average Actual Salaries

Teachers	\$ 58,956
Professional Staff	\$ 70,028
Campus Administration	\$ 83,421
Central Administration	\$ 148,780
Educational Aides	\$ 22,305



LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Schools	2011	2012	2013	2014	2015
Elementary *					
Buildings	3	3	3	3	3
Square Feet	347,486	347,486	347,486	347,486	347,486
Capacity	2,100	2,100	2,100	2,100	2,100
Enrollment	1,910	1,910	1,785	1,739	1,739
Middle **					
Buildings	1	1	1	1	1
Square Feet	205,360	205,360	205,360	205,360	205,360
Capacity	1,150	1,150	1,150	1,150	1,150
Enrollment	1,007	1,007	974	930	930
High ***					
Buildings	1	1	1	1	1
Square Feet	272,048	272,048	272,048	272,048	272,048
Capacity	1,300	1,300	1,300	1,300	1,300
Enrollment	1,187	1,187	1,256	1,292	1,292
Non - instructional					
Buildings	5	5	5	5	5
Square Feet	116,246	116,246	116,246	116,246	116,246
Portable Buildings					
Buildings	8	5	2	2	2
Square Feet	9,600	6,000	2,400	2,400	2,400
Total Square Feet	950,740	947,140	943,540	943,540	943,540
Athletics					
Stadiums	1	1	1	1	1
Football/Soccer Practice Fields	4	4	4	4	4
Running Tracks	2	2	2	2	2
Baseball/Softball Fields	2	2	2	2	2
Playgrounds	4	4	4	4	4
Concession Stands	3	3	3	3	3

Source: District Records

* Elementary Grades K-6 for year 2005 K-5 years 2006-2017

** Middle School Grades 7-8 for year 2005 6-8 years 2006-2017

*** High School Grades 9-12

2016	2017	2018	2019	2020
3	3	3	3	3
351,486	351,486	351,486	351,486	351,486
2,100	2,100	2,100	2,100	2,100
1,739	1,761	1,761	1,761	1,761
1	1	1	1	1
205,360	205,360	205,360	205,360	205,360
1,150	1,150	1,150	1,150	1,150
930	902	902	902	902
1	1	1	1	1
272,048	272,048	272,048	272,048	272,048
1,300	1,300	1,300	1,300	1,300
1,292	1,300	1,300	1,300	1,300
5	5	5	5	5
116,246	116,246	116,246	116,246	116,246
2	2	2	2	2
2,400	2,400	2,400	2,400	2,400
947,540	947,540	947,540	947,540	947,540
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2
2	2	2	2	2
4	4	4	4	4
3	3	3	3	3



**COMPLIANCE AND
FEDERAL AWARDS SECTION**



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
Lake Dallas Independent School District
Lake Dallas, 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 Lake Dallas Independent School District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise Lake Dallas Independent School District's basic financial statements, and have issued our report dated January 7, 2021.

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

January 7, 2021

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

To the Board of Trustees
Lake Dallas Independent School District
Lake Dallas, Texas

Report on Compliance for Each Major Federal Program

We have audited Lake Dallas 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 Lake Dallas Independent School District's major federal programs for the year ended August 31, 2020. Lake Dallas 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 Lake Dallas 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 Lake Dallas 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 Lake Dallas Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Lake Dallas 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, 2020.

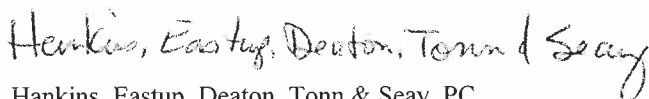
Report on Internal Control Over Compliance

Management of Lake Dallas 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 Lake Dallas 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 Lake Dallas 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, PC
Denton, Texas

January 7, 2021

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

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: None reported
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 84.173 IDEA-Part B, Preschool

CFDA 84.425D CARES Act Stimulus Grant
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

None

III. Other Findings and Findings and Questioned Costs Related to Federal Awards

None

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2020

FINDING/NONCOMPLIANCE

None

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041	S041A-2019-5019	\$ 423,744
Total Direct Programs			423,744
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101061912	281,404
*IDEA - Part B, Formula	84.027	206600010619126600	705,185
*IDEA - Part B, Preschool	84.173	206610010619126610	10,837
Total Special Education Cluster (IDEA)			716,022
Career and Technical - Basic Grant	84.048	20420006061912	34,086
Title III, Part A - English Language Acquisition	84.365A	20671001061912	31,249
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501061912	61,047
Summer School LEP	84.369A	69551902	5,343
Title II SIP Academy Grant	84.377A	17610740061912	18,000
ESEA, Title IV, Part A	84.424A	20680101061912	6,550
CARES Act Stimulus Grant	84.425D	20521001061912	249,793
Total Passed Through State Department of Education			1,403,494
TOTAL U.S. DEPARTMENT OF EDUCATION			1,827,238
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health & Human Services Comm.</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-12-0041-00034	2,566
Total Passed Through Texas Health & Human Services Comm.			2,566
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,566
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71402001	307,579
*National School Lunch Program - Cash Assistance	10.555	71302001	766,981
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302001	126,055
Total CFDA Number 10.555			893,036
Total Child Nutrition Cluster			1,200,615
Watershed Protection and Flood Prevention	10.904	9K200811	60,887
Total Passed Through the State Department of Agriculture			1,261,502
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,261,502
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,091,306

*Clustered Programs

LAKE DALLAS INDEPENDENT SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2020

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 assets.

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 unearned 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, 2020, 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	\$3,091,306
Medicaid Reimbursement (SHARS)	<u>218,510</u>
Federal Revenues per Financial Statements	<u>\$3,309,816</u>