



*Shemeka Millner-Williams
Acting Superintendent of Schools*

**Certified Notice of Posting and Agenda
of Lancaster ISD Board of Trustees**

*Lancaster ISD Administration Building, Board Auditorium
422 S. Centre Avenue
Lancaster, TX 75146
January 23, 2020 @ 6:30 PM*

1. District Goals

- Goal 1 - (G1) Improve Student Performance
- Goal 2 - (G2) Fiscal Responsibility and Financial Transparency
- Goal 3 - (G3) Campus Safety
- Goal 4 - (G4) Improve Internal and External Communication

2. Call Meeting to Order

3. Recess to Closed Session

As authorized by the Texas Open Meetings Act, Texas Government Code Chapter 551 for:

- A. Discussion of possible approval of amending the LISD 401(a) plan (Plan ID: 701103000) with Security Benefit to allocate existing funds in it to Superintendent on fully vested basis.
- B. Consultation with school attorney for legal advice concerning personnel matters (Tex. Gov't. Code §551.071).
- C. Discussion of Purchase Exchange or Lease of Real Property (Tex. Gov't Code §551.072).
- D. Discussion considering the Superintendent's recommendations concerning employment, resignations, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee (Tex. Gov't Code §551.074).
 - 1. Discussion of possibly hiring and issuing a School District Teaching Permit for the CTE Audio Visual Teacher at Lancaster High School - DBA(LEGAL)-(G1)
- E. Student Discipline/Expulsion Appeal - FOD(LEGAL)-(G3)
- F. Required Board Report

4. Reconvene in Open Session

Consider and take Possible Action on Items Discussed in Closed Session:

- A. Discussion and possible approval of amending the LISD 401(a) plan (Plan ID: 701103000) with Security Benefit to allocate existing funds in it to Superintendent on fully vested basis.
- B. Discussion and possible approval of hiring and issuing a School District Teaching Permit for the CTE Audio Visual Teacher at Lancaster High School - DBA(LEGAL)-(G1)
- C. Discussion and possible action regarding student appeal - FOD(LEGAL)-(G3)

5. Opening Ceremonies

- A. Invocation - Rev. Payton Parker - First United Methodist Church
- B. Pledge of Allegiance - Rolling Hills Elementary

6. Recognitions & Introductions

- A. Recognition of Students, Staff, Community Members, Donations, and Gifts

7. Citizens Communication on Posted Agenda Items

8. **Adoption of Consent Agenda**

A. Consider approval of the following Minutes - BE(LOCAL)

3



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Consent Agenda

Item Name: Approval of Called and Regular Meeting Minutes

Related Goals (District and/or Strategic): Goal 4: Improve Internal and External Communication

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Dr. Elijah Granger, Superintendent

Presenter and District Contact: Mrs. Ellen Clark, Board President

Explanation: Possible approval of board minutes for the months of November and December of 2019.

Intended Audience: Internal/External

Impact or Expected Outcome: N/A

Recommendation: N/A

Fiscal Implications and Funding Source: None

Frequency Monitored: Monthly

District Contact: Mrs. Margo Enriquez

Minutes of Pubic Meeting November 21, 2019 at 6:00 p.m.

1. Call to Order

Meeting called to order by President Clark at 6:00 p.m. Trustee Jones, Trustee Morris, Secretary Davis, Trustee Hamilton, Trustee Harris, Vice President Mays, and President Clark were present, so therefore a quorum was established.

2. Public Hearing to Discuss FIRST Rating System

A. The purpose of this public hearing is to discuss the FIRST Financial Accountability Rating report on the Schools Financial Integrity Rating System of Texas (FIRST)

Presenter: Shonna Pumphrey, Chief Financial Officer

Good evening, Madam President, Dr. Granger, distinguished trustees. Tonight I bring forth the Lancaster ISD Financial Integrity System of Texas, also known as the FIRST report. This report was designed to expand the public education accountability system in Texas and to provide transparency for public education finance, so I will go through a series of slides tonight to outline what our rating was for the 2018-19 year, and this report is going to be referencing our financials from the 2017-18 school year.

This criteria for the FIRST report is evaluated every three years, so this is a series of 15 indicators that we'll be going through on these slides. The first one here is the matrix and just compares and outlines for you the various grading categories for the FIRST report, shows you how that's broken down. Once again, I mentioned it was 15 indicators, and you can see A, superior, is a range from 90 to 100, a B is 80 to 89, a C is 60 to 79, and an F is a score less than 60. There are 15 indicators. Lancaster ISD's score here in 2017-18 was an 86, and for 18-19 it was 78, and that was primarily driven by the implementation of our transportation system, and we will cover that in a series of slides.

Indicator number 1: Was the complete annual financial report and data submitted to TEA within 30 days of the November 27th or January 28th deadline? And, I won't read the slide word for word, but I want to give you a general summary of it, and the due date was February the 28th and we submitted ours on January the 28th, so we passed this indicator. In all of the series of slides, you can assume the grade we obtained was similar or better than it was last year. If there is a variance, it would be highlighted on the slides.

Indicator number 2: Was there an unmodified opinion in the annual financial report on the financial statements as a whole? The district had a clean audit. We passed this indicator, consistent with prior year. Indicator 2B: did the external independent auditor report that the AFR was free of have any instances of material weakness of internal controls over financial reporting and compliance? We passed this indicator, consistent with prior year.

Indicator number 3: Was the school district in compliance with the payment terms of all debt agreements at the school year end? And, we were. Indicator number 3 passed and was consistent with prior year.

Indicator number 4: Did the school district make timely payments to the Teacher Retirement System, TWC, and the IRS? And, we did make all our payments timely. So, indicator number 4 passed.

Indicator number 5: Was not scored this year. This related to the pension benefits that we outlined when we went over the financials in prior year, having to report those future liabilities on the balance sheets, so no district in Texas would have met this particular indicator, so it was not scored this year.

Indicator number 6: Was the number of days of cash on hand in current investments in the general fund for the school districts sufficient to cover operating expenditures? This is an area where we had a two point decrease from the prior year, and if you look at the slides and compare, you can see that our expenditures were five and a half million dollars higher in 2017-18 compared to the prior year. This was due to the expenses associated with preparation for our transportation department with Dallas County Schools going away. We anticipated that, and so if you look and see, our cash on hand decrease from a 103.43 days to 86.74 days. At the bottom of the slide, I've also presented to you the rankings, how those are broken out by TEA. So, last year we had a score of 10 points, and this year we had a score of 8, so that's what that was attributed to, the increase for the transportation.

Indicator number 7: Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? So, we did have enough assets to cover any short-term debts that would arise, and we received 10 points in this category, consistent with prior year.

Indicator number 8: Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? So, we did receive a full 10 points in this category. We are definitely solvent.

Indicator number 9: Did the school district's general fund revenues equal or exceed expenditures, excluding facilities acquisition and construction? If not, is the school district's number of days of cash on hand greater than or equal to 60 days? So, here, as I had shown you on the earlier slide, we did have increased expenditures that exceeded revenues because we did have to go into fund balance last year to roll out the transportation department. We utilize the cash on hand criteria for this particular question. So, we had the 86.74 days of cash on hand. The same as what was indicated in the slide, indicated under "C."

Indicator number 10: Was the debt-service coverage ratio sufficient to meet the required debt? Here's where we lost 6 points compared to prior year. Prior year, we had at least 1.6881 times to cover the debt, that decreased to 1.09, once again due to the cash outlay that was expended to bring the transportation system online, and so at the bottom, once again, I've given you the breakout of the category, so you can see

where we fell. That slight increase, in dipping into fund balance, it caused us to lose some points in this area.

Indicator number 11: Was the school district's administrative cost ratio equal to or less than the threshold ratio? We had 6 points in this area, and that's consistent with our prior year score, so we remained flat in that area.

Indicator number 12: Did the school district not have a 15% decline in the students-to-staff ratio over three years? We did not. We gained all 10 points, consistent with prior year.

Indicator number 13: Did the comparison of Public Education Information Management System data to live information in the school district's annual financial report result in a total variance of less than 3%? All this is saying is, did the data submitted by PEIMS match what we did in our financial report? There was a rounding difference of \$67, so we did get the full 10 points in that category.

Indicator number 14: Did the external independent audit indicate the AFR was free of any instances of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? We did have the one item last year concerning our CTE expenditures that didn't meet the required threshold, and that was consistent. This score, we did not receive any points in this particular area in prior year as well.

Indicator number 15: Did the school district not receive an adjusted repayment schedule for more than one fiscal year? We did not. We received the full 10 points. So, those are all of the 15 indicators.

The next slide just gives you a side-by-side comparison of our scores for this current 2019 year versus prior year. As and you can see, as we outlined going through, indicator number 6 was a 2-point decline, and then indicator number 10 where we saw the 6-point, and that equaled the 8-point difference in our score this year compared to the prior year. Here, I just wanted to highlight, as I mentioned on the beginning, they evaluate the criteria every three years, so these are some of the proposed future indicators that they're looking to implement, and so I just wanted to highlight, so that you are aware of those, and those would be implemented in the 2021 reporting year, so... I will take any questions at this time.

Mrs. Morris: Mrs. Clark, I've got some.

President Clark: Trustee Morris, you can ask your questions.

Mrs. Morris: Thank you. I have several questions. Who completed the audit?

Shonna Pumphrey: Our same auditors that we've had, Parkman,...

Mrs. Morris: Well, you know, I'm new to the board, so, if you could give me that information.

Shonna Pumphrey: Yes. Fleming, Fleming, Parkman, and I forget the last initial.

Mrs. Morris: So, do we get their audit report?

Shonna Pumphrey: They would do a peer review amongst their peers, but they're not audited. When you say their audit report, what exactly...?

Mrs. Morris: When they come in and they audit.

Shonna Pumphrey: You would get a copy of that report, yes.

Mrs. Morris: When will we get that?

Shonna Pumphrey: The audit will be signed off in January, so you would get that in January.

Mrs. Morris: In January. Is it completed?

Shonna Pumphrey: No ma'am. They will be onsite on December the 2nd.

Mrs. Morris: Till December 2nd?

Shonna Pumphrey: To complete final field work.

Mrs. Morris: Okay. All right. So, actually, according to them, to this point, we have met everything that's required, and we are on track, and we have no deficits, or is that a different report?

Shonna Pumphrey: The audit report won't be complete until January. This particular report is from the 2017-18 fiscal year, so this is from our audit report from last year.

Mrs. Morris: From last year.

Shonna Pumphrey: Yes, ma'am.

Mrs. Morris: Oh, from last year.

Shonna Pumphrey: Yes, ma'am.

Mrs. Morris: Okay. All right, I guess that's what I needed to get clear on, so because we're having a hearing...

Shonna Pumphrey: They reported in 2018-19 based on 2017-18 data.

Mrs. Morris: Okay. And so, you know, I wonder if that's kind of confusing to the public, if they wanted to come to the hearing, or to get a packet, because I wasn't on the board at that time, so to look at this, it was kind of, you know, me thinking that this was 19-20 report, so, all right, okay. But, I do have another question. I'm sorry, I got thrown off with that one. You had stated January 28th, the date submitted. So was it 28, or was it 23?

Shonna Pumphrey: January 28th is the date we uploaded the file to the Texas Education Agency.

Mrs. Morris: Okay. And, you see where I'm looking at, on page four where it says date submitted, January 23rd, 2019.

Shonna Pumphrey: Oh, okay. That's a typo.

Mrs. Morris: And, it said, was the annual financial report for 2018, so that meant 17-18?

Shonna Pumphrey: Yes, ma'am.

Mrs. Morris: Okay.

Shonna Pumphrey: The year ended August 31st, 2018.

Mrs. Morris: 2017-2018. Okay. I just wanted to be sure that I understood that, and so Flemings and Flemings is our audit report. What days of the week are they here?

Shonna Pumphrey: They're scheduled to arrive on Monday, December the 2nd.

Mrs. Morris: Monday, December 2nd? Okay, 2019. Okay, great. Thank you.

Shonna Pumphrey: Let me make a correction. That was not a typo. The 28th is the deadline.

Mrs. Morris: Okay.

Shonna Pumphrey: We submitted on the 23rd. Sorry about that.

Mrs. Morris: Oh, okay. Okay, so the deadline was the 28th.

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: And, it was correct for the date that it was submitted?

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: Okay, great.

President Clark: But, I think there is a typo.

Mrs. Morris: Yeah, because it says due date 2/28.

Shonna Pumphrey: Oh.

Mrs. Morris: I don't know. Are those dates right?

Shonna Pumphrey: It should be by January 28th.

President Clark: That 2 should be a 1.

Shonna Pumphrey: Yes.

Mrs. Morris: Okay. All right, thank you. And, I kind of highlighted. Now, when was the last time the district had a bond? Pass?

Shonna Pumphrey: 2015.

Mrs. Morris: 2015?

Shonna Pumphrey: And then, we did the last options in 2017 for the middle school. We exercised last options of the bond. I think it was November 2017.

Mrs. Morris: November 2017. And so, all of that had been depleted.

Shonna Pumphrey: The middle school is currently under construction with that money.

Mrs. Morris: Right, but after that is completed, there's not more of that bond. How much was that bond for?

Shonna Pumphrey: That one was 67 million, I believe.

Mrs. Morris: 67 million? Okay, thank you. All right. Now, and so, on page 10, indicator 6, you were stating that cash on hand had to be utilized. So, out of the general fund, did that affect anything else, that monies would have had to be used out of that line item?

Shonna Pumphrey: We utilized fund balance, so our expenditures exceeded our revenues, so we dipped into basically our savings to get the transportation up and running.

Mrs. Morris: Okay. Was there any money, did the district have to borrow any money?

Shonna Pumphrey: No ma'am.

Mrs. Morris: And so, it just went into our savings.

Shonna Pumphrey: Yes.

Mrs. Morris: So, how did that affect us when it went into the savings?

Shonna Pumphrey: That's what caused the minor decrease in our scores. If you look at the bottom, the different ratios-

Mrs. Morris: I can't. You see, it's the part is really, really little, and I didn't bring my magnifying glass.

Shonna Pumphrey: We had at least 103.43 days of cash on hand, so that just went down to 86.74, and so that caused us to get a slightly lower score.

Mrs. Morris: And so, you're looking at this sheet here?

Shonna Pumphrey: Page 10?

Mrs. Morris: Yes.

Shonna Pumphrey: Yes, indicator number 6.

Mrs. Morris: Right, number 6. Because, down at the ... I guess these are points where you were telling me to look at that graphic. That was on the points?

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: Okay. All right. Let's see. That may have been all of my questions. Under our PEIMS report, how much do we get per student?

Shonna Pumphrey: With HB 3, that amount is now \$6,100.

Mrs. Morris: \$6,100 per student. What about-

Shonna Pumphrey: That's average. Then, you get weighted depending on the category of the student, special ed, homeless, those type things.

Mrs. Morris: So, there is a different figure for those other areas?

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: What are they for SPED?

Shonna Pumphrey: I don't know off the top of my head. There's different weights that you would go back.

Mrs. Morris: Okay, but that's included, because it's included in the enrollment for 17-18 and for 15-16, so what you're telling me is included in those enrollments.

Shonna Pumphrey: So, you'll have the same one student, it's just, instead of getting \$6,100 they may get \$6,150, depending on the various categories that they meet.

Mrs. Morris: It's that little extra, because I was at a legal seminar, and they talked about how that money would be dispersed, and that districts may not get what they expected they were going to get, and so I wanted to kind of know, would that, or do you feel that would affect our district?

Shonna Pumphrey: I do not anticipate us being negatively impacted. It could only be an increase for us.

Mrs. Morris: It could only be an increase, and that is because of our...

Shonna Pumphrey: Population has been staying flat, our enrollment is actually on the increase.

Mrs. Morris: On the increase, all right. Thank you. Let's see. Okay, so on page 18, could you kind of explain that a little bit more, material noncompliance for grants, contracts, and law-related and local, state, federal funds.

Shonna Pumphrey: When we receive our state allotment, they have a certain percent you have to spend in designated categories, so in this particular category, we did not meet that threshold.

Mrs. Morris: Why? Is there a reason?

Shonna Pumphrey: I had just joined the district, but you know, now that I've been here, basically once you do your budget, as a school year goes on, you need to monitor your different categories of students. We had an increase in the CTE, but the budget didn't reflect that, so we didn't spend enough in that particular category.

Mrs. Morris: And so, this happened before you came on, and you said two years back?

Shonna Pumphrey: I came in May of 2018, and this was for the fiscal year ended August 31st, 2018, so at that point, school was out, for the most part, about to be out.

Mrs. Morris: All right. Thank you for that answer. Now, if we will go to page 20 and 21 quickly, under those covered ratios, and what we did to meet the debt service charges, that's on 21, and it was, I guess term 10 and 11, administrative cost ratio, then the threshold... I'm sorry, the threshold was the result of the 6/6 both year.

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: And, we should be looking at what? 10/10?

Shonna Pumphrey: That is the max score.

Mrs. Morris: That's the max score. So, we were under, and 18 we went down significant, from 10 to 4, and what about the zero? The external independent audit report.

Shonna Pumphrey: That's the one you were just asking about, the spending levels. I told you we didn't meet that threshold.

Mrs. Morris: Okay, so it just came out on this sheet?

President Clark: That's a separate sheet.

Mrs. Morris: I understand that.

Shonna Pumphrey: This is a side-by-side comparison.

Mrs. Morris: Right.

Shonna Pumphrey: Yes.

Mrs. Morris: And, I'm asking a question, because I want to be clear.

Shonna Pumphrey: Yes ma'am.

Mrs. Morris: I'm not trying to be-

Shonna Pumphrey: Yeah. No problem.

Mrs. Morris: Okay. I just want to be clear, so, it's not a problem, is it?

Shonna Pumphrey: No, ma'am.

Mrs. Morris: Okay. All right, then. Let me see, property value. Okay, all right, thank you so very much for your answers.

Shonna Pumphrey: You're welcome.

President Clark: This is a public hearing. If there's no more questions from the board, the public is invited to speak, if they have any questions or comments on this report.

Mr. Jones: Madam President, I do have a question.

President Clark: Oh, I'm sorry. I thought... Go ahead.

Mr. Jones: Hey, no worries. Do we have systems put in place to address the 4 rating? I know that was the one-time expense.

Shonna Pumphrey: Yes, we should not have that issue going forward.

Mr. Jones: Okay. Thank you.

Shonna Pumphrey: You're welcome.

President Clark: Any more questions from the board? Then we are open to the public. If there's anyone in the public who wishes to ask a question or come forward, you're welcome to do that at this time.

Dr. Granger: Madam President, I'd like to just thank the taxpayers again for passing our tax ratification election, TRE. Because of that, we are reaping the benefits of that, and it is looking like we're going to not only be able to replace the funds that we spent on transportation, but we may actually exceed that, so we are thankful to you, the taxpayer, for doing that. We were able to get the compressed rate from the state of Texas. We got the best rate doing the changes in House Bill 3, and so we are thankful and grateful to you as the public, as residents, and as voters for doing that for Lancaster ISD, for our kids. We're very appreciative, and I just wanted to put that out there. Also, going forward, even for this year, we have such a solid budget going forward that we are looking forward to even doing more things in the future for our teachers and staff. So, we're very, very proud of what's going on in Lancaster, and also just want to commend Ms Pumphrey. Just so happy to have Mrs. Pumphrey on board as CFO. She is a CPA, she comes with a lot of credentials, and she's been able to clean up some things that we needed cleaned up, and I really appreciate the professionalism that she brings to this organization.

3. **Citizens Communication on Agenda Item**

None presented.

4. **Close Public Hearing**

Close Public Hearing at 6:27 p.m.

5. **Public Meeting to Discuss District and Campus Improvement Plans**

Open Public Meeting at 6:27 p.m.

- A. The purpose of this meeting is to discuss the District and Campus Improvement Plans for Lancaster Independent School District

Presenter: Dr. Dameon Gray, Director of Student Services

Dameon Gray: Madam Board President, board of trustees, Superintendent, good evening. I would like to discuss our campus and district improvement plan process. The purpose of the plan is to increase student performance. Each year, leaders from the campus and district meet along with stakeholders to develop, review, and revise district and campus plans. Benchmark data, Istation data, STAAR scores are used to develop a working school improvement plan. Plans are uniquely designed for each campus.

All right, so, and this was our purpose of the plan. Set timelines, measure progress periodically, and encourage parental involvement. We review our plans each November, January, March, and [inaudible 00:28:33].

All right, our 2020 goal. Thanks to the hard work of our principals and teachers, we are lead district. Our 2020 goal is to move from 81 to 85%. Although we've had tremendous increases in student performance, we will continue to set measurable goals. We're looking to increase our career, college, and military readiness and increase our overall literacy in LISD.

Campus safety is a priority in our school district. This year we've added additional police officers to decrease response times to the campuses. SRP is the focus this year. For one entire week, our campuses were drilled in evacuation [inaudible 00:29:28] weather drills, and fire drills. Today we had an opportunity to conduct our [inaudible 00:29:34] drill.

Student discipline. I would like to say thank very much to our principals for all of the hard work in reducing the behaviors on the campuses, and for being fair and consistent in administering discipline. ISS placements have decreased from 24% to 17%, and the total number of students assigned to JJAEP has decreased.

President Clark: [inaudible 00:30:01] Board, do you have questions of Dr. Gray? This is a public hearing, and so there's no questions from board members, then we will open it to the public to ask questions or discuss the district and campus improvement plans. Do we have anyone from the public who wishes to speak to these plans? If not, we'll close the public hearing. Thank you, Dr. Gray.

6. Citizens Communication on Agenda Items

None presented.

7. Adjournment

Meeting adjourned at 6:30 p.m.

X

Ellen Clark
Board President

X

Rhonda Davis
Board Secretary

**Minutes of Regular Meeting
November 21, 2019 at 6:30 p.m.**

1. Call Meeting to Order

President Clark: Good evening. My name is Ellen Clark. As President of the Lancaster ISD board of trustees, I hereby call this meeting to order at **6:31 P.M.** I certified that this agenda has been posted in accordance with the Texas Open Meetings Act, Texas Government Code 551, 551.151, and 551.156. This meeting is being held at 422 South Centre Avenue, Lancaster, Texas 75146 in the boardroom auditorium.

The subjects to be discussed or considered upon, which any formal action may be taken, are listed below and may be taken in any order. The monthly regular board meetings are open to the public. Although this meeting is a public, comments or questions from the audience will be limited to the times designated for citizens to address the board. At this time, I ask you to please turn off, put away all cell phones. Cell phones are not to be used during the board meetings. No texting or phone calls are allowed during the board meeting. Laptop computers should only be used to conduct official business. I will now call roll.

President Clark: Trustee Jones.

Trustee Jones: Here.

President Clark: Trustee Morris.

Trustee Morris: Here. Mrs. Clark, I have a statement that I want to say. I was at a legal conference in this weekend-

President Clark: Right now we're calling roll.

Trustee Morris: Okay, but I really want to talk about this part of it, and so you'll come back to me?

President Clark: No, not right now.

Trustee Morris: But you will come back to me?

President Clark: Let me get the roll done and get into this session.

Trustee Morris: Okay. Thank you.

President Clark: Secretary Davis.

Secretary Davis: Here.

President Clark: Trustee Hamilton.

Trustee Hamilton: Present.

President Clark: Trustee Harris.

Trustee Harris: Here.

President Clark: Vice President Mays.

Vice President Mays: Here.

President Clark: And I am present, we have established a quorum. We will now recess into a closed session, as authorized by the Texas Open Meetings Act, Government Code 551, and those items are listed on our agenda. We will now go into closed session.

Trustee Morris: Mrs. Clark, are you going to allow me to make a statement?

President Clark: Not at this time. It's not on the agenda. We're sticking to the agenda.

Trustee Morris: Well, no.

President Clark: We will speak in the back room.

2. Recess to Closed Session

The Board went into closed session at **6:32 p.m.** for the purpose of consideration of matters for which closed or executive sessions are authorized by the Texas Open Meetings Act, Texas Government Code Chapter 551 (Tex. Gov't. Code §551.071, §551.072, and §551.074) for Board discussion of the following:

- A. Discussion of changing the Superintendent Granger's Evaluation timeline from December to October
- B. Discussion of changing the Superintendent Granger's Evaluation Instrument to strike out TAPR Report and add TEA Accountability Report
- C. Student Discipline/Expulsion Appeal

4. Reconvene in Open Session

Board reconvened into regular meeting at **6:53 p.m.** to Consider and take Possible Action on Items Discussed in Closed Session:

- A. Discussion and possible approval of changing the Superintendent Granger's Evaluation timeline from December to October.

President Clark: Discuss the possible approval of changing the Superintendent Granger's Evaluation timeline from December to October. Do we have a motion?

Vice President Mays: I make a motion of possible approval of changing the Superintendent Granger's evaluation timeline from December to October.

Trustee Harris: Second.

President Clark: Motion by Vice President Mays and a second by Trustee Harris. Is there any discussion?

Trustee Jones: President I do have a question or comment related to this item. I believe that ties into the next item as well, but I believe that our date should remain as December so that we can utilize the Texas Academic Performance Report to finalize the evaluation of the Superintendent Granger and that document doesn't come out until late October, early November. So, in order for us to utilize that document, we need to maintain the date of December rather than October.

Trustee Morris: If I may?

President Clark: Trustee Morris.

Trustee Morris: Okay, thank you. I support the statement by Trustee Jones because we need more comprehensive when we're doing evaluations, knowing that only one individual works for the board and that's a large, big responsibility. And so, we want to just ensure that we are good stewards and we're doing what we should look at because actually, the Superintendent Granger stated he has no problem with either way, and I support Trustee Jones.

President Clark: Any more discussion?

Trustee Harris: Madame President I have a comment. I think that it's important to allow the Superintendent Granger sufficient time to work on goals from October to the end of the year, which is why I support and second that motion.

President Clark: If there's no more comments or discussion, we will now vote.

Trustee Jones: President I do have another statement. The evaluation document not changing the timeframe for him to complete the work that's identifying goals that we set in August. This is just us evaluating, and based on the work that's been done the prior year and utilizing a document that pretty much affords us the ability to review every one of the goals. So goal one, accountability. Goal two, and also three and four, and the document that they're requesting for us to utilize only covers goal one. And this TAPR allows us to get information on each of those four, four out of the five objectives or goals that we have for the Superintendent Granger.

Trustee Hamilton: Ms. Clark I have comment. I agree with Trustee Jones and Trustee Morris. I feel that we should have all the data so that when we do the eval, we have everything. We don't have to say, well we wish we had this, or we need to wait, or we'll go back to it. We should have everything when we sit down to work on the evaluation and we have a hard time scheduling extra meetings to come in if you want to do a comparison or a workshop, so I think we should just wait to have the data so we won't have that issue with meeting.

President Clark: Any more comments? Question? The motion is to change the Superintendent Granger's evaluation from December to October is the motion. All in favor of the motion. Raise your right hand. Four votes at the post. Passes four to three.

Ellen Clark, LaRhonda Mays, Rhonda Davis, and LaShonjia Harris voted in favor of the motion. Marion Hamilton, Ty G. Jones, and Carolyn Morris voted against the motion.

Motion carried 4-3.

B. Discussion and possible approval of changing the Superintendent Granger's Evaluation Instrument to strike out Texas Academic Performance Report (TAPR) and adding TEA Accountability Report

President Clark: The next item is to discuss the possible approval of changing the Superintendent Granger's evaluation instrument, which is the TASB evaluation document, to strike out the TAPR report and add TEA Accountability Report. I have not commented, but I will comment now as the trustee. When we set the Superintendent Granger's goals, we roughly know from the TEA that comes out in August, we pretty well know everything that's there. And to tell the Superintendent Granger wait till December to tell him what he did wrong in the previous year, and how and what we need to improve, does not give him time, adequate time to do that. So I think that it is important that we do this. Do I have a motion on changing the Superintendent Granger's evaluation?

Trustee Hamilton: You didn't ask for additional comment.

President Clark: I will. Let me put the motion on the floor. I should've waited and I'm sorry. Do I have a motion on this item?

Vice President Mays: I move that we change the wording in the Superintendent Granger Evaluation Instrument to strike out, TAPR and replace with TEA Accountability Report.

President Clark: Do I have a second?

Trustee Harris: Second.

President Clark: Now motion is on the floor. Discussion?

Trustee Jones: Yes, Madame President. Just to reiterate my statement, as I mentioned earlier, the Texas Academic Performance Report provides us more detailed information in order to evaluate the Superintendent Granger based on the data that's been provided by the state. We have goal one, which is accountability, which is recorded there. Goal two, college and career readiness and STEM, which is also recorded within that document. Human resources concerns related to turnover. Qualifications of our staff is also within that document. As well as financial report, which gives us a link to our financial report on the last page of the document. I believe that particular report will definitely provide us with the opportunity to get a more

holistic evaluation of the Superintendent Granger. As you mentioned in your comment about in which we can improve on different situations, I believe we had at one time instituted a quarterly observation or quarterly updates, which provided us an opportunity to do that. So therefore it wouldn't be an entire year before he was made aware of any issues that we may have had. And we could also celebrate a lot of the successes that were accomplished throughout the year. So I believe in my statement again, is that we utilize the Texas Academic Performance Report in conjunction with the TEA Accountability Report, if necessary. I've looked at both reports, on them, they had a one percentage point differential as it relates to the one that's posted right now. One percentage isn't a lot. But again, the TAPR provides us with a more holistic approach and view to address four of the five goals that we have for Superintendent Granger.

President Clark: Any more comments?

Trustee Morris: I would like a written report from TASB's legal department in regards to the difference between side by side or difference between the two academic and TAPR. So I am requesting a written opinion from TASB's legal attorney and if the Superintendent Granger can get that for us.

President Clark: Any more comments? We will now vote on the motion, which is to strike out TAPR report and... How is it worded?

Vice President Mays: To strike out the TAPR report and go with the TEA Accountability Report.

President Clark: And go with the TEA Accountability Report. We will now vote. All in favor of striking out the TAPR report and adding the TEA to the evaluation raise your right hand. Opposed? Passes 4 to 3.

Ellen Clark, LaRhonda Mays, Rhonda Davis, and LaShonjia Harris voted in favor of the motion. Marion Hamilton, Ty G. Jones, and Carolyn Morris voted against the motion.

Motion carried 4-3.

C. Discussion and possible action regarding Student Appeal

President Clark: The next item is to discuss possible action regarding the student appeal. Do I have a motion?

Secretary Davis: I move that the board take no action on the appeal.

President Clark: I have a motion. Do I have a second?

Vice President Mays: Second.

President Clark: I have a motion by Secretary Davidson and a second by Vice President Mays. Was that you? If there's no discussion... All in...

Trustee Morris: There are some discussion. I would like to request a copy of the response that went to the whoever requested this hearing. I would like a copy, or to be able to review a copy of that document showing that the district sent it out.

President Clark: Any other comments?

Trustee Morris: And determinacy.

Trustee Hamilton: I have a comment. Will the families be notified that due to their failure to appear here tonight is the reason that the board took no action on their request?

Superintendent Granger: Yes, they will be notified.

Trustee Hamilton: Thank you.

President Clark: Are we ready for the vote? All in favor of no action on the student appeal, please raise your right hand. Opposed?

Trustee Morris: I abstain.

President Clark: Passes 6-0.

Motion carried 6-0-1.

5. **Opening Ceremonies**

A. Invocation - Pastor John Richardson, Sr. - Zion Chapel Primitive Baptist Church

Superintendent Granger: I would like to bring up Pastor John Richardson, Sr. He's the pastor of Zion Chapel Primitive Baptist Church, to say our invocation.

Trustee Morris: While he's coming up, so Mrs. Clark, you are not going to allow me to make a statement on a comment you made at opening of this meeting?

President Clark: It's not on the agenda.

Trustee Morris: Well, you stated it.

President Clark: I asked you in the back room and you didn't want to do that.

Trustee Morris: No, I asked you...

President Clark: It's not on the agenda. We are following the agenda right now. Thank you. Pastor Richardson.

Superintendent Granger: Pastor Richardson.

Invocation by Pastor Richardson.

Trustee Morris: Mrs. Clark I am going to report you for not allowing me to speak.

President Clark: I took the same meeting that you did and I was told that board members could not speak on any item...

Trustee Morris: You were able to speak...

Vice President Mays: Can we go to the ceremony please?

B. Pledge of Allegiance - West Main Elementary

6. Recognitions & Introductions

A. Recognition of Students, Staff, Community Members, Donations, and Gifts

Presenter: Sheresse Lightfoot, Chief Communications Officer

- Eddie Bernice Johnson Congressional Fiscal Responsibility App Challenge
- Lancaster ISD Football Bi-District Champions
- Athletes Committed to Universities
- Region XX Honor Choir
- Veteran's Day Appreciation
- Nomination of IATDP President – Dona Mitchell
- Teacher CTE Certifications
- Brag About your School – GWC
- TASBO Certifications – Linda Brown and Peggy Calhoun
- Thanksgiving Food Drive
- Texas Commission of Law Enforcement Intermediate Proficiency Certificates

B. Recognition of Donations

Presenter: Kenneth Govan, President of the Lancaster Education Foundation

Mr. Govan: Evening, madam president, rest of the board, Superintendent Granger. My name is Kenneth Govan. I have the distinct pleasure of being the president of the Lancaster Education Foundation. Very proud, very honored for the opportunity. For those of you who just don't know, read my prepared information in regards to it.

Trustee Morris: I can't hardly hear you. I'm so sorry.

Mr. Govan: Oh, I'm sorry. Is that better?

Trustee Morris: A little bit, speak louder. Thank you.

Mr. Govan: The Lancaster Education Foundation was formed in 2004 to support Lancaster ISD as a 501-C3 nonprofit foundation. One of the opportunities we use to receive designated donations for specific departments. Joeris Construction Company had provided a \$3,000 grant this past summer to go to the partners that have construction projects. The grant is being divided into two departments, \$2,000 will go to the fine arts who would build our sets for productions and sell at different events. And \$1,000 will go to the CTE department for teaching welding. We have a representative here from Joeris, Mr. Scott Lee, and we have two representatives from the high school departments in regards to welding and the CTE program.

Mrs. Webb: Superintendent Granger and President Clark I just want to say just ahead of starting with us in August, he already has 40 children with welding certifications.

Mr. Govan: The Education Foundation has also voted to provide \$1,000 to the Community Services department to help provide food, coats, supplies and other needs for the students and their families. In September the JR ROTC along the staff and volunteers took over the flag program. With the Flag Subscription money is paid to the Education Foundation. Tonight the Lancaster Education Foundation is paying to the JROTC, two checks, one for the flags on labor day, leaving them up for 911 and two checks for flags delivered on Veterans Day. Currently, 212 flags have been delivered. Flags have been erected for President's Day, Memorial Day, Flag Day, and July 4th. As you can see, these flags fly in remembrance of the project that teaches students patriotism, responsibility, teamwork, and supporting their community involvement.

Lastly, last year the foundation provided \$11,600 classroom grants and \$19,365 in school supplies, as well as \$20,000 in designated donations. Lancaster Education Foundation also used \$7,000 of funds from the Centre Street Alumni to wrap one of the athletic buses. In the next 10 days, applications will be delivered for the spring grant program with grants even more given in January 15th of 2020, thank you very much do you have any questions?

Trustee Morris: I do. May I ask my question? Could you tell us where some of your donation come from? Do any of them come from Staff members?

Mr. Govan: Yes. Teachers actually are offered the opportunity to give payroll deductions, give one-time grants, and one-time donations. Donations any way they want to. Or community departments from Lancaster ISD.

Trustee Morris: Oh so they do payroll deduction. Okay. Thank you so very much. I appreciate it.

Mr. Govan: Thank you very much.

C. Recognition of Lancaster Interdenominational Ministerial Alliance

Presenter: Superintendent Granger:

Superintendent Granger: Next madam president and board members we have recognition of the Lancaster Interdenominational Ministerial Alliance (LIMA). I would like to recognize the president of LIMA at this time, Pastor Richardson. I would also like to recognize that we had other pastors here, pastors that are part of LIMA and so we're very happy to have you here at this time. Turning over to pastor Richardson.

Pastor Richardson: Madam President, distinguished board. I'm going to read a letter of support on behalf of LIMA for the Superintendent Granger at this time.

Thursday, November the 21st 2019 on behalf of the Lancaster Interdenominational Ministerial Alliance, which is named, we would like to express our support for Dr. Granger for his work in the district throughout the school system and as we work together towards the goals of educating our youth and readying them for the world. It

is our endeavor to create a strong school system that will provide for them the most current technological advancement and hands-on an opportunity to enhance and enrich their thinking and potential. The leaders and supporters of LIMA and Dr. Granger, believe that it takes a village to raise a child and that it takes compassionate educators to raise a child's learning experience that prepares them to compete on a worldwide level. We as LIMA, believe in the exceptional and excellent leadership abilities of the Lancaster School System Superintendent, Dr. Granger. We do hereby pledge our continued support to Dr. Granger, to the school board members, and to the entire community of the city of Lancaster. Signed President John Richardson and the officers. I would like to recognize our Vice President Bishop, Urban Brown, our second Vice President is Dr. Donniel Williams. And at this time, if either of you pastors would have an expression I would like you, because your signing on this would be. I give you praise.

Pastor Brown: Thank you. It is our endeavor to continue to support the school system with our prayers. That we will undergo achievement with the Lancaster school system will become the best! That we will set standards that have never been accomplished before. The potential is phenomenal. And were here to honor you all to commend you on the great work you're doing but to make sure we do our part as spiritual gate keepers in this city. May god bless you.

Pastor Richardson: Thank you again, madam president, and board members of this trustee board.

7. Superintendent Granger's Report

Dr. Granger was selected by College Board to be part of the Chinese Brigade Delegation. Dr. Granger was given the opportunity to travel to Beijing, China with a group of select educators from the United States. A presentation highlighting this event was shared with the audience.

8. Citizens Communication on Agenda Items

None presented.

9. Adoption of Consent Agenda

- A. Consider approval of the following Minutes - BE(LOCAL):
 - 1. September 19, 2019 - Regular Board Meeting
 - 2. October 17, 2019 - Called Meeting
- B. Consider approval of the Region 10 Cooperative Services - CH(LEGAL and LOCAL)-(G1, G2)
- C. Consider approval of the October 2019 Financial Report - CAA(LOCAL)-(G2)
- D. Consider approval of the Affiliation Agreement between Grand Canyon and Lancaster ISD for Field Experience Program (Health Science CTE Student Teachers)-(G1)
- E. Consider approval of Resolution to apply for the National Incident-Based Reporting System (NIBRS) Grant - (G3)
- F. Consider approval of authorizing Dallas County to Sell Tax Foreclosed Property (ISD) - CH(LEGAL and LOCAL)-(G2)

President Clark: This is to consider the approval of: A, the minutes of September the 19th, 2019 board meeting and minutes to the October 17th, 2019 called meeting. B to consider the approval of the Region 10 cooperative service. C to considering the approval of the October, 2019 financial report. D to considering the approval of the Affiliation Agreement between Grand Canyon and Lancaster ISD for Field Experience Program (Health Science CTE Student Teachers), E consider the approval of resolution to apply for the National Incident-Based Reporting System (NIBRS) Grant, F to consider the approval of authorizing Dallas County to sell Tax Foreclosed property. These are all a consent agenda, does any board member wish to pull any of these items?

Trustee Morris: I would like to pull consent agenda C, consider approval for 2019 financial report. And... that's it.

President Clark: Does anyone else need to pull any of these items? Can I get a motion to approve A, B, D, E and F please?

Trustee Jones: I move that we approve the consent agenda excluding item C.

President Clark: Do I have a second?

Trustee Hamilton: Second.

President Clark: I have a motion to approve all these consent items except item C. First by Trustee Jones and second by Trustee Hamilton. All in favor of approving those items raise your right hand. Motion passes seven zero.

Motion carried 7-0.

President Clark: Trustee Morris, what would you like to consider on the October financial report?

Trustee Morris: Oh well I have a question. So if maybe Mrs. Humphrey or Dr. Granger can look at that report, I have a question. I want to know under General Fund expenditures, where would our legal expenses be?

Mrs. Humphrey: Function 41.

Trustee Morris: 41 and it just generalized as general information. Is there any way that I can get a breakdown to that? And is this correct, I'm trying to see. Is that 4 million145 yes for and legal expenses for up until this point?

Mrs. Humphrey: General administration has salaries for admin, supplies, everything.

Trustee Morris: Oh, legal is included in that?

Mrs. Humphrey: Yes, ma'am.

Trustee Morris: So, okay. All right. If I could get a breakdown on the legal expenses... And that was the only question I have. If it could be noted, please.

President Clark: Can I have a motion to approve item C?

Trustee Jones: We approve the October 2019 financial report.

President Clark: I have a motion by trustee Jones, do I have a second?

Mrs. Mays: Second.

President Clark: Second by Vice President Mays. If there's no more discussion, we will vote. All in favor of the approval of the October 19 financial report please raise your right hand. Seven-zero passes.

Motion carried 7-0.

10. **Action Items**

- A. Discussion and possible approval of Budget Amendments to the 2019-2020 Budget - CE(LEGAL and LOCAL)-(G2)

Presenter: Shonna Pumphrey, CFO

Mrs. Pumphrey: Good evening Madam president, Superintendent Granger, and distinguished trustees. Tonight I bring forth three budget amendments, two for teaching and learning and one for West Main Elementary. These are cross functional amendments to align the original budget with the way they need to use these funds. The net impact to the district is zero and I outlined here where those funds are moving from function 11 and being disbursed to function 13 and function 23, and then we're adjusting function 31 and moving those funds to function 21. I'll take any questions at this time.

Trustee Morris: You said 31 to 21?

Mrs. Pumphrey: Function 31 is decreasing \$15,000 and that money is being reallocated to function 21.

Trustee Morris: Which one of the line items do that would show monies coming in for donations from nonprofits?

Mrs. Pumphrey: Donations are handled outside of the general fund.

Trustee Morris: So where do that money go? Do it? It don't even touch the district.

Shonna Pumphrey: It goes into a special revenue fund.

Trustee Morris: For the district?

Mrs. Pumphrey: Yes, ma'am.

Trustee Morris: Okay. And then, so because I saw individual checks being given out. So, do those individuals take those checks and deposit those checks or they come to you and you deposit them?

Mrs. Pumphrey: It's in a safe right now and we'll deposit it tomorrow.

Trustee Morris: In the district?

Mrs. Pumphrey: Yes, ma'am.

Trustee Morris: Okay. And what line item is that?

Mrs. Pumphrey: We will usually set up a separate fund depending on what the donation is and the various departments that it's going to. So those funds would go into a special 4-X-X. The series would begin with a four and it would be given to whatever department the funds are going to and they then set up and spend it however way they wish. So tonight welding, fine arts, they would get those funds.

Trustee Morris: And so after the district deposit them and the district or a district account, special account, it's going to be a special account?

Mrs. Pumphrey: A special revenue account, yes.

Trustee Morris: A special revenue account. It's got to be in the district bank account or is there a separate bank accounts?

Mrs. Pumphrey: We have a special account for student activity funds and where the donations should be.

Trustee Morris: Okay. All right. How, what is the amount that's there now? Or is there one there?

Mrs. Pumphrey: I do not know that off the top of my head I would have to get those reports for you.

Trustee Morris: Okay all right, that would be fine. And so, do that show up on that audit report?

Mrs. Pumphrey: Yes, ma'am.

Trustee Morris: Okay, and so that would be something that I can ask Fleming & Fleming?

Mrs. Pumphrey: Yes, and you can also see it listed in your financial report once you get the final document. And, the schedules will have all the funds listed out.

Trustee Morris: Oh okay. All right, yeah. And what is the name of the bank that we bank with?

Mrs. Pumphrey: Bank of America.

Trustee Morris: Bank of America. Okay. All right, great thank you.

President Clark: Is there any other questions or discussions about this item?

Trustee Jones: I do have another question I would really like to ask if specifically, with our financial report. We didn't have a meeting in October, when will we get the report for September?

President Clark: We can see that that gets done and forward to the board members.

Trustee Jones: Well it has to be an action item for us to vote on. We didn't vote on it in October.

President Clark: We didn't get that we'll put that on the December one.

Trustee Jones: All right. We need August as well.

Mrs. Pumphrey: August financials are what is being audited those will not be available until January.

Trustee Morris: Oh they're being audited?

Mrs. Pumphrey: Yes.

Trustee Jones: Thank you.

President Clark: Do I have a motion to approve the budget amendments.

Vice President Mays: I make a motion to approve the budget amendment to the 2019-2020 budget.

President Clark: I have a motion to approve. Do I have a second?

Secretary Davis: Second.

President Clark: I have a second by Secretary Davis. If there's no more discussion, we-

Trustee Morris: I have one. Is that okay? Actually it's a statement and I'm not going to vote on the budget, but I want to explain why. It's because I would like to see actuals. And Mrs. Humphrey was very good and explaining where they going to come from, but until I can actually see those dollars deposit and disbursed of the monies coming in to the district. I just wanted to give my explanation. In case anybody had any concerns.

President Clark: Are we all ready to vote. All in favor of approving the budget amendment. Please raise your right hand. Opposed. Six-one budget amendment passes.

Motion carried 6-1. Carolyn Morris was the dissenting vote.

B. Discussion and possible approval of changes to Board Policy BBG(LOCAL) - (G4)

Presenter: Pamela Brown, Deputy Superintendent

Ms. Brown: Good evening madam president, board of trustees, Dr. Granger. I'm here to present proposed changes to BBD, excuse me, BBG local. The changes proposed the BBG local are to align with the new board operating guidelines and so here we have just simply spelled out the words general service administration guidelines instead of the acronym GSA. And here, there are changes made as far as reimbursements and for the mile end so transportation will not be reimbursed if it's within the 30-mile radius, and lodging for hotels will not be reimbursed within the 50-mile radius. Are there any questions?

President Clark: Board do you have questions? If there are no questions, do I have a motion to approve the changes to board policy BBG Local?

Trustee Jones: I move that we approve the changes made to BBG local.

President Clark: Do I have a second?

Trustee Hamilton: Second.

President Clark: Who was the second?

Trustee Hamilton: Me.

President Clark: If there's no more discussion, we have a vote for the possible approval of changes to board policy. All in favor raise your right hand. Motion passes seven zero.

Motion carried 7-0.

C. Discussion and possible adoption of the Emergency Operations Plan for Lancaster ISD - (G4)

Presenter: Clifford Wherley

Chief Wherley: Texas education code 37108 requires each school district to adopt and implement a multi-hazard emergency operations plan for the use at all district facilities. A review and update of the district's emergency operation plan was completed this past summer. The updates made to the plan were put in line with the Texas School Safety Center Best Practices. The Texas School Safety Center is currently in the process of updating best practices for emergency operations plans that will include the required changes with the passing of Senate Bill 11 and House Bill 2195 this past legislative session. The Texas School Safety Center has stated that they plan on having these updates completed and out to all of the school districts on January 1, 2020. I'll be more than happy to answer any questions.

President Clark: Are there any questions?

Superintendent Granger: I'll just add one more thing to that, Madam President. I just want to thank Chief Wherley for putting together the committee and working on this operation plan, our emergency operation plan. I do want to just caution the board. These plans are confidential. It is a confidential document. This document is not subject to open records. It is confidential because it has to do with the safety of our students, and so, if you have any, any direct questions in particular about this document, I encourage you to talk with me about it, ask me about that, and I'll get any answers to you. But also, we had an opportunity to do a reunification drill. We are going to put together a video for the board. I will show that video to the board in closed session because it is confidential because of the safety of our kids is our top priority. So I just wanted to put that out there before just to caution the board because it's not that we don't want to answer your questions. There are some things that, if it's a particular question that may reveal something, we won't be able to answer it in public, but we'd be happy to answer that in closed session and make sure the board is well-informed about the safety practices in the district.

President Clark: Thank you. Do I have a motion to adopt the emergency operation plan?

Trustee Hamilton: I make a motion to adopt the emergency operation plan for Lancaster ISD.

President Clark: And second?

Trustee Morris: Second.

President Clark: I have a first by Trustee Hamilton, and second by Trustee Morris. We're ready to vote it. All in favor, raise your right hand. Opposed? Seven-zero.

Motion carried 7-0.

D. Discussion and possible approval of the 2019-20 District and Campus Improvement Plans - BQ(LEGAL and LOCAL)-(G4)

Superintendent Granger: Madam president and board members. Dr. Gray presented this information to the board during our hearing. I think the board is ready to vote. Do we have any questions? We'll be happy to answer any of those questions.

President Clark: Do I have a motion to approve the 2019-20 district campus improvement plan?

Vice President Mays: I make a motion to improve the 2019-20 district and campus improvement plan.

President Clark: Do I have a second?

Trustee Harris: Second.

President Clark: A motion by Vice President Mays, and a second by Trustee Harris. All in favor...

Trustee Jones: Actually, Madam President, I do have a couple of comments related to the district improvement plan. I had a chance to review district and campus improvement plans. I just want to applaud the principals and your teams for dedication to your work to those campus improvement plans. That was 48 pages of a lot of work, I'm quite sure. So definitely thank you guys for doing that. On the district improvement plan, I want afford you guys the same compliments. I did find a few items of, I probably just have some observations. And one was on page 29, when we're dealing with goal three, I believe it is. The goal appears to be more aligned with goal to expensify human resources, but it's under goal three, so I'd just like for us to take a look at that. I know it doesn't really change a lot, but just to have that alignment there. Also with things I notice is that a lot of the strategies, expected results, and impact were listed more so of the entries just identifying evidence of that was being done, but not actually giving us what the expected result of impact was going to be as related to those specific items. So definitely I can ask you review that piece as well. And goal two performance objectives do not appear to align with the strategy listed. So if you guys can just take a look at those. And I believe last year you did have access to those on an ongoing basis and November, February was another time period. So if you would definitely take a look at those. And I believe another item in there was listed as AVID. I think we made a decision in July or August to remove that, so that should not be in our district improvement plan, if I'm not mistaken, we stopped. I can't remember what the new program is called, but that part should be referenced in there as well. But other than that, I mean just a few minor pieces of that. Again, I applaud each one of you for your dedication and work to those plans, and I look forward to us achieving each one of the goals that you guys have set forward.

President Clark: I want to thank you all for giving us a summary of the previous year because we never had that. So having a few lines tell us what you did good and did bad the previous year helps us know where you set your goals for next year. Thank you. I have a motion on the floor of Vice President Mays with a second by Harris. All in favor, please raise your right hand. Motion passes. Seven-zero.

Motion carried 7-0.

- E. Discussion and possible approval of accepting the donation of \$5,000 from the Texas Instruments through the Education Foundation to Belt Line Elementary School - CDC(LEGAL and LOCAL)-(G1,G4)

Presenter: Dr. Elijah Granger

Superintendent Granger: At this time, we are asking the board to accept a donation from Texas Instruments for Beltline Elementary.

President Clark: Do we have a motion to approve this?

Trustee Jones: I'm moving to approve accepting the donation of \$5,000 from Texas Instruments through The Education Foundation to Beltline Elementary school.

President Clark: Do I have a second?

Secretary Davis: I second.

President Clark: Motion by Trustee Jones. A second by Secretary Davis. All in favor, raise your right hand.

Trustee Morris: I have a question. Is that, would that also be deposited into that special account and then dispersed?

Mrs. Pumphrey: It will go into 461, and Ms. Hawthorne will make sure that she gets those funds.

President Clark: If there are no more comments or questions. Please raise your right hand to vote. Yes? Opposed? Seven-zero. Pass.

Motion carried 7-0.

- F. Discussion and possible approval of a designated gift of \$8,970.77 from the Education Foundation to be given as innovative grants for classroom teachers - CDC(LEGAL and LOCAL)-(G1)

Superintendent Granger: Madam president and board members were asking the board to approve the designated gift of \$8,970.77 from The Education Foundation to be given as innovative grants for classroom teachers.

President Clark: Do I have a motion to approve this?

Trustee Jones: I move to approve the designated gift of \$8,970.77 from The Education Foundation to be given as innovative grants for classroom teachers.

President Clark: A second?

Trustee Hamilton: Second.

President Clark: Motion by Trustee Jones. Second by Trustee Hamilton.

Trustee Morris: I have a question. That's going into the special funds and disperse that?

Mrs. Pumphrey: Yes, by campus, and then those teachers will submit purchase orders to expend the funds.

Trustee Morris: They'll submit PO's?

Mrs. Pumphrey: Yes. Or a check request.

Trustee Morris: Okay. All right. And my next question is to Ms. Clark. Ms. Clark, are you the board president or the treasurer for the foundation?

President Clark: I am the treasurer.

Trustee Morris: You're the treasurer? And are you voting on this issue?

President Clark: Yes, I have no money.

Trustee Morris: Okay. And you don't feel that's a conflict of interest?

President Clark: No, I do not.

Trustee Morris: Okay. All right. That's it.

Trustee Jones: Madam President, I have one question. Are these grants based on submissions this year?

President Clark: This is on the agenda because it was an amount of money, and just like the one before, over \$5,000, which we have to approve. And all these years, the foundation's been giving the grants, but nobody has ever come and gotten approved. And so now with our new CFO, we're trying to follow all the rules. These grants were given in October, and we're now going back. \$5,000 was given to the STEM teacher of the year last May. And we're just going back and doing what our new person has told us we need to do to comply with the law.

Trustee Jones: Yes. That wasn't my question. I just wanted to identify was this going to be something that we're going to have them getting the grants later after today, but thank you for the additional information.

President Clark: We do Spring grants.

Trustee Jones: Okay. So we will have some more?

President Clark: And we're going to do it right this time and probably get it approved before the check is given.

Trustee Jones: All right. Thank you.

President Clark: I have a motion by Trustee Jones. Second by Hamilton. So it's time to vote. All in favor of taking \$8,970, raise your right hand.

Trustee Hamilton: I have a question before we vote. Since you just made a statement saying that basically we're back voting, we're retro voting. So shouldn't that be in the motion? Because this money is not coming forward? It's already been paid out.

Superintendent Granger: We're just going to take it out. We will ratify.

Trustee Hamilton: Ratification.

President Clark: All in favor, raise your right hand.

Trustee Morris: Can you split this vote up?

President Clark: It's not the way it's on agenda.

President Clark: Opposed?

Trustee Morris: I abstain.

President Clark: We have four for, one abstention...

Trustee Jones: Actually, would you mind to go ahead and vote again? I was a little confused.

Superintendent Granger: So let's amend the motion. If we can amend the motion to say that if the board moved to approve the designated gift, and ratify the amount of \$8,970.77 from The Education Foundation.

President Clark: Trustee Jones, is that okay to put that motion change to be ratified?

Trustee Jones: Yes, that shouldn't be a problem.

Superintendent Granger: So let's have the motion of ending motion.

Trustee Morris: Right. Can you, Dr. Granger, put the dates on the ratification? Because you said something about 2018? Or 2017?

Superintendent Granger: We'll be ratifying it tonight. Tonight would be date.

Trustee Morris: So money that had been received and spent will be as if it's tonight?

Superintendent Granger: We are ratifying it for tonight.

Trustee Morris: I understand that, but I was just asking could you put the date that the money actually came in?

Trustee Hamilton: One's in May, one's in October? Is that correct? And the other one was May? I think that's important that we do mention that in this motion. Because I didn't know that you hadn't made the statement based on what you thought Ty was going to ask, you wouldn't have known that information.

President Clark: Well it's the way it's been done for years, so we're just cleaning up for what the CFO can go to.

Trustee Hamilton: For transparency purposes for us voting board members, as well as for the public, that information should have been put out there.

Trustee Jones: There's a point of clarification. I think, that the Spring amount that she's referencing, we'll get that next Spring. This amount is just for October of 2019. Am I correct?

President Clark: We'll have it in January for the spring grants.

Trustee Jones: Right, but this amount is just for October.

President Clark: Fall grants.

Trustee Jones: All right. I move that we approve the designated gift of \$8,970.77 to ratify the donation from The Education Foundation given as innovative grants for classroom teachers in October of 2019.

President Clark: Here amended the motion.

Trustee Hamilton: I second the amended motion.

President Clark: You second his amended motion?

Trustee Hamilton: Correct.

President Clark: Okay. Hereby voting on the amended motion. All in favor, raise your right hand. Motion passes, seven-zero. I don't think we have to go back for that.

Motion carried 7-0.

G. Discussion and possible approval of Roof Replacement for Rolling Hills Elementary - CH(LEGAL and LOCAL)-(G2)

Dr. John Price, Chief Operations Officer

Dr. Price: Good evening, Madam President Clark, distinguished members of the board, Superintendent Granger. I bring to you a recommendation for replacing the roof at Rolling Hills Elementary. Rolling Hills Elementary was constructed in 1989. So it was constructed in 1989, which makes it a 30-year old facility. The roof is a composition roof that is at the end of its life. It's beyond repair and it's not under warranty. There are extensive leaks in the building, which causes disruption to the efficient neutralization of the space. The roof was inspected by three roofing contractors who all agreed that the roof was beyond repair and needs replacement. At my request, I had a facility assessment done by the Texas Association of School Boards because I wanted a completely objective source for evaluating the condition of the roof. I also wanted a complete assessment of the entire building. So the facility assessment did conclude that the roof is indeed beyond repair and needs immediate replacement. I

was also told in that a study that delay in replacing the roof will most likely result in additional problems and higher costs to the district. The best value replacement costs for the roof is approximately \$207,000. It would kind of get a 20-year manufacturer's warranty and a two-year installation warranty. It is estimated that a new roof, along with preventive maintenance on the building, could possibly extend the life of the building an additional 30 years. If approved, the new roof would be installed during the winter break, December 23, 2019 through January 5, 2020 while the students are not in the building. That's supporting documentation was submitted. The budget source for this would be the 2019-20 budget general fund, 199 capital expenditures. The district respectfully requests board approval to execute a contract with Franklin LLC to replace the roof at Rolling Hills Engineering Academy at a cost not to exceed \$270,000. At this time, I'd be happy to respond to any questions.
President Clark: Does anyone have questions for Dr. Price?

Trustee Morris: I do. How are you, sir?

Dr. Price: I'm fine.

Trustee Morris: Great. Did it go up for bid? How many returned?

Dr. Price: We had three bids return.

Trustee Morris: Three return?

Dr. Price: Yes.

Trustee Morris: Was there, what is their rating? Their insurance rating? Franklin?

Dr. Price: I'm not sure. I'd have to get you that information.

Trustee Morris: Okay.

Dr. Price: But Franklin is a member of the OMNIA cooperative, which means that they have already been vetted by that cooperative for its ratings, for bidding, for its quality as a roofer and that kind of thing.

Trustee Morris: Right. And the reason why I asked that because probably back in the late maybe 1988 or 2002, there was a roof issue over at Jenny Craig, which I think is gone, but...

President Clark: Trustee Morris ask about the current, we don't need to go back in the past.

Trustee Morris: Okay.

President Clark: Thank you.

Trustee Morris: Okay. If you don't mind, I would like to.

President Clark: I do mind. It's not appropriate.

Trustee Morris: You don't know what my question is.

President Clark: You're asking about something in the past.

Trustee Morris: No. I was making a statement to get to my question.

President Clark: Okay, ask your question.

Trustee Morris: Can you please do not interrupt? Please, please, please, please.

President Clark: Ask your question.

Trustee Morris: The reason why I asked that was because there was a rating. I mean they had an A rating, but there was issues, so we wouldn't run into that problem now. You don't think so?

Dr. Price: Well as I previously stated--

Trustee Morris: But you understand what I mean?

Dr. Price: I do understand completely. I understand completely what you're saying and, my response is that this company is a member of the OMNIA cooperative and as a member of that cooperative, they have to do certain things to retain that membership. It's kind of like getting a certified Lexus or a certified whatever. You go through a vetting process to make sure that you meet all the standards that are necessary. Additionally, as a member of the cooperative, on the guarantee is guaranteeing us that we have competitive pricing of best value pricing, and this is the lowest bid that I'm presenting to the board.

Trustee Morris: Okay. All right. I appreciate your answer.

Dr. Price: My pleasure.

Trustee Morris: Thank you, sir.

Dr. Price: You're welcome.

President Clark: Do I have a motion to approve the roof replacement?

Trustee Hamilton: I have a question.

President Clark: Oh, I'm sorry.

Trustee Hamilton: My question is, just excuse me. I know the district may not work as your home policy, but did we reach out to our insurance company to ensure that they would not pay to cover the roof first?

Dr. Price: The roof is beyond the warranty, so the insurance company wouldn't cover that.

Trustee Hamilton: No. Like our homeowner's policy? Like our district building policies?

Dr. Price: Yes.

Superintendent Granger: Last year, Mr. James Thomas, when he was the acting chief, he brought the insurance company out. They did an assessment.

Trustee Hamilton: That's all I wanted to know. I figured you did, but just for clarity I thought I would ask. Thank you.

Dr. Price: I understand your question, but that did happen. Thank you. Thank you, Dr. Granger.

President Clark: More comments or questions so we can get a motion? I have a motion for a roof replacement on Rolling Hills.

Trustee Hamilton: I make a motion that we approve the roof replacement for Rolling Hills Elementary.

Trustee Morris: Second.

President Clark: I have a first by Trustee Hamilton. Second by Trustee Morris. All in favor, raise your right hand. Are you, is it up?

Trustee Jones: It was up. I thought we would have discussion after the motion, but that's fine.

President Clark: Oh, I thought we had had all of our discussion.

Trustee Jones: Thought we'd asked the questions and the vote, but the vote is fine.

President Clark: Pass. Seven-zero.

Motion carried 7-0.

H. Discussion and possible approval of Furniture Purchase for Lancaster Middle School - CH(LEGAL and LOCAL)-(G2)

Dr. John Price, Chief Operations Officer

Dr. Price: Good evening again, Madam President Clark, distinguished members of the board, Superintendent Granger. I bring to you the recommendation for new furniture for Elsie Robinson Lancaster STEM Middle School. Request for proposals were solicited

per code and School Specialty. These are also members of the OMNIA cooperative that I mentioned earlier. And through an extensive proposal review process, School Specialty was chosen as the furniture vendor for the new middle school based on quality, availability, and the best value to the district. During October of 2019, furniture charrettes were held at various stakeholder groups in the district. In item number two I have listed the various stakeholder representatives that were involved in the furniture selection process. I have provided you with supporting documentation with a price quote from School Specialty Incorporated. The source of funds would be the bond fund account 618 furniture. I would like to emphasize that this is an approval for execution of the contract to purchase, but I would iterate that the furniture color choices have not yet been made. We are currently working with the Superintendent to create a process to solicit feedback from the various stakeholder groups on color choices. Stakeholder groups would certainly include board of trustees, members of Superintendent's cabinet, of course, faculty and staff of Lancaster Middle School. And of course we would solicit the community input as well. Based on that feedback, we will provide a summary of stakeholder feedback and color choices to the Superintendent. And we would also provide a recommendation reflecting those choices. But of course the final decision rests with the Superintendent and members of the board. I'm asking for board approval to execute a contract for the new furniture acquisition for Lancaster Middle School at a cost, not to exceed \$1.7 million. I'd be happy to respond to any questions at this time.

Trustee Morris: I have a question.

Dr. Price: Yes, ma'am.

Trustee Morris: When I was browsing here, the list, the inventory list. And 1.7 million. You rounded off, so that was, yeah.

Dr. Price: I did. I did that.

Trustee Morris: But, I didn't, do this include classroom, you know for desks for students? Cause I couldn't figure out which one. And I was looking at it again, but when I looked at it the other day, I couldn't figure out which are you considering? Because it's a lot of furniture here, but.

Dr. Price: It is, but it includes furniture for the entire building. The classroom, all of the classrooms in the building, all of the administrative offices, lounge areas for the students, furniture for the cafeteria. All the furniture for the entire building is included in this quote.

Trustee Morris: So maybe how classroom desks are, they got to be different? Cause I still could not find a classroom desk, unless they're just going to be regular tables and then the chairs, or you know.

Dr. Price: In the quote that was provided to the board, there were pictures.

Trustee Morris: And I see the pictures and I saw them before. I see a lot of lounging chairs you know office for the administration.

Dr. Price: I assure you, the classroom chairs are in there.

Trustee Morris: I didn't say chairs, I said tables.

Dr. Price: Oh. Yes. Yes. Desks, the tables.

Trustee Morris: I didn't see any desks for students.

Trustee Hamilton: It's number nine on the print out.

Trustee Morris: Number nine?

Dr. Price: Absolutely. Absolutely, they're in there.

Vice President Mays: Dr. Granger, how long has the furniture been at the school?

Trustee Morris: I wasn't finished.

Superintendent Granger: There's really nothing that we can salvage from it. It's been in there for a long time.

Dr. Price: Well of course we also wouldn't want to carry over the old furniture to a new building. That building is going to be wonderful.

Superintendent Granger: But just for clarity, this price encompasses everything that we would need as it relates to furniture throughout the whole school for the classrooms, the offices, all the different spaces in the building. And it'll be some, some nice quality furniture for the students. And we're going to set up a time probably in January or February.

Dr. Price: In January.

Superintendent Granger: And we'll take the board there. The board will have an opportunity to go and view the campus, to walk the campus, and then you'll see, and I think too, as we bring these items to you, it's going to be really much easier to be able to visualize a lot of this. But they are working diligently right now on the middle school and they're making a lot of leeway. They are ahead of schedule. They're doing a good job out there. But right now there's a lot of dust, lot of dirt and brine around, so we kind of want them to get to a point to where they feel like they can get it presentable for the board. And then we're going to take the board out there and we'd love for you to be able to see what's going on out there. You're going to be very proud of this building. It's going to be a model. It's is a model school for the state. I think we're going to have a lot of site visits to see this building. So just want to commend the board too for that vision years ago and also my predecessor, Dr. McFarland. And so, and I can say

that it was well put together and I'm just pleased to be able to execute it. And so it's just a wonderful thing. So we're we're asking the board at this time to just go ahead and approve the execution of being able to negotiate and get the furniture and get all of that together. And also we have the principal here, Ms. Sassa. It's kind of hard for me to say that name. I've been saying Ms. House for almost 12 years or so. But she's ready to work hard on this and to make sure that they get the appropriate pieces throughout the campus. And we'll have a lot of teacher input because we know that that's very important, to make sure we have teacher input. So we're asking the board to approve this item tonight.

Trustee Morris: I would like to finish my question if I could. I didn't get to finish my question. And thank you, Ms. Hamilton. I saw 9, 10, and 11. It just didn't look like it was enough for the student population in that school. So, maybe it is. I did see that. And the way that they were designed, it's just because that one was only ten, you know that actually looked like, but I know it's gotta be more. There's gotta to be more than that somewhere. Are we going to see something else? It's 1400 on the other kind. I guess more students can sit there.

Dr. Price: This comment might give you some comfort. The last stakeholder conversation. It really wasn't a stakeholder, it was Principal House, myself, the project manager, and the furniture manufacturer, went floor by floor in that building. To ensure that every room was furnished, like the principal and her leadership team and the teachers and the staff wanted. So I assure you, we've got every piece of furniture covered in that building.

Trustee Morris: It just didn't seem like a lot, but thank you for answering that question.

Dr. Price: I think additional clarity will come when we do the color presentation charrettes where you can actually see the different choices and pieces and that kind of thing.

Trustee Morris: All right. Thank you very much. I appreciate that.

Dr. Price: You're welcome.

Trustee Jones: Are you still, Madam President may I pose a couple questions? One of the questions is pertaining to warranty. Are these pieces under warranty, and what is it warranty that we have on them?

Dr. Price: I would have to research that information and get it to you. I'm sure it is on the warranty. I just don't know the specifics of that in front of me, but I can get that for you.

Trustee Jones: Right. And then lastly, I know the building is ahead of schedule if I've heard correctly. Will the delivery of the furniture be around the same time that the building is complete?

Dr. Price: The process will start, yes. We're trying to get the approval now so we can begin the procurement acquisition process to ensure a timely delivery. And the cost of the 1.7 million includes delivery plus installation. So when the building is completed at the end of April, first of May, it will be on schedule. You will also have the furniture at that time.

Trustee Jones: Thank you.

Dr. Price: You're welcome.

Trustee Morris: That's good to know that. Thank you.

President Clark: Do I have a motion to approve the furniture purchase for Lancaster Middle School?

Trustee Morris: I move that we approve the items that are listed and I propose bid on the proposal for as is.

Superintendent Granger: So you want to recommend that the board put a motion to approve the furniture that's listed as presented by administration.

Vice President Mays: I move we approve the furniture currently-

Superintendent Granger: That's not what you need.

Trustee Morris: Okay, well then all you had to do was correct me. I don't have a problem with correction. So the motion needs to be that we approve the proposed furniture listed. Is that what you're saying?

Superintendent Granger: That you move to approve the furniture.

Trustee Morris: That's okay. Never mind. Thank you so much.

Superintendent Granger: I propose the approval of furniture purchase for Lancaster Middle School.

President Clark: Do I have a second?

Vice President Mays: Second.

President Clark: I have a motion by Trustee Morris. Second by Vice President Mays. All in favor, raise your right hand. Motion passes. Seven-zero.

Motion carried 7-0.

- I. Discussion and possible approval of Technology Purchases for Lancaster Middle School - CH(LEGAL and LOCAL)-(G2)

Sonya Butler, Chief Technology Officer

Ms. Butler: Good evening, Board President Ellen Clark, board trustees, and Superintendent Dr. Elijah Granger. I present to you on tonight a proposal for the purchase of new technology for the new LMS construction, which consists of switches and access point totaling \$228,126.68, phones and uninterruptible power supplies totaling \$78,110.54 and Promethean 75-inch titanium flat panels totaling \$360,201.00 with the total of technology at \$666,438.22.

President Clark: Okay. Questions, board members?

Superintendent Granger: I'd like to add to that, Madam President, if you'd go back to that screen. What we're looking at this year, and I want to say thank you to Ms. Butler for her vision for technology. She presented this Promethean 75-inch flat screen panel. This is the latest technology out there and we want to make sure that we are providing our students with the best. Ms. Butler, will you tell the board, too, about some of the districts that have made an investment and some of the things that they are experiencing right now with their students. And kind of talk to the board about why are we asking them for this? What kind of benefits will it bring to our students?

Ms. Butler: So in doing due diligence and doing our research, we reached out to find out some of the other districts that are actually utilizing these Promethean boards and Cypress-Fairbanks actually has deployed 7,000 of these Prometheans in their district. We have a local neighboring Midlothian that utilizes these Promethean boards. We also have Fort Worth that has distributed 2000 of these boards in their district as well and they've been using since 2008. And also reaching out to some of the technology directors and instructional directors in neighboring districts, we asked for their experience with putting this technology in use in the district. We received great reviews. The teachers are really excited about the new technology that's been presented. I am excited because it is new technology. It is revolutionary. As stated many times in this meeting tonight of how beautiful this facility that we're building is state of the art. This technology is befitting for those classrooms. I am a proponent of student engagement and interactivity for the students and also for the teachers, so when implementing technology into the classrooms, we want to make sure that the teachers are supplied with something that's intuitive. I was privileged to attend a demo for this titanium flat panel and also provided a demonstration to Ms. House, the principal of the new middle school, and some of her staff. And just kind of showing and demoing some of the features that are available, I wanted to make sure that we provided new technologies such as screen capture, allowing students to be interactive and being able to participate in multiple choice, allowing endless whiteboard on this technology to where the teachers can do lesson planning, they can do integration of lesson content delivery utilizing this technology. Today we also had the privilege of doing a Google Hangout where we're able to record a classroom session that is going on and able to allow another class to view content that's being delivered in a neighboring classroom, in another class, that's going to have this technology as well. I think that this is an exceptional piece of technology. In doing my research, the lifespan on it is 10 to 15 years on lifespan, 50,000 hours depending on the number of hours that are being used. Also, five-year support on it, and that's on-site service, and it covers everything. And then the failure rate is 1%, which means... And that's mostly

identified on install. The price that I presented to you also includes installation. I'll take any questions.

President Clark: Board do you have questions?

Trustee Jones: Yes, ma'am. So is this one Promethean?

Ms. Butler: This is 83 Promethean boards.

Trustee Jones: All right. And this new total of 660 some odd thousand, when was this information... Because this wasn't part of our board document. The Promethean component wasn't.

Ms. Butler: So, initially I researched the projectors that we have utilized in our district. That was what was to be placed in the new construction. But in researching the new technology and providing our students quality, it took a little bit longer for me to get the quotes and to provide. So, I've been working down to the hour trying to get that information and make it available to you guys and also make sure that I'm including all the parties that needed to be involved to make this decision.

Trustee Jones: If I understand correctly, so the Epson projectors, we're not getting those. We're going to get the Promethean boards instead.

Ms. Butler: That's correct.

Trustee Jones: Okay, makes sense. All right, thank you.

Trustee Morris: I have a question. So, will you make further recommendations to include any other equipment?

Ms. Butler: Yes, I will. This equipment proposal recommendation on tonight is just to allow the construction to close the walls. We need to make decisions so that they can move forward with the rest of the construction.

Trustee Morris: Thank you very much.

President Clark: Any other questions? I need to get a motion to approve the technology to motion on the technology purchases for the Lancaster Middle School.

Trustee Morris: I approve, I moved a technology purchase for Lancaster Middle School under CH legal and local.

Trustee Jones: I'll second.

President Clark: A motion by Trustee Morris, a second by Trustee Jones. All in favor, if there's no more questions?

Superintendent Granger: Not a question, but I do have one more discussion. Madam President, I just want to commend Ms. Butler. Ms. Butler is a graduate of Lancaster and also she... How many kids?

Ms. Butler: Two.

Superintendent Granger: Two? One graduated?

Ms. Butler: Yes.

Superintendent: And one is in what grade?

Ms. Butler: The 11th.

Superintendent Granger: The 11th grade. And I was privileged of being the principal of one at the middle school. But I just want to commend her because some of what brought about the changes. These things, the other projectors, were already in play from a while back. But one conversation I had with Ms. Butler is, "Ms. Butler, you are a parent. You're an employee but you are parent. And when you make decisions," I asked Ms. Butler, I said, "Ms. Butler, make those decisions based on your child. What would you want for your child? What is best for your child and what is best for the students here at Lancaster?" And when I did that she brought this and she said, "This is the best thing, right here." And so, that's what brought about the changes and I want to commend her for doing it. For expeditiously bringing in the stakeholders and going to the campus and pulling teachers and everybody to go through this to make sure it was the right thing. And they all loved it so it worked out. So I just want to commend her for her work too.

Trustee Morris: What year?

Ms. Butler: 92

Trustee Morris: Ah, all right.

Trustee Jones: Madam President, I have another question if you don't mind. Ms. Butler, when you mentioned the life expectancy of these Prometheans, what was that number again?

Ms. Butler: 10 to 15 years.

Trustee Jones: And what was the life-

Ms. Butler: 50,000 hours.

Trustee Jones: Okay. And the life expectancy of the Epson's?

Ms. Butler: Not really sure about the life expectancy. Just from my experience of being in the district, they probably go around, maybe, five years, six years, seven.

Trustee Jones: Okay, thank you.

President Clark: I have a motion to approve technology from Trustee Morris and second by Trustee Jones. If there's no more comments or questions, please vote. Those who vote 'for' please raise your right hand. Motion passes seven to zero.

Motion carried 7-0.

J. Discussion and possible approval Generation 25 New Charter Application Resolution.

Presenter: Dr. Elijah Granger

Superintendent Granger: Madam President and board members, we are asking the board to approve this resolution. This resolution, basically, is a resolution to... that we believe that charter schools should be held to the same standard as public schools. And also, charters should have, there should be some standards put in place for people who are opening charters because charter schools should have, should be of quality, they should make sure that they are educating students and students are not falling behind. We have a lot of charters that are out there opening up, but when we get students from charters in the district, they're normally, most of the time they are at least a year or two years behind. And that's because there's a very loose process out there. So this resolution is being done by a number of districts and we're saying, look, hold charters accountable. If they're going to come to our area, we should be notified in a reasonable amount of time and we should also, if you're going to be in anybody's city, anywhere or around the state, you should be held to the same standards as public education. Because right now the standards are lower, they have lower academic standards. And it's really an interesting thing to us because the charter schools have lower standards and they still cannot outperform public schools. I just want to take this opportunity too to warn parents to really do your research. When you are looking at charter schools and these shiny new buildings that are going up, really look at what's going on in these buildings and look at the ratings, look at the reports on TEA and really look at what you have, what's happening with these charters. Because in these charters you have a lot of people who do not have degrees, they do not have certification, they do not have the education that we have that we require of our teachers here in Lancaster ISD. So, they don't get the quality of education that they would get in a public school. So I just want to, we want to present this to the board. You have it board book, you've read the charter. We're asking that you approve this resolution.

President Clark: Are there any discussions or questions before this motion is-

Trustee Morris: I have a statement. I want to say that I am a strong supporter of Texas public schools and I have attended our state board education meetings, one of their quarterly meetings, and I do suggest and echo that parents themselves would need to do their research but also remember when they are having public hearings, that's where the parents need to be to share their concerns and interests of charter versus public. I've heard a lot of discussions on both ends why they want to take their kids out of public schools and put them in a charter. Charter schools are accredited by TEA, but the standards and testimony and documents actually at the state board is so important that the parents, even if they cannot attend any of those when they are

discussing charter schools, pull their minutes, look at it, talk with your state rep. We are in 13... No... 13. We're in 13 state board, so please consider that. And I am 100% supportive of Texas public schools.

Trustee Jones: Madam President, I have a statement. I received a call this morning from State Board of Education from Aicha Davis about one charter school that will be coming into our area. There's going to be a hearing Saturday at 10:00 AM at the DeSoto Community Center and there'll be one here in Lancaster, but the location was to be determined. But if you guys are able to attend that meeting at 10:00 AM, DeSoto Community Center, definitely do so. What this charter school is thinking about doing to come into our district and attempt to get some of our kids, but we know that's not going to happen when we got Joe Clark over here in the center saying, "Lock the doors, lock the doors." All right, so that's one thing we can definitely do to make sure that we're knowledgeable about what they're trying to do.

President Clark: Do I have a motion to approve this resolution to support the Generation 25 New Charter Application Resolution?

Trustee Morris: I don't have a problem with the approval. I would want to make the motion, but when I look at the... when I look at how it's written, it's not written as a resolution.

President Clark: We are doing the resolution to support that. It's our resolution to support that. It's not their resolution.

Trustee Morris: I move that we approve the Generation 25 New Charter Application Resolution.

President Clark: Do I have a second?

Vice President Mays: Second.

President Clark: I have a motion by Trustee Morris and a second by Vice-President Mays. If there's no more comments or questions on this, we'll take the vote. All in favor say... raise your right hand. That's a seven zero.

Motion carried 7-0.

K. Discussion and possible approval of presentation on YEF and Equity Inclusion - (G4)

Presenter: Carolyn Morris, Board Member

Trustee Morris: I don't have a problem with presenting the item, I just wish that... I never got a respond back from the board President and the Superintendent that this would be put on the agenda. But I'm glad to know now that Opal did present this and it is a resolution of the City Council of the City of Lancaster, Texas, in support of developing an early learning community. Where as develop human capital through high quality learning and K through 12 education is critical to the long term... of the City of Lancaster and the key city priorities such as economic development, public safeties, civics engagement, and stability of families and neighborhoods. All hidden on

whether children enter kindergarten ready to succeed, develop in their full capacity during school years and graduation from high school. Prepare for post-secondary education and a career. And the word as went on, it was actually signed by the mayor, Hairston, and the city secretary. And I want to believe that is one of the resolutions that was presented by Nina Morris at City Council. And so the school district actually didn't do a resolution in which that's what I was asking for, not for the stuff school district to do one, not actually utilized or stated as the city. So it is, I guess Ms. Clark, Trustee Clark. I guess you would be asking for approval from the board on that because I, to be honest, I had more information to bring in regards to this, but since I was not notified that it'll be on the agenda and that the board has read it. I would like the board to consider to adopt this that the city has already adopted.

President Clark: Would you make the motion?

Trustee Morris: I sure will. Approval of the presentation on the YEF and Equity Inclusion. I make the motion.

President Clark: Do we have a second?

Trustee Jones: I'll second.

President Clark: Any questions or discussion?

Trustee Hamilton: I have a question. Well basically a comment. Actually, I think the item needs to be pulled until we can get a... if there's a presentation that goes along with this resolution, I think the board should be able to view it before voting on this. Because this is very brief. It's not enough information for me.

Trustee Morris: And actually I don't have a problem with pulling it and, Ms. Hamilton, you are correct. I really wish that the information would have... because the city told me they were going to send the whole packet, but I was not aware when it was sent over. So I don't have a problem with recalling my motion.

Vice President Mays: I got a question. What is this, Ms. Morris? Is this a school deal?

Trustee Morris: No, no, it's just a resolution. And if it was written as a school district, it'd be more clear. There is a packet, there's more information to go with this and...

Trustee Hamilton: Let me make sure I'm clear. This is what the city proposed when they adopted it. You want the school district to-

Trustee Morris: It was a full presentation and this came after that presentation was made.

Trustee Hamilton: We don't have a presentation for it. We don't have the details on what it is. So what I'm hearing you say is that you're wanting the school district to follow what the city is doing with this plan.

Trustee Morris: Exactly. And do a reformation for the school district.

Trustee Hamilton: We need to know more information about this before we can even draft a resolution to see if we agree with it.

President Clark: I have a motion on the floor. Did I ever get a second?

Superintendent Granger: Yes. It's my understanding that the resolution that was passed by the city, the information that's in there, it's about K-12 education and it's my understanding that the city is asking the board to adopt a resolution that they adopted in support of what the city adopted for K-12 education.

Trustee Morris: Is that what they told you?

Superintendent Granger: That's my understanding-

Trustee Morris: Because that wasn't my email to you. My email to you was the presentation and I was going... and you asked me to send you more information and I shared with you that the city would send over your packet, but I've never had a response that you got anything.

Superintendent Granger: Yeah, the city sent over the resolution, so we put it in BoardBook.

Trustee Morris: And it was in Boardbook but... it's the city's resolution, it's not the school district.

Superintendent Granger: The school district won't have a resolution, as far as I know. It was the city's resolution and the city is asking the board to support that resolution.

Trustee Morris: Well, I want to disagree with you on that because Dallas ISD support. I mean, they voted on it. I have their whole packet. They went to TEA last week with a group. I was going to ride down with them but I was getting ready to go to the legal seminar. But, the ISD has adopted this and I want to believe from a board member... And they did it actually from their district, from their school district because it was like a national... it's a national effort. It's not just the city of Lancaster.

President Clark: Motion on the board to approve the YEF and Equity Inclusion. Motion by you, second by Jones. So I have a motion on the floor. Do we need to do something else with this motion?

Trustee Morris: Okay, I'm sorry. I don't know if you heard me but what I think when Trustee Hamilton made that statement, I suggested and stated that I had no problem recalling that motion because I agree. I agree but I'm trying to work with what we have and how things are presented and communication so, I don't have any problems. Do you have a problem? Cause you second it.

Trustee Jones: Actually, my understanding was that this was... Lancaster has a Youth Advisory council, and then this YEF ties into the National Leadership Council, which is through the City Council. So what we're doing is just saying that they adopted this, from my understanding, maybe three weeks ago or what have you. So we're just supporting what they're doing because some of our... a lot of our students are a part of that Youth Advisory Council.

Trustee Morris: Right, but it was a full presentation that went with that.

President Clark: So, Trustee Morris, do I understand you're withdrawing your motion?

Trustee Morris: Yes. And I suggest that we pull it.

President Clark: Do I have a motion? You pulled your motion in your group. What's the motion you want to make concerning this time?

Trustee Hamilton: I make the motion that we pull the approval of the presentation for the YEF and Equity Inclusion and pull it to another meeting when we have additional information and details on what this initiative is.

Trustee Morris: And I'll second.

President Clark: There is a motion on the floor to pull this motion. If there's no more discussion, we will approve or we will vote on the table... Is that what you said?

Trustee Hamilton: Yeah, let's table to the next meeting.

President Clark: Table to the next meeting for this item. All of those in favor of tabling this motion, please raise your right hand... Opposed? It fails 3-4.

Marion Hamilton, Ty G. Jones, and Carolyn Morris voted in favor of the motion. Ellen Clark, LaRhonda Mays, Rhonda Davis, and LaShonjia Harris voted against the motion.

Motion failed 3-4.

President Clark: Do I have a motion on the approval of the presentation of the YEF and Equity Inclusion?

Superintendent Granger: So there can be a motion to approve it or it could be a motion to not approve?

President Clark: What is the motion that you would like to make on this presentation of the YEF and equity? Do I have a motion on it? If there's no motion, then we have no action.

No action.

- L. Discussion and possible approval of naming Cassandra Phillips as Candidate to serve as the Suburban School Districts' Representative on the Dallas Central Appraisal District Board of Directors - (G4)

Dr. Elijah Granger, Superintendent

Superintendent Granger: Madam President Clark and board members, Ms. Cassandra Phillips would like to be a candidate to serve on the Suburban School Districts' Representative for the Dallas Central Appraisal District Board of Directors. I actually happen to personally know Ms. Cassandra Phillips. She's a board member in Duncanville. Actually, she took my place as a board member in Duncanville. She's an outstanding citizen. Just a really good person. Very knowledgeable and, I think she would be a real asset to this board. So, I was kind of happy to see her name there when I saw it. I gave her a call and she said she was definitely interested and I believe Duncanville had their board meeting last night, if I'm not mistaken, on Tuesday, and I understand that they approved it also for her to serve on this board of directors.

President Clark: And I would like to make a motion that we approve her, too. I know her well, too.

Trustee Morris: Second, and I don't know her, but I would definitely have no problem with that. Even though, Dr. Granger, I had mentioned that to you earlier about two months ago, but I do understand and I'm sure she'll do a good job.

President Clark: I have a motion on the floor to approve Cassandra Phillips as the candidate serving Suburban School District's representative on DCAD board. All in favor, raise your right hand. Passes seven, zero.

Motion carried 7-0.

11. Citizens Communication On Non-Agenda Items

President Clark: Is anyone signed up for citizens communication on non-agenda items?

Mrs. Lightfoot: Yes, Madam president, we have Chenique Lewis who had wished to speak before the board. As she comes forward, I would like to review... those wishing to address the board during citizens communication, or public hearing, are asked to complete the requested form to speak. If you do not want to address the board... If you do not want to address the board, but would like it to be known that you're supportive an agenda item, please make your appropriate selection for a President. We'll ask those who wish to address the board to do so at the appropriate time. Please approach the speaker stand. State your name, address, and record, what topic of interest you're wanting to speak about. Please direct your comments to the board president and the Superintendent and citizens communication will be limited to two minutes.

Ms. Lewis: My name is Chenique Lewis, address 2721 Tanglewood Drive, Lancaster 75134. I want to read a form I gave to Sherese. I work with a group at Austin that asked me if I was able to pass out the statements that I was reading at civic hearings like I do. Typically, I never get through this when I come here because I'm a local citizen resident. But I want to be honest and transparent with you. I initially came in peace. Now I come before you as

a parent of passion and transparency. No one individual on this board or panel has influenced me to come before you this year. The lack of service that our children got, and the cry of parents in this community. I have stood before those of you on the board and staff members petitioning change. You guys have some awesome improvements, awesome accolades, but at this point I would like to deal with the behind the scenes issues that the parents don't understand. The weaknesses and deficiencies of the district. I hate that I missed September's board meeting due to that being rescheduled. I hate that October's board meeting was canceled. I have been requesting the actual audios. At this point, I have been summonsed by the community to testify in the hearing about my kids and why they are no longer in the district. I have put my kids in private school. Thank you because you gave some valuable information about charter. I drive clear across town even though I'm a resident and a tax payer in Lancaster. My kids are in private school in Farmers Branch because services have not been rendered. You guys have some awesome stats and officers in this community. However, there are so many critical issues going unseen. And so, I never get through reading this. I'd hope that you guys get the copy that I left Ms. Sherese. However, I am-

Mrs. Lightfoot: Thank you so much for your time. It has been two minutes. Thank you so much.

Ms. Lewis: I have gone to Austin and I do want to be fair to what I'm telling the constituents in Austin as colleagues.

President Clark: That completes our agenda tonight. Do I have a motion adjourn?

Trustee Jones: Actually, Madam President, I've got a question about the citizens communication. I think our policy specifies three minutes. Where did the two minutes come?

Mrs. Lightfoot: Yes, there was a new update, and so with the new update citizens communication is two minutes.

Trustee Hamilton: Update by who, I'm sorry?

Mrs. Lightfoot: It's with the state. I apologize I don't have the acronym. I'll get that to you tonight. I'll email that to you tonight.

Trustee Morris: Right, because it was stated in a workshop that three minutes. Now, you know one person don't have the right to change that because the public needs to know when it is changed and it need to be posted. Not when a person that's coming up to speak to the board because this is the only time the citizen have the opportunity to speak to the board as a whole. And so I would like to see that policy because I received the legal seminar large booklet, and it clearly... I asked directly to the...

President Clark: Ms. Lewis, would you like to come down and speak another minute?

Ms. Lewis: President, thank you for your fairness-

Trustee Hamilton: Let me apologize for the tone that you just had to take to come down. I'm going to apologize for the tone that was taken with you. Because I sit on this board, and it's disrespectful to you as a citizen and a former parent of this district.

Ms. Lewis: Thank you. I just want to be able to be fair because I am communicating with political specialists in Austin. As I said in April, I started out in partnership advocacy, but this is a week of Thanksgiving, and I want to thank Lancaster ISD for allowing me the opportunity to create a parent community group so that y'all can hear the unknown crumbs that are on the floor, the weaknesses of the district. It outshines everything else when you guys framed your academic improvements and your next level, but there are parents that are wounded and, like we said, we need to hold them accountable. But thank you for calling me back, Madam President, so that I can let them know what's going on.

President Clark: Thank you.

12. **Adjournment**

President Clark: Do I have a motion to adjourn?

Trustee Jones: I'm moving to adjourn.

Vice President Mays: second

President Clark: I have a motion by Trustee Jones and a second by Trustee Mays. All in favor raise your right hand. Have a good evening. Happy Thanksgiving.

Meeting adjourned at 9:11 p.m.

Minutes of Workshop
The Board of Trustees Lancaster ISD
December 5, 2019

1. The Board of Trustees of Lancaster ISD met for a Work Session in the Board Room of the Lancaster ISD Administration Building located at 422 S. Centre Ave., Lancaster, TX 75146 on December 5, 2019 at 5:30 p.m.
2. **Call to Order**
President Clark called the meeting to order at **5:36 p.m.**, verified that notice of the meeting had been properly posted for the time and manner required by law, and stated that a quorum was not present. Ellen Clark and Carolyn Morris attended the meeting. Carolyn Morris arrived at 5:46 p.m.
3. **NextLevel 2025 Work Session**
Collaborative vision process meeting. Transcend 4 Learning material presented.
4. **Citizens Communication on Agenda Items**
None presented.
5. **Adjournment**
Meeting adjourned at 6:16 p.m.

X

Ellen Clark
Board President

X

Rhonda Davis
Board Secretary



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 01/23/2020

Category: Consent Agenda

Item Name: Approval of December 2019 Financial Report

Related Goals (District and/or Strategic): Goal 2: Fiscal Responsibility and Financial Transparency

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Elijah Granger

Presenter and District Contact: Shonna Pumphrey

Explanation: The following reports include the Revenue and Expenditure Fund Summary, General Fund Expenditure Budget Status Report, and Portfolio Investment Report as of and for the month ending December 31, 2019 and are presented as unaudited.

Intended Audience: All Stakeholders

Impact or Expected Outcome: Financial Transparency and Analysis

Recommendation: Administration recommends the approval of the attached Financial Reports as presented.

Fiscal Implications and Funding Source: None

Frequency Monitored: Ongoing

Projected Start Date: 12/1/2019

Projected Completion Date: 12/31/2019

**LANCASTER INDEPENDENT SCHOOL DISTRICT
PORTFOLIO INVESTMENT REPORT
December 1, 2019 Through December 31, 2019**

<u>Fund/Description</u>	<u>Beginning Value</u> 12/1/2019	<u>Deposits/ Purchases</u>	<u>Withdrawals/ Maturities</u>	<u>Interest</u>	<u>Ending Value</u> 12/31/2019	<u>Balance per G/L</u>	<u>Variance</u>	<u>Market Value Qtr 1</u>
General Fund:								
Lone Star	\$ 13,926,857.67	\$ 13,140,561.33	\$ -	\$ 25,744.52	\$ 27,093,163.52	\$ 27,093,163.52	\$ -	\$ 13,928,625.39
TexPool	\$ 372,438.42	\$ -	\$ -	\$ 513.26	\$ 372,951.68	\$ 372,951.68	\$ -	\$ 371,959.81
General Fund Totals	\$ 14,299,296.09	\$ 13,140,561.33	\$ -	\$ 26,257.78	\$ 27,466,115.20	\$ 27,466,115.20	\$ -	\$ 14,300,585.20
Debt Service Fund:								
Lone Star	\$ 6,111,011.62	\$ 5,653,237.28	\$ -	\$ 11,242.02	\$ 11,775,490.92	\$ 11,775,490.92	\$ -	\$ 6,111,787.28
TexPool	-	-	-	-	-	-	\$ -	-
Debt Service Fund Totals	\$ 6,111,011.62	\$ 5,653,237.28	\$ -	\$ 11,242.02	\$ 11,775,490.92	\$ 11,775,490.92	\$ -	\$ 6,111,787.28
QZAB Project Fund:								
Lone Star	\$ 3,883.09	\$ -	\$ -	\$ 5.35	\$ 3,888.44	\$ 3,888.44	\$ -	\$ 3,883.59
Capital Projects Fund:								
Lone Star 2015	\$ 933,518.61	\$ -	\$ -	\$ 1,284.93	\$ 934,803.54	\$ 934,803.54	\$ -	\$ 933,637.10
Lone Star 2016	\$ 1.64	\$ -	\$ -	\$ -	\$ 1.64	\$ 1.64	\$ -	\$ 1.64
Lone Star 2017	\$ 28,147,828.50	\$ -	\$ (4,400,448.48)	\$ 34,402.92	\$ 23,781,782.94	\$ 23,781,782.94	\$ -	\$ 28,151,401.27
TexPool	\$ 103,379.91	\$ -	\$ -	\$ 142.49	\$ 103,522.40	\$ 103,522.40	\$ -	\$ 103,247.08
Capital Projects Funds	\$ 29,184,728.66	\$ -	\$ (4,400,448.48)	\$ 35,830.34	\$ 24,820,110.52	\$ 24,820,110.52	\$ -	\$ 29,188,287.09
Child Nutrition Fund:								
TexPool	\$ 999,201.04	\$ -	\$ -	\$ 1,377.01	\$ 1,000,578.05	\$ 1,000,578.05	\$ -	\$ 997,917.03
Investment Pool Totals:								
Lone Star	\$ 49,123,101.13	\$ 18,793,798.61	\$ (4,400,448.48)	\$ 72,679.74	\$ 63,589,131.00	\$ 63,589,131.00	\$ -	\$ 63,589,131.00
TexPool	\$ 1,475,019.37	\$ -	\$ -	\$ 2,032.76	\$ 1,477,052.13	\$ 1,477,052.13	\$ -	\$ 1,442,215.08
Portfolio Totals	\$ 50,598,120.50	\$ 18,793,798.61	\$ (4,400,448.48)	\$ 74,712.50	\$ 65,066,183.13	\$ 65,066,183.13	\$ -	\$ 65,031,346.08

This Portfolio Investment Report of the Lancaster Independent School District for the month ended December 31, 2019, is in full compliance with the District's investment policy and strategy as established by the District and the Public Funds Investment Act, Chapter 2256, of the Government Code.

Elijah Granger, Superintendent

Shonna Pumphrey, Chief Financial Officer

**LANCASTER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND - BUDGET STATUS REPORT
As Of Date 12-31-2019**

	Budget	Encumbrance	YTD Actuals	Balance	YTD %	Prior Year YTD%
General Fund Revenues						
Local Revenue	32,733,367	-	15,694,903	17,038,464	47.95%	51.71%
State Revenue	38,517,229	-	16,901,000	21,616,229	43.88%	43.53%
Federal Revenue	1,030,355	-	198,439	831,916	19.26%	12.31%
Total General Fund Revenue	72,280,951	-	32,794,342	39,486,609	45.37%	46.71%
General Fund Expenditures						
11 Classroom Instruction	37,603,481	573,712	13,819,060	23,210,709	38.28%	37.43%
12 Instructional Resources & Media Services	594,160	23,582	198,752	371,826	37.42%	38.72%
13 Curriculum/Instructional Staff Development	1,213,150	1,961	518,814	692,375	42.93%	43.57%
21 Instructional Leadership	1,497,262	5,883	367,929	1,123,450	24.97%	25.95%
23 School Leadership	4,381,339	125,065	1,420,479	2,835,795	35.28%	32.36%
31 Guidance & Counseling Services	2,142,920	258,641	758,560	1,125,719	47.47%	37.96%
32 Social Work Services	11,355	-	-	11,355	0.00%	0.00%
33 Health Services	774,692	61,311	191,653	521,728	32.65%	34.22%
34 Student (Pupil) Transportation	2,728,783	46,593	900,460	1,781,730	34.71%	37.46%
35 Child Nutrition	-	-	208	(208)	0.00%	15.20%
36 Cocurricular/Extracurricular Activities	2,069,039	94,593	704,499	1,269,947	38.62%	49.05%
41 General Administration	4,145,441	76,170	1,203,965	2,865,306	30.88%	32.15%
51 Plant Maintenance & Opertations	8,783,463	1,082,595	2,362,885	5,337,983	39.23%	34.52%
52 Security & Monitoring Services	1,437,103	46,822	421,828	968,453	32.61%	26.71%
53 Data Processing Services	1,938,042	68,685	1,004,181	865,176	55.36%	66.17%
61 Community Services	51,996	95	13,737	38,164	26.60%	28.60%
71 Debt Services	749,724	72,053	536,923	140,748	81.23%	77.27%
95 Payments to JJAEP	30,000	27,000	3,000	-	100.00%	32.42%
99 Other Intergovernmental Charges (DCAD)	129,000	64,466	64,466	68	99.95%	36.64%
Total General Fund Expenditures	70,280,950	2,629,227	24,491,399	43,160,324	38.59%	37.57%
Excess of Revenues Over(Under) Expenditures	2,000,001	(2,629,227)	8,302,943	(3,673,715)	42.03%	42.20%
Other Financing Sources						
Other Sources	-	-	46,682	(46,682)	0.00%	0.00%
NET CHANGE IN FUND BALANCES	2,000,001	(2,629,227)	8,349,625	(3,720,397)		

Lancaster Independent School District
Revenue and Expenditure Fund Summary Report (unaudited)
As of December 31, 2019

Fund Name	#	Revenue Budget	Revenue Received	Revenue Balance	Revenue % Received	Expenditure Budget	Expenditure Spent	Expenditure Balance	Expenditure % Spent
General Fund	199	72,140,951	32,724,787	39,416,164	45.36%	69,944,887	24,397,174	45,547,713	34.88%
Head Start	163	140,000	2,135	137,865	1.52%	257,725	50,467	207,258	19.58%
Title IV	204	-	-	-	0.00%	51,210	31,611	19,599	61.73%
Texas Education For Homeless Children and Youth	206	-	-	-	0.00%	22,880	1,707	21,173	7.46%
Title I	211	-	-	-	0.00%	18,700	734,990	(716,290)	3930.43%
SPED IDEA B	224	-	-	-	0.00%	1,221,765	345,896	875,869	28.31%
SPED IDEA B	225	-	-	-	0.00%	16,042	-	16,042	0.00%
Child Nutrition	240	5,314,854	1,938,468	3,376,386	36.47%	5,266,525	1,097,893	4,168,632	20.85%
Carl Perkins	244	-	-	-	0.00%	-	32,176	(32,176)	0.00%
Title II Part A	255	-	-	-	0.00%	234,193	71,082	163,111	30.35%
Title III LEP	263	-	-	-	0.00%	51,508	14,096	37,413	27.37%
Debt Service	520	13,939,767	6,620,541	7,319,226	47.49%	13,913,731	6,200	13,907,531	0.04%
Capital Proj 2015	616	-	5,698	(5,698)	0.00%	-	-	-	0.00%
Capital Proj 2017	618	-	182,683	(182,683)	0.00%	25,571,994	7,460,702	18,111,293	29.18%
Construction	620	-	635	(635)	0.00%	-	-	-	0.00%
QZAB Fund	625	-	24	(24)	0.00%	-	-	-	0.00%
Parent Teacher	714	-	1,274	(1,274)	0.00%	-	8,538	(8,538)	0.00%
Concessions	715	-	46,081	(46,081)	0.00%	57,678	20,376	37,302	35.33%
Spirit Store	716	-	7,266	(7,266)	0.00%	11,850	10,048	1,802	84.80%
Rentals	717	-	12,800	(12,800)	0.00%	8,810	3,980	4,830	45.17%
Totals		91,535,572	41,542,391	49,993,181	45.38%	116,649,498	34,286,936	82,362,562	29.39%

C. Consider approval of the Affiliation Agreement between Lancaster ISD and Southwest Assemblies of God for Student Teachers - (G1)

64



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Consent Agenda

Item Name: Consider approval of the Affiliation Agreement between Lancaster ISD and Grand Canyon University

Related Goals (District and/or Strategic): Goal 1: Improve Student Performance

Currently Budgeted? Yes No No Budgetary Impact X
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Pamela Brown

Presenter and District Contact: Pamela Brown

Explanation: Agreement to allow student nurses to student teach in the Health Science CTE Class.

Intended Audience: Stakeholders

Impact or Expected Outcome: Additional support in the classroom and partnership with university for student teachers

Recommendation: Approval

Fiscal Implications and Funding Source: None

Frequency Monitored: Ongoing

Projected Start Date: 1/1/2020

Projected Completion Date: Ongoing

MEMORANDUM OF UNDERSTANDING

DISTRICT-UNIVERSITY STUDENT TEACHING PARTNERSHIP

Parties

This Agreement is entered in between Lancaster Independent School District (hereinafter Lancaster ISD”) and Southwestern Assemblies of God University (hereinafter “SAGU”) to improve educator preparation with the end goal of improving Lancaster ISD student achievement and the recruitment of qualified teachers in high need certification areas.

Recitals

WHEREAS, the parties to this Agreement desire to continue their support of SAGU’s Undergraduate Education Program (hereinafter “the Program”) through the 2019-2020 through 2021-2022 school year, serving Lancaster ISD where needed.

1. Purpose.

The purpose of this Agreement is to articulate the goals of collaboration and to specify each party’s responsibilities associated with implementing the Program.

2. Collaborative Goals.

Design and implement a district-based, clinically intensive teacher education program with the aim of mentoring undergraduates and master’s students preparing to be teachers (hereinafter “Student Teachers”) to become rated as highly competent in their subject-area, pedagogy, and by the second year of teaching, to produce student achievement value-added scores greater than the district average for early career teachers.

3. Definitions.

- 3.1 Program - SAGU’s teacher preparation program that includes coursework, assignments, and expectations for observation and co-teaching for student teachers.
- 3.2 Student Teachers - Students enrolled in SAGU who have met the required coursework, GPA, and background check requirements to start observation and co-teaching in school districts.
- 3.3 Supervisor - An employee of SAGU who has the credentials and training to coach and evaluate student teachers in their district placements.
- 3.4 Mentor Teachers - A teacher of record in Lancaster ISD who has the credentials and training to supervise a student teacher in their own K-12 classroom.
- 3.5 Faculty Members - Any professor or lecturer employed as a faculty member to teacher courses at SAGU.

3.6 Professional Improvement Plan (PIP) - a detailed written improvement and accountability plan of action developed to ensure improved performance by the Student Teacher. The plan shall define where a student teacher is not meeting expectations, which expectations need to be met, what support is available to help a student teacher grow to meet expectations, and how performance against the plan's goals will be evaluated and on what timeline.

4. SAGU Responsibilities.

Pursuant to the terms of this agreement, in regard to district-based teacher education program, SAGU shall:

4.1 Recruit and select local high potential Student Teachers into the Program. And, the SAGU shall certify at the time of arrival of the Student Teacher:

- a) Completion of course work in core content, pedagogy, and teaching methods;
- b) Completion of a formal introduction to ethical and professional standards;
- c) Completion of any requirements to submit to any security screens including a fingerprint background check.

4.2 Student Teachers shall not be considered as employees or agents of Lancaster ISD.

4.3 Offer district-immersion-style, competency-based teacher education program accredited by appropriate organizations; and will determine standards of education, hours of instruction, learning experiences, administration, matriculation, promotion, and graduation in certification areas designated by Lancaster ISD, that meet state and federal guidelines for quality teacher preparation.

4.4 Dedicate and support a qualified person to serve as a field supervisor and (hereinafter called the "Supervisor"). On an ongoing basis, the Supervisor will:

- a) provide support to the Student Teachers placed in Lancaster ISD;
- b) collaborate with building administrations and Mentor Teachers; and
- c) and conduct at least three formal pre-conferences followed by a forty-five-minute observation and a post-conference during the Student Teaching. It is not necessary that the pre-conference nor the post-conference be held on the same day as the observation

4.5 Notify Lancaster ISD Student Teaching Coordinator of any change in the Student Teacher's status prior to the commencement of the Program.

4.6 Provide Lancaster ISD a copy of its SAGU Handbook, which includes objectives for the student teaching experience.

- 4.7 Require its Student Teachers to abide by the rules of conduct contained within the SAGU Student Handbook.
- 4.8 To the extent not in conflict with University policies and procedures, comply with District policies and procedures that are made known to SAGU and ensure that all Student Teachers, Faculty Members, and Supervisors are aware of these policies, including the confidential nature of information regarding Lancaster ISD students and their records. In the event of non-academic student misconduct that violates criminal law or requires disciplinary action, all applicable Lancaster ISD and SAGU policies will be followed.
- 4.9 Assist any Student Teachers falling far below the college's academic and/or professional standards with a PIP.
- 4.10 Keep all records and reports on Student Teaching experiences in accordance with SAGU and Lancaster ISD policies and regulatory requirements; including the Family Educational Rights and Privacy Act (FERPA) acknowledged below in section 4.16.
- 4.11 Upon request of Lancaster ISD, withdraw from the program any Student Teacher whose performance is unsatisfactory or whose behavior has prevented a desirable relationship with Lancaster ISD. The SAGU may reassign a Student Teacher after consultation with appropriate Lancaster ISD representatives if such reassignment is in the best interest of the Student Teacher, Lancaster ISD or SAGU.
- 4.12 Work with Lancaster ISD personnel to collaboratively select, train, support, and evaluate Lancaster ISD teachers serving as Mentor Teachers to Student Teachers.
- 4.13 Brief all staff involved in the Student Teacher evaluation process on all standard data collection security procedures, and the criticality of protecting student identity from unauthorized disclosure.
- 4.14 SAGU will follow the school district technology standards for antivirus, Internet filtering system, operating system setup, and software installation protocols and rules.
- 4.16 The SAGU acknowledges that Lancaster ISD has a legal obligation to maintain the confidentiality and privacy of student records in accordance with applicable law and regulations, specifically the Family Educational Rights and Privacy Act (FERPA). The SAGU is receiving information in compliance with the requirements and expectations outlined in FERPA. The SAGU acknowledges that it must comply with said law and regulations and safeguard student information. The SAGU is prohibited from re-disclosing the information to a third party without prior written consent from the parent or the eligible student. SAGU must destroy any student information received from Lancaster ISD when no longer needed for the purposes listed in this agreement.

5. School District Responsibilities.

Pursuant to this Agreement, Lancaster ISD will:

- 5.1 Provide to the Student Teacher the opportunity to carry out major professional functions under appropriate supervision in a sequence of experiences designed to enhance competency and professional practice with a minimum of 14 weeks (70 days) served in the

classroom, with four of the weeks (or two weeks each if student teacher has been assigned two cooperating teachers) permitting the student teacher to teach the entire day/all subjects with a Mentor Teacher. The Mentor Teacher assumes full responsibility for the supervision provided.

- 5.2 Maintain sole responsibility for the instruction, education, and welfare of its students. Lancaster ISD shall be responsible for providing adequate staffing necessary to carry out the goals and objectives of the school district.
- 5.3 The student teachers assigned to it for the purposes set forth in this agreement will be under the supervision, control, and responsibility of Lancaster ISD.
- 5.4 Lancaster ISD will:
 - a) Assist in orienting Student Teachers to Lancaster ISD and the assigned work station within which the Student Teachers will be assigned;
 - b) Explain all school and district policies, rules, and regulations to Student Teachers;
 - c) Provide prompt and substantive feedback to Student Teachers regarding all performance activities and interactions with School personnel, students, and parents;
 - d) Complete written evaluations of Student Teachers' progress and submit them to the SAGU Supervisor, after reviewing them with the Student Teacher;
 - e) Immediately inform Lancaster ISD School administrators as well as the SAGU Supervisor of any concerns regarding a Student Teacher;
 - f) Establish a time to meet and discuss with Student Teachers their activities, impressions, reflections, and suggestions for goals and areas of improvement;
 - g) Certify in writing that the Program requirements have been met; and
 - h) Supervise Student Teachers on a daily basis. If the assigned supervisor is absent for any reason, a qualified, licensed professional must be assigned to supervise the Student Teacher. Under no circumstance can a Student Teacher, even if s/he is licensed, serve as the professional of record during the Student Teaching experience.
- 5.5 Actively supervise, mentor, and evaluate Student Teachers using the SAGU processes and performance assessment tools.
- 5.6 Actively participate in program evaluation to support PK-12 grade student achievement, and in-service and pre-service teacher education program effectiveness. Support SAGU in distribution of program/graduate effectiveness surveys to Lancaster ISD personnel.

- 5.7 Provide opportunities for Student Teachers to attend district-level and school-level professional development.
- 5.8 Provide to SAGU and Student Teachers its policies and procedures and other relevant materials to allow Student Teachers to function appropriately within the school; and comply with the local school district network standards and policies.
- 5.9 Retain the right, in its sole discretion, to request the removal of any individual from Lancaster ISD property, including but not limited to the assigned work station. Student Teachers shall be instructed by the SAGU to promptly and without protest leave an area whenever they are requested to do so by an authorized Lancaster ISD representative.
- 5.10 Provide necessary emergency medical services to Student Teachers. Lancaster ISD will call emergency medical services should it become necessary. However, Lancaster ISD will not be liable for any charges incurred as a result of the administration of those services. Student Teachers shall be expected to follow Lancaster ISD protocols for health and safety; including but not limited to any memorialized in Lancaster ISD board policy, student handbook and /or trainings.
- 5.11 Permit Student Teachers access to the library facilities/curriculum laboratories available to their personnel. Student Teachers are prohibited from removing materials from their designated school without appropriate approval.
- 5.12 Keep confidential and shall not disclose to any person or entity:
 - a) Student Teacher applicants;
 - b) Student Teacher health records or reports, in accordance with the Health Insurance Portability and Accountability Act (HIPPA) ; and/or
 - c) Any Student Teacher records as defined in the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, concerning any Student Teacher participating in the education experiences provided by their designated school, except to the extent such disclosure is required by law, authorized by the Student Teacher or is ordered by a court of competent jurisdiction. Lancaster ISD shall maintain policies and procedures necessary to protect the confidentiality of Student Teacher records as defined herein.
- 5.13 Inform the SAGU of changes in Lancaster ISD's policy, procedures and staffing that might affect the student teaching experience.

6. Mutual Obligations.

Pursuant to this Agreement, the parties shall each, in good faith:

- 6.1 Collaboratively recruit prospective future-teachers to the teacher preparation program.
- 6.2 Comply with all Lancaster ISD board policies, and state law and rules

- 6.3 The Student Teacher shall function within the policies of Lancaster ISD.
- 6.4 Direct employees, under the party's control, to perform obligations under this Agreement.
- 6.5 Collaborate to fund ways to provide Student Teachers with wireless internet access in a manner that is mutually accessible to SAGU and Lancaster ISD.
- 6.6 SAGU and Lancaster ISD will not discriminate against any person because of race, color, religion, sex, or national origin, age, disability, sexual orientation, gender identity, gender expression, genetic information nor any other basis prohibited by law.
- 6.7 SAGU and Lancaster ISD shall provide prompt notification in writing to one another and, to the extent required by law, shall reasonably cooperate with one another in the defense of, any lawsuits, claims, or threatened claims that pertain to services provided pursuant to this Agreement.
- 6.8 As state entities, the parties are subject to the Texas Public Information Act (TPIA). As such, upon receipt of a request under the TPIA, each party is required to comply with the requirements of the TPIA.
- 6.9 Student Teachers are required to receive criminal background check clearance through the Volunteer and Partnership Services Department of Lancaster ISD before arriving on campus. The cost of that background check is to be borne by the Clinical Teacher.
- 6.10 Lancaster ISD shall timely notify SAGU when any SAGU employee or Student Teacher has been involved in a reported incident involving Lancaster ISD. To the extent permitted by law, SAGU will have the opportunity to participate in any on-going investigation and may have access to any oral or written reports and any other documentation related to the reported incident, unless such disclosure is prohibited by law.
- 6.11 Independent Contractors. This Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association between the SAGU and Lancaster ID and its employees, Student Teachers, or agents, but rather is an Agreement by and among two independent contractors. Each Student Teacher is placed with Lancaster ISD in order to receive educational experience as part of the academic curriculum; duties performed by a Student Teacher are not performed as an employee of Lancaster ISD but rather in fulfillment of the academic requirements of the educational experience and are performed under direct supervision by Lancaster ISD personnel. SAGU acknowledges that nothing in this Agreement shall be construed to confer any right upon the SAGU or SAGU personnel to participate in, control, or direct operations at the school.
- 6.12 No Compensation. Neither party shall be entitled to compensation from the other party for services or actions of benefit to either party, which are part of or related to the educational program.

7. Term.

7.1 This Agreement will be effective from the last date of signing through three (3) years from effective date.

8. Termination.

8.1 Except as otherwise provided, this Agreement may only be terminated by written notification of either party at least six (6) months prior to the termination date. The parties agree to use their best efforts to allow sufficient opportunity for students enrolled in the teacher education program to graduate prior to the effective date of termination. Upon termination, unless otherwise expressly provided, property purchased in furtherance of this Agreement shall remain the property of the party that purchased such property.

9. Miscellaneous

9.1 Entire Agreement. This Agreement constitutes the entire Agreement as to the rights and obligations of the parties hereto and supersedes all prior and contemporaneous agreements and undertaking of the parties pertaining to the referenced subject matter.

9.2 Modifications. This Agreement and each of its provisions shall be binding upon the parties and may not be waived, modified, amended or altered except by a written amendment signed by Lancaster ISD and University.

9.3 Captions. The captions of paragraphs in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

9.4 Governing Law. This Agreement and all of the rights and obligations of the parties hereto and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.

9.5 Gifts and Donations. The parties agree that any Lancaster ISD employee participating in any internship program involving Lancaster ISD is strictly prohibited from receiving remuneration, gifts, donations, and any other item or service of value that would benefit the employee from University, its employees or agents.

9.6 Severability. In case any provision hereof shall, for any reason, be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had not been included herein.

9.7 Execution of Agreement; Counterparts; and Electronic Signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

9.8 Effective Execution. The exchange of copies of this Agreement and of signature pages by facsimile transmission by electronic mail in “portable document format” (“pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile, pdf or other electronic means shall be deemed to be their original signatures for all purposes.

SIGNATURES

Superintendent
Lancaster ISD

Date

Dr. Kristy Strange

Education/Department Chair
Southwestern Assemblies of God

1-9-2020

Date

RELEASE OF LIABILITY BY STUDENT TEACHER

As a Student Teacher in SAGU’s (“the University”) teacher preparation program with Lancaster Independent School District (“Lancaster ISD”), I agree to assume all risk of and responsibility for my participation in the program. In the event of any injury, I understand acknowledge, and agree that Lancaster ISD, its Board members, officers, and employees shall not be liable for any injury or illness suffered by me which is incident to and/or associated with preparing for and/or conducting such services on Lancaster ISD property.

I hereby acknowledge that upon the request of Lancaster ISD, SAGU may withdraw me from the internship program if Lancaster ISD deems my performance unsatisfactory or determines there are characteristics that prevent a desirable relationship with Lancaster ISD. I further acknowledge that the SAGU may reassign me at the SAGU’s discretion after consultation with appropriate Lancaster ISD representatives if such reassignment is found to be in my best interest or the best interest of Lancaster ISD or SAGU.

I hereby waive, release and discharge Lancaster ISD, its Board members, officers, and employees from any claim, demand, losses, causes of action, suits or judgment of any kind that I or my guardians, heirs, executors or assigns, etc. may have arising from any activity or services of Lancaster ISD property and agree to indemnify and hold harmless Lancaster ISD, its Board members, officers, and employees. I further agree to hold harmless Lancaster ISD, its Board members, officers, and employees for any cause of action resulting from my reassignment, withdrawal or expulsion by SAGU.

I acknowledge that I have carefully read this release of liability.

Signature

Printed Name

Date

D. Consider approval of the purchase of Mastery Education Curriculum Items -
CH(LEGAL and LOCAL)-(G1)

75



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Consent Agenda

Item Name: Mastery Education Purchases

Related Goals (District and/or Strategic): Goal 1: Improve Student Performance

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Shemeka Millner-Williams

Presenter and District Contact: Shemeka Millner-Williams

Explanation: Campus purchases of STAAR preparation materials for intensive focus on Reading/Writing

Intended Audience:
Stakeholders LISD School Board

Impact or Expected Outcome: Continued improvement in student achievement specifically in the areas of Reading and Writing across all tested grade levels

Recommendation: N/A

Fiscal Implications and Funding Source: 199

Frequency Monitored: Ongoing

Projected Start Date: February 2020

Projected Completion Date: n/a



Mastery Education Phone: (800) 822-1080
25 Philips Pky, Ste 105 Fax: (201) 712-0045
Montvale, NJ 07645 www.masteryeducation.com

Quote Number:	Q2008517
Created Date:	01/07/20 08:55:59 PM
Expiration Date:	02/07/20
Quoted By:	Shauntee Mayfield
Phone:	(817) 653-3369
Email:	smafield@masteryeducation.com

Requested By:	Kirsten Jett	Address:	200 E WINTERGREEN RD
Title:	Associate Principal	City:	LANCASTER
Email:	kirstenjett@lancasterisd.org	State:	TX
PEID:	62494	ZIP:	75134
School:	LANCASTER HIGH SCHOOL	County:	DALLAS
District:	LANCASTER IND SCHOOL DISTRICT	Phone:	(214)403-9114

*** EXPEDITE ORDER PROCESS! INCLUDE THE QUOTE # ABOVE ON YOUR PURCHASE ORDER ***

List quantities and prices shown below when creating your Purchase Order, including all free items. When district approves PO, fax a copy of your PO and this quote to (201) 712-0045 to speed delivery.

ISBN	Product Description	Quantity	Unit Price	Ext. Price
9781617347283	TX:MU Deluxe:EOC:English I: (Student)	135.00	\$13.95	\$1,883.25
9781609795795	TX:MU Deluxe:EOC:English II:SE	580.00	\$13.95	\$8,091.00
9781617347290	TX:MU Deluxe:EOC:English I: (Teacher)	5.00	\$0.00	\$0.00
9781609795801	TX:MU Deluxe:EOC:English II:TE	23.00	\$0.00	\$0.00

Thank you for all you do and for believing in our resources! -Shauntee

Subtotal	\$9,974.25
Shipping	\$1,196.91
Total	\$11,171.16

Returns must be received within 30 days of the invoice date and all material must be in saleable condition. Returns must be pre-approved and include a Return Authorization number on the outside of the box. No Credit will be given for product returned without authorization. Customer is responsible for return shipping charges, in addition there will be a 15% re-stocking fee. Product with minimum quantity requirements, must maintain minimum quantities. All free Teacher's Editions must be included with your return.

Mastery Education * 25 Philips Parkway, Suite 105, Montvale, NJ 07645 * 800-822-1080 * Fax: 201-712-0045



***Mastery Education
Instructional Resources
Purchase***



- ❁ **Composite Campus and District Purchases**
- ❁ **Test Bank for Curriculum & Instruction Department**
- ❁ **Student STAAR Preparation Materials for Reading, Writing and EOC English I & II**
- ❁ **Purchase request from Lancaster HS will make total purchases \$51,700.95**



E. Consider approval of Request for Proposals for Food, Catering, and Related Services and Office Supplies and Equipment for Fiscal Years 2019-2021- CH(LEGAL and LOCAL)-(G2,G4)

81



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 01/23/2020

Category: Consent Agenda

Item Name: Please consider Bid Proposals for Food, Catering, and Related Services and Office Supplies and Equipment for Fiscal Years 2019-2021

Related Goals (District and/or Strategic): Goal 2: Fiscal Responsibility and Financial Transparency

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Dr. Elijah Granger

Presenter and District Contact: Shonna Pumphrey

Explanation: Supplemental bids were done for various caterers, restaurants, and related services and Office Supplies vendors for Fiscal Year 2019-2021. The bids were created, mailed, advertised, and posted on our district website. The bid results are attached.

Intended Audience: All purchasers of various caterers, restaurants, and related services, and office supplies along with overseers of LISD finance purchasing practices.

Impact or Expected Outcome: Once approved, these vendors will be added to our Vendor Master List, allowing purchasers to purchase catered food and services and office supplies as needed in compliance with the purchasing laws and local policy.

Recommendation: The Administration recommends that the bid tabulations lists for Food, Catering, and Related Services and Office Supplies be approved as presented.

Fiscal Implications and Funding Source: Food, Catering, and Related Services and Office Supplies items will be purchased with budgeted funds.

Frequency Monitored: Ongoing

Projected Start Date: 01/24/2020

Projected Completion Date: 8/31/2021

Bid Tab for Food, Catering, and Related Services Supplemental Bid January 13, 2020

Vendor	LOCATION	DISCOUNT	OTHER	HUB/MWBE
J Pip's Chips	Desoto, TX	5-10%		Y
Golden Chick	Lancaster, TX	1-20%		
Philadelphia Water Ice	Dallas, TX	0%		Y
Dutch Maid Donuts	Lancaster, TX	0%		Y
Hickory House BBQ	Lancaster, TX	0%		
Pappadue Seafood Kitchen	Duncanville, TX	0%		

Bid Tab for Office Supplies and Equipment Supplemental Bid January 9, 2020

Vendor	LOCATION	DISCOUNT	OTHER	HUB/MWBE
Advantage Imaging Supply	Sun Juan Capistrano, CA	2-10%		
Matthews Office Supply	Fort Worth, TX	5%		
Digital Dolphin Supplies	Redondo Beach, CA	0%		

F. Consider approval of accepting \$7000 from the Education Foundation for Teacher Grants - CDC(LEGAL and LOCAL)-(G1,G2)

G. Consider approval of accepting \$10,000 from Texas Instruments - CDC(LEGAL and LOCAL) - (G1,G2)

9. **Action Items**

A. Discussion and possible approval of Budget Amendments - CE(LEGAL and LOCAL) - (G2)

B. Discussion and possible approval of the TASB Policy Update 114:

86



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Action Item

Item Name: Discussion and possible approval TASB Policy Updates 114.

Related Goals (District and/or Strategic): Goal 2: Fiscal Responsibility and Financial Transparency

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Pamela Brown

Presenter and District Contact: Pamela Brown

Explanation: TASB has made proposed changes to local policies with the new updates made to legal policies.

Intended Audience: Stakeholders

Impact or Expected Outcome: Approval and adoption of policies

Recommendation: Approval

Fiscal Implications and Funding Source: None

Frequency Monitored: Ongoing

Projected Start Date: Immediately upon board approval

Projected Completion Date: Completed upon approval



Lancaster ISD

TASB Policy Update 114

86th Legislative Session



Numerous bills were enacted in the 86th Legislative Session. TASB Update 114 focuses on the local policies impacted by these new laws. There are a few policies that are recommended for updating in response to revised guidance from the Texas Education Agency.

Local Policy Changes



• BE(LOCAL): BOARD MEETINGS	• DH(LOCAL): EMPLOYEE STANDARDS OF CONDUCT
• BED(LOCAL): BOARD MEETINGS - PUBLIC PARTICIPATION	• EHBB(LOCAL): SPECIAL PROGRAMS - GIFTED AND TALENTED STUDENTS
• CDA(LOCAL): OTHER REVENUES - INVESTMENTS	• FDE(LOCAL): ADMISSIONS - SCHOOL SAFETY TRANSFERS
• CH(LOCAL): PURCHASING AND ACQUISITION	• FFAA(LOCAL): WELLNESS AND HEALTH SERVICES - PHYSICAL EXAMINATIONS
• CKC(LOCAL): SAFETY PROGRAM/RISK MANAGEMENT - EMERGENCY PLANS	• FFB(LOCAL): STUDENT WELFARE - CRISIS INTERVENTION
• CKE(LOCAL): SAFETY PROGRAM/RISK MANAGEMENT - SECURITY PERSONNEL	• FFBA(LOCAL): CRISIS INTERVENTION - TRAUMA-INFORMED CARE
• CQ(LOCAL): TECHNOLOGY RESOURCES	• FL(LOCAL): STUDENT RECORDS
• CQB(LOCAL): TECHNOLOGY RESOURCES - CYBERSECURITY	• GBAA(LOCAL): INFORMATION ACCESS
• DFFA(LOCAL): REDUCTION IN FORCE - FINANCIAL EXIGENCY	89 - REQUESTS FOR INFORMATION
	• GKA(LOCAL): COMMUNITY RELATIONS - CONDUCT ON SCHOOL PREMISES

Questions



BOARD MEETINGS

BE
(LOCAL)

Meeting Place and Time

The notice for a Board meeting shall reflect the date, time, and location of the meeting.

Regular Meetings

Regular meetings of the Board shall only be held according to a calendar that shall be posted no later than September 1. When determined necessary and for the convenience of Board members, the Board President may change the date, time, or location of a regular meeting with proper notice.

Special or Emergency Meetings

The Board President shall call special meetings at the Board President's discretion or ~~upon~~ written request by two members of the Board.

The Board President shall call an emergency meeting when it is determined by the Board President, two members of the Board, or the Superintendent that an emergency or urgent public necessity, as defined by law, warrants the meeting.

Agenda

Deadline

The deadline for submitting items to the Superintendent for inclusion on the agenda is the sixth calendar day before regular meetings and the sixth calendar day before special meetings.

Preparation

In consultation with the Board President, the Superintendent shall prepare the agenda for all Board meetings. Any two Board members may request in writing that a subject be included on the agenda for a meeting, and the Superintendent shall include on the preliminary agenda of the meeting all topics that have been timely submitted by two Board members. Requests that have not been timely submitted to the Superintendent shall be presented to the Board President for consideration on the next available agenda.

Before the official agenda is finalized for any meeting, the Superintendent shall consult the Board President to ensure that the agenda and the topics included meet with the Board President's approval. In reviewing the preliminary agenda, the Board President shall ensure that any topics that two or more Board members have requested to be addressed are either on that agenda or scheduled for deliberation at an appropriate time in the near future. The Board President shall not have authority to remove from the agenda a subject requested by two or more Board members without specific authorization from those Board members.

Notice to Members

Members of the Board shall be given notice of regular and special meetings at least 72 hours prior to the scheduled time of the meeting and at least ~~one hour two hours~~ prior to the time of an emergency meeting.

Closed Meeting

Notice of all meetings shall provide for the possibility of a closed meeting during an open meeting, in accordance with law.

The Board may conduct a closed meeting when the agenda subject is one that may properly be discussed in closed meeting. [See BEC]

Order of Business

The order of business for regular Board meetings shall be as set out in the agenda accompanying the notice of the meeting. At the meeting, the order in which posted agenda items are taken may be changed by the Board President.

Rules of Order

The Board shall observe the parliamentary procedures as found in *Robert's Rules of Order, Newly Revised*, except as otherwise provided in Board procedural rules or by law. Procedural rules may be suspended at any Board meeting by majority vote of the members present.

Voting

Voting shall be by voice vote or show of hands, as directed by the Board President. Any member may abstain from voting, and a member's vote or failure to vote shall be recorded upon that member's request. [See BDAA(LOCAL) for the Board President's voting rights]

Consent Agenda

When the agenda is prepared, the Board President shall determine items, if any, that qualify to be placed on the consent agenda. A consent agenda shall include items of a routine and/or recurring nature grouped together under one action item. For each item listed as part of a consent agenda, the Board shall be furnished with background material. All such items shall be acted upon by one vote without separate discussion, unless a Board member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.

Minutes

Board action shall be carefully recorded by the Board Secretary or clerk; when approved, these minutes shall serve as the legal record of official Board actions. The written minutes of all meetings shall be approved by vote of the Board and signed by the Board President and the Board Secretary.

The official minutes of the Board shall be retained on file in the office of the Superintendent and shall be available for examination during regular office hours.

Discussions and Limitation

Discussions shall be addressed to the Board President and then the entire membership. Discussion shall be directed solely to the business currently under deliberation, and the Board President shall halt discussion that does not apply to the business before the Board.

The Board President shall also halt discussion if the Board has agreed to a time limitation for discussion of an item, and that time

limit has expired. Aside from these limitations, the Board President shall not interfere with debate so long as members wish to address themselves to an item under consideration.

PROPOSED REVISIONS

Limit on Participation

Audience participation at a Board meeting is limited to the portion of the meeting designated to receive public comment in accordance with this policy. At all other times during a Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board, unless requested by the presiding officer.

Public Comment

~~Regular Meetings~~

At regular Board meetings, public comment shall be limited to items on the agenda posted with notice of the meeting. ~~the Board shall permit public comment, regardless of whether the topic is an item on the agenda posted with notice of the meeting.~~

~~Special Meetings~~

~~At all other Board meetings, public comment shall be limited to items on the agenda posted with notice of the meeting.~~

Procedures

Individuals who wish to participate during the portion of the meeting designated for public comment shall sign up with the presiding officer or designee before the meeting begins as specified in the Board's procedures on public comment and shall indicate the agenda item or topic on which they wish to address the Board.

Public comment shall occur at the beginning of the meeting.

Except as permitted by this policy and the Board's procedures on public comment, an individual's comments to the Board shall not exceed three minutes- one minute per meeting.

Meeting Management

When necessary for effective meeting management or to accommodate large numbers of individuals wishing to address the Board, the presiding officer may make adjustments to public comment procedures, including adjusting when public comment will occur during the meeting, reordering agenda items, ~~deferring public comment on nonagenda items~~, continuing agenda items to a later meeting, providing expanded opportunity for public comment, or establishing an overall time limit for public comment and adjusting the time allotted to each speaker. However, no individual shall be given less than one minute to make comments.

Board's Response

Specific factual information or recitation of existing policy may be furnished in response to inquiries, but the Board shall not deliberate or decide regarding any subject that is not included on the agenda posted with notice of the meeting.

Complaints and Concerns

The presiding officer or designee shall determine whether an individual addressing the Board has attempted to solve a matter administratively through resolution channels established by policy. If not, the individual shall be referred to the appropriate policy to seek resolution:

- Employee complaints: DGBA
- Student or parent complaints: FNG
- Public complaints: GF

Disruption

The Board shall not tolerate disruption of the meeting by members of the audience. If, after at least one warning from the presiding officer, any individual continues to disrupt the meeting by his or her words or actions, the presiding officer may request assistance from law enforcement officials to have the individual removed from the meeting.

Investment Authority

The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

**Approved
Investment
Instruments**

From those investments authorized by law and described further in CDA(LEGAL) under Authorized Investments, the Board shall permit investment of District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, ~~and no-load mutual funds~~ as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.

Safety

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctua-

tions by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

**Investment
Management**

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

**Liquidity and
Maturity**

Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

**Monitoring Market
Prices**

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

**Monitoring Rating
Changes**

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

Funds/Strategies

Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

Operating Funds	Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Custodial Agency Funds	Investment strategies for custodial agency funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.
Safekeeping and Custody	The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool.
Sellers of Investments	<p>Prior to handling investments on behalf of the District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law. [See Sellers of Investments, CDA(LEGAL)]</p> <p>Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the Financial Industry Regulatory Authority (FINRA).</p>
Soliciting Bids for CDs	In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.
Interest Rate Risk	<p>To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average-maturity limits and diversification.</p> <p>The District shall monitor interest rate risk using weighted average maturity and specific identification.</p>
Internal Controls	A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to

protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the District's independent auditing firm.

Portfolio Report

~~In addition to the quarterly report required by law and signed by the District's investment officer, a comprehensive report on the investment program and activity shall be presented annually to the Board.~~

Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the District shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

PURCHASING AND ACQUISITION

CH
(LOCAL)

Purchasing Authority	<p>The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services or designee that costs \$50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place, unless a purchase is due to a catastrophe, emergency, or natural disaster.</p>
<u>Purchasing Procedures</u>	<p><u>The Superintendent or designee shall develop purchasing procedures to implement the requirements of state and federal law. [See also CB, CBB, CH(LEGAL), and COA]</u></p>
Purchasing Method	<p>The Board delegates to the Superintendent or designee the authority to determine the method of purchasing in accordance with CH(LEGAL) or CBB(LEGAL), as appropriate.</p>
<i>Competitive Bidding</i>	<p>If competitive bidding is chosen as the purchasing method, the Superintendent or designee shall prepare bid specifications. All bids shall be in accordance with administrative regulations, and the submission of any electronic bids shall also be in accordance with Board-adopted rules. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered.</p> <p>The District may reject any and all bids in accordance with state or federal law, as applicable.</p>
<i>Competitive Sealed Proposals</i>	<p>If competitive sealed proposals are chosen as the purchasing method, the Superintendent or designee shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be in accordance with administrative regulations, and the submission of any electronic proposals shall also be in accordance with Board-adopted rules. Proposals received after the specified time shall not be considered. Proposals shall be opened at the time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened.</p> <p>The District may reject any and all proposals in accordance with state or federal law, as applicable.</p>
Electronic Bids or Proposals	<p>Bids or proposals that the District has chosen to accept through electronic transmission shall be administered in accordance with Board-adopted rules. Such rules shall safeguard the integrity of the competitive procurement process; ensure the identification, security, and confidentiality of electronic bids or proposals; and ensure</p>

that the electronic bids or proposals remain effectively unopened until the proper time.

**Encouragement of
Historically
Underutilized
Businesses /
Minority- and
Women-Owned
Businesses**

It shall be a continuing goal of the District to involve historically underutilized businesses (HUBs) and minority- and women-owned business enterprises (M/WBEs) to the maximum extent possible in all facets of the District's contracting and purchasing activities.

The District shall develop and maintain administrative regulations (procedures) to ensure that HUBs and firms owned or operated by minorities or women are afforded an equitable opportunity to compete on all District contracts. Such procedures may include, but not be limited to, attending pre-bid and pre-proposal conferences, conducting seminars and training workshops to assist HUBs and M/WBE-designated vendors in becoming active participants in District contracting opportunities, and clarifying District department expectations regarding purchasing and contracting, and expectations of ethical conduct of vendors, District employees, and Board members.

Definitions

The District requires all departments to make a good faith effort to ensure that HUBs and M/WBEs receive a portion of its contract dollars. A HUB or M/WBE is defined as a business formed for the purpose of making a profit in which at least 51 percent of the business is owned, operated, and controlled by one or more of the following:

1. "Minority-Owned Business Enterprise" (MBE) is defined for the purposes of this policy to mean a business enterprise that is at least 51 percent owned by a minority individual or group; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more minority groups and whose management and daily operations are controlled and operated by one or more of these individuals.
2. "Minority individual" is defined for purposes of this policy to include Black Americans, Hispanic Americans, Asian Americans, Asian-Pacific Americans, Native Americans, or persons with a disability.
3. "Woman-Owned Business Enterprise" (WBE) is defined for purposes of this policy as a business enterprise that is at least 51 percent owned by a woman or women; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women and whose management and daily business operations are controlled and operated by one or more women.

4. "Historically Underutilized Business/Small Business Enterprise" is defined for purposes of this policy as one that, at the time of contract award, meets the following requirements:
- Is independently owned and operated, is not dominant in the field of operation in which it is proposing, has its principal place of business located in the United States, and is organized for profit;
 - Is at least 51 percent owned, or in the case of a publicly owned business at least 51 percent of its voting stock is owned, by U.S. citizens or lawfully fully admitted permanent resident aliens; and
 - Has, including its affiliates, a number of employees or annual receipts not exceeding the regulatory requirements found in 13 C.F.R. Part 121. Size standards have been established for types of economic activity, or industry, generally under the North American Industrial Classification System (NAICS).

The District establishes the following minimum percentage goals for all District work, valued at or above \$50,000 advertised for competitive bid or competitive sealed proposals, to be performed by HUBs or M/WBEs as prime contractors or as subcontractors: 20 percent of general purchases, 25 percent of professional services, and 20 percent of construction contracts. However, nothing in this policy shall operate in violation of law, including the provisions of the revised civil statutes of Texas, Texas Education Code Section 44.031, or any other provision of state or federal law.

Certification as a
HUB/~~M~~/WBE |

Any business wishing to be identified by the District as a HUB or M/WBE shall be certified as such by the City of Lancaster, Dallas County, the state of Texas, the North Central Texas Regional Certification Agency, or any other recognized certification agency.

Concerns

Any person desiring to express a concern involving the District's HUB / M/WBE program shall submit the matter in accordance with DGBA, FNG, or GF, as appropriate.

**Responsibility for
Debts** |

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District's purchasing procedures. [See CE]- The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

PURCHASING AND ACQUISITION

CH
(LOCAL)

**Purchase
Commitments**

All purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the District's purchasing procedures.

Personal Purchases

District employees shall not be permitted to make purchases for personal use through the District's business office.

**Emergency
Operations Plan**

The Superintendent shall ensure updating of the District's emer-
gency operations plan~~Emergency Operations Plan~~ and ongoing
staff training.

As required by law, the emergency operations plan shall include
the District's procedures addressing:

1. Reasonable~~reasonable~~ security measures when District
property is used as a polling place;

2. Response to an active shooter emergency; and

Access to campus buildings and materials necessary for a substi-
tute teacher to carry out the duties of a District employee during an
emergency or an emergency drill.

**District Police
Department**

To ensure sufficient security and protection of students, staff, and property, the Board authorizes the formation of a District police department and shall employ and commission police officers.

Supervisory
Authority

The chief of police shall be accountable to and shall report to the Superintendent. In accordance with law, the Superintendent shall not delegate this supervisory responsibility.

Jurisdiction

The jurisdiction of police officers shall include all territory within District boundaries, as well as all real and personal property outside the boundaries of the District that is owned, leased, or rented by the District, or is otherwise under the District's control.

Police Authority

Police officers employed by the District shall have all the powers, privileges, and immunities of police officers on or off duty within the jurisdiction of the District. Subject to limitations in law, District police officers shall have the authority to:

1. Protect the safety and welfare of any person in the jurisdiction of the District and protect the property of the District.
2. Enforce all laws, including municipal ordinances, county ordinances, and state laws, and investigate violations of law as needed. In doing so, District police officers may serve search warrants in connection with District-related investigations in compliance with the Texas Code of Criminal Procedure.
3. Arrest suspects consistent with state and federal statutory and constitutional standards governing arrests, including arrests without warrant, for offenses that occur in the officer's presence or under the other rules set out in the Texas Code of Criminal Procedure.
4. Coordinate and cooperate with commissioned officers of all other law enforcement agencies in the enforcement of this policy as necessary.
5. Enforce District policies, rules, and regulations on District property, in school zones, at bus stops, or at District functions.
6. Investigate violations of District policy, rules, and regulations as requested by the Superintendent and participate in administrative-hearings concerning the alleged violations.
7. Carry weapons as directed by the chief of police and approved by the Superintendent.
8. Carry out all other duties as directed by the chief of police or Superintendent.

<i>Temporary Assignment</i>	<p><u>District police officers shall not be assigned routine classroom discipline or administrative tasks.</u></p> <p>District police officers shall enforce all laws, including municipal ordinances, county ordinances, and state laws within another law enforcement agency's jurisdiction while temporarily assigned to the other agency.</p>
Limitations on Nonschool Employment	<p>No officer commissioned under this policy shall provide law enforcement or security services for an outside employer without prior written approval from the chief of police and Superintendent.</p>
Relationship with Outside Agencies	<p>The District's police department and the law enforcement agencies with which it has overlapping jurisdiction shall enter into a memorandum of understanding that outlines reasonable communication and coordination efforts among the department and the agencies. The chief of police and the Superintendent shall review the memorandum of understanding at least once every year. The memorandum of understanding shall be approved by the Board.</p>
Video Monitoring	<p>If available, video equipment shall be used on a District police car for safety purposes whenever the flashing lights on the car are in use.</p>
<i>Access to Recordings</i>	<p>Recordings shall be considered law enforcement records, shall remain in the custody of the chief of police, and shall be maintained as required by the department regulations manual and law. A parent or student who wishes to view a video recording in response to disciplinary action taken against the student may request such access under the procedures set out by law. [See FL(LEGAL)]</p>
Training	<p>All District officers shall receive at least the minimum amount of education and training required by law.</p>
Department Regulations Manual	<p>To carry out the provisions in this policy, the police department shall compile and maintain a manual that describes and sets forth operational procedures, rules, and regulations pertaining to the administration of police services. The chief of police and the Superintendent shall review the manual annually and make any appropriate revisions.</p>
<i>Racial Profiling</i>	<p>The chief of police shall develop and implement regulations to ensure compliance with state law regarding racial profiling. Police officers employed by the District shall not initiate any law enforcement action based on an individual's race, ethnicity, or national origin.</p>
<i>Use of Force</i>	<p>The use of force, including deadly force, shall be authorized only when reasonable and necessary, as outlined in the department regulations manual.</p>

SAFETY PROGRAM/RISK MANAGEMENT
SECURITY PERSONNEL

CKE
(LOCAL)

*High-Speed
Pursuit*

Officers shall not engage in high-speed chases in a motor vehicle when the immediate danger to the public or the officer created by the pursuit exceeds the immediate or potential danger presented by the offenders remaining at large. Guidelines for high-speed pursuits shall be addressed in the department regulations manual.

Complaints

Complaints against a District police officer shall be in writing on a form provided by the District and shall be signed by the person making the complaint. In accordance with law, the District shall provide to the police officer a copy of the complaint. [See [Complaints Against Peace Officers](#) COMPLAINTS AGAINST PEACE OFFICERS at [CKEACKE](#)(LEGAL)]

Appeals regarding this complaint process shall be filed in accordance with DGBA, FNG, or GF, as appropriate.

Note: For Board member use of District technology resources, see BBI. For student use of personal electronic devices, see FNCE.

Availability of Access

For purposes of this policy, "technology resources" means electronic communication systems and electronic equipment.

Access to the District's technology resources, including the internet, shall be made available to students and employees primarily for instructional and administrative purposes and in accordance with administrative regulations.

Limited Personal Use

Limited personal use of the District's technology resources shall be permitted if the use:

1. Imposes no tangible cost on the District;
2. Does not unduly burden the District's technology resources; and
3. Has no adverse effect on an employee's job performance or on a student's academic performance.

Use by Members of the Public

Access to the District's technology resources, including the internet, shall be made available to members of the public, in accordance with administrative regulations. Such use shall be permitted so long as the use:

1. Imposes no tangible cost on the District; and
2. Does not unduly burden the District's technology resources.

Acceptable Use

The Superintendent or designee shall develop and implement administrative regulations, guidelines, and user agreements consistent with the purposes and mission of the District and with law and policy.

Access to the District's technology resources is a privilege, not a right. All users shall be required to acknowledge receipt and understanding of all administrative regulations governing use of the District's technology resources and shall agree in writing to allow monitoring of their use and to comply with such regulations and guidelines. Noncompliance may result in suspension of access or termination of privileges and other disciplinary action consistent with District policies. [See DH, FN series, FO series, and the Student Code of Conduct] Violations of law may result in criminal prosecution as well as disciplinary action by the District.

Internet Safety

The Superintendent or designee shall develop and implement an internet safety plan to:

1. Control students' access to inappropriate materials, as well as to materials that are harmful to minors;
2. Ensure student safety and security when using electronic communications;
3. Prevent unauthorized access, including hacking and other unlawful activities;
4. Restrict unauthorized disclosure, use, and dissemination of personally identifiable information regarding students; and
5. Educate students about cyberbullying awareness and response and about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms.

Filtering

Each District computer with internet access and the District's network systems shall have filtering devices or software that blocks access to visual depictions that are obscene, pornographic, inappropriate for students, or harmful to minors, as defined by the federal Children's Internet Protection Act and as determined by the Superintendent or designee.

The Superintendent or designee shall enforce the use of such filtering devices. Upon approval from the Superintendent or designee, an administrator, supervisor, or other authorized person may disable the filtering device for bona fide research or other lawful purpose.

Monitored Use

Electronic mail transmissions and other use of the District's technology resources by students, employees, and members of the public shall not be considered private. Designated District staff shall be authorized to monitor the District's technology resources at any time to ensure appropriate use.

Disclaimer of Liability

The District shall not be liable for users' inappropriate use of the District's technology resources, violations of copyright restrictions or other laws, users' mistakes or negligence, and costs incurred by users. The District shall not be responsible for ensuring the availability of the District's technology resources or the accuracy, age appropriateness, or usability of any information found on the internet.

Record Retention

A District employee shall retain electronic records, whether created or maintained using the District's technology resources or using personal technology resources, in accordance with the District's record management program. [See CPC]

Electronically Signed Documents

At the District's discretion, the District may make certain transactions available online, including student admissions documents,

student grade and performance information, contracts for goods and services, and employment documents.

To the extent the District offers transactions electronically, the District may accept electronic signatures in accordance with this policy.

When accepting electronically signed documents or digital signatures, the District shall comply with rules adopted by the Department of Information Resources, to the extent practicable, to:

- Authenticate a digital signature for a written electronic communication sent to the District;
- Maintain all records as required by law;
- Ensure that records are created and maintained in a secure environment;
- Maintain appropriate internal controls on the use of electronic signatures;
- Implement means of confirming transactions; and
- Train staff on related procedures as necessary.

**Security Breach
Notification**

~~Upon discovering or receiving notification of a breach of system security, the District shall disclose the breach to affected persons or entities in accordance with the time frames established by law.~~

~~The District shall give notice by using one or more of the following methods:~~

- ~~1. Written notice.~~
- ~~2. Electronic mail, if the District has electronic mail addresses for the affected persons.~~
- ~~3. Conspicuous posting on the District's website.~~
- 4.1. Publication through broadcast media.

Plan	The District shall develop a cybersecurity plan to secure the District's cyberinfrastructure against a cyberattack or any other cybersecurity incidents, determine cybersecurity risk, and implement appropriate mitigation planning.
Coordinator	The Superintendent shall designate a cybersecurity coordinator. The cybersecurity coordinator shall serve as the liaison between the District and the Texas Education Agency (TEA) in cybersecurity matters and as required by law report to TEA breaches of system security.
Training	Each District employee and Board member shall annually complete the cybersecurity training program designated by the District. The District shall verify and report compliance with staff training requirements to the Department of Information Resources. Additionally, the District shall complete periodic audits to ensure compliance with the cybersecurity training requirements.
Security Breach Notifications	<p>Upon discovering or receiving notification of a breach of system security, the District shall disclose the breach to affected persons or entities in accordance with the time frames established by law. The District shall give notice by using one or more of the following methods:</p> <ol style="list-style-type: none">1. Written notice.2. Email, if the District has email addresses for the affected persons.3. Conspicuous posting on the District's websites.4. Publication through broadcast media. <p>The District's cybersecurity coordinator shall disclose a breach involving sensitive, protected, or confidential student information to TEA and parents in accordance with law.</p>



EditablePolicies (3).zip

Plan to Reduce Personnel Costs

If the Superintendent determines that there is a need to reduce personnel costs, the Superintendent shall develop, in consultation with the Board as necessary, a plan for reducing costs that may include one or more of the following:

- Salary reductions [see DEA];
- Furloughs [see DEA];
- ~~Furloughs, if the District has received from the commissioner of education certification of a reduction in funding under Education Code 42.009 [see CBA and DEA];~~
- Reductions in force of contract personnel due to financial exigency, if the District meets the standard for declaring a financial exigency as defined by the commissioner [see CEA and provisions at Reduction in Force Due to Financial Exigency~~REDUCTION IN FORCE DUE TO FINANCIAL EXIGENCY~~, below];
- Reductions in force of contract personnel due to program change [see DFFB]; or
- Other means of reducing personnel costs.

A plan to reduce personnel costs may include the reduction of personnel employed pursuant to employment arrangements not covered at Applicability~~APPLICABILITY~~, below.

- See DCD for the termination at any time of at-will employment.
- See DFAB for the termination of a probationary contract at the end of the contract period.
- See DFCA for the termination of a continuing contract, if applicable.
- See DCE for the termination at the end of the contract period of a contract not governed by Chapter 21 of the Education Code.

Reduction in Force Due to Financial Exigency

Applicability

The following provisions shall apply when a reduction in force due to financial exigency requires:

1. The nonrenewal or termination of a term contract;
2. The termination of a probationary contract during the contract period; or
3. The termination of a contract not governed by Chapter 21 of the Education Code during the contract period.

Definitions

Definitions used in this policy are as follows:

1. "Nonrenewal" shall mean the termination of a term contract at the end of the contract period.
2. "Discharge" shall mean termination of a contract during the contract period.

General Grounds

A reduction in force may take place when the Superintendent recommends and the Board adopts a resolution declaring a financial exigency. [See CEA]- A determination of financial exigency constitutes sufficient reason for nonrenewal or sufficient cause for discharge.

Employment Areas

When a reduction in force is to be implemented, the Superintendent shall recommend the employment areas to be affected.

Employment areas may include, for example:

1. Elementary grades, levels, subjects, departments, or programs.
2. Secondary grades, levels, subjects, departments, or programs, including career and technical education subjects.
3. Special programs, such as gifted and talented, bilingual/ESL programs, special education and related services, compensatory education, or migrant education.
4. Disciplinary alternative education programs (DAEPs) and other discipline management programs.
5. Counseling programs.
6. Library programs.
7. Nursing and other health services programs.
8. An educational support program that does not provide direct instruction to students.
9. Other District-wide programs.
10. An individual campus.
11. Any administrative position, unit, or department.
12. Programs funded by state or federal grants or other dedicated funding.
13. Other contractual positions.

The Superintendent's recommendation may address whether any employment areas should be:

1. Combined or adjusted (e.g., “elementary programs” and “compensatory education programs” can be combined to identify an employment area of “elementary compensatory education programs”); and/or
2. Applied on a District-wide or campus-wide basis (e.g., “the counseling program at [named elementary campus]”).

The Board shall determine the employment areas to be affected.

Criteria for Decision

The Superintendent or designee shall apply the following criteria to the employees within an affected employment area when a reduction in force will not result in the nonrenewal or discharge of all staff in the employment area. The criteria are listed in the order of importance and shall be applied sequentially to the extent necessary to identify the employees who least satisfy the criteria and therefore are subject to the reduction in force. For example, if all necessary reductions can be accomplished by applying the first criterion, it is not necessary to apply the second criterion, and so forth.

1. Qualifications for Current or Projected Assignment: Certification, multiple or composite certifications, bilingual certification, licensure, endorsement, and/or specialized or advanced content-specific training or skills for the current or projected assignment.
2. Performance: Effectiveness, as reflected by the:
 - a. ~~The~~ most recent formal appraisal and, if available, consecutive formal appraisals from more than one year [see DNA]; and any
 - b. ~~Any~~ other written evaluative information, including disciplinary information, from the last 36 months.

If the Superintendent or designee at his or her discretion decides that the documented performance differences between two or more employees are too insubstantial to rely upon, he or she may proceed to apply the remaining criteria in the order listed below.

- ~~3.2.~~ Extra Duties: Currently performing an extra-duty assignment, such as department or grade-level chair, band director, athletic coach, or activity sponsor.
- ~~4.3.~~ Professional Background: Professional education and work experience related to the current or projected assignment.
- ~~5.4.~~ Seniority: Length of service in the District, as measured from the employee’s most recent date of hire.

REDUCTION IN FORCE
FINANCIAL EXIGENCY

DFFA
(LOCAL)

Superintendent Recommendation	The Superintendent shall recommend to the Board the nonrenewal or discharge of the identified employees within the affected employment areas.
Board Vote	<p>After considering the Superintendent's recommendations, the Board shall determine the employees to be proposed for nonrenewal or discharge, as appropriate.</p> <p>If the Board votes to propose nonrenewal of one or more employees, the Board shall specify the manner of hearing in accordance with DFBB(LOCAL).</p> <p>If the Board votes to propose discharge of one or more employees, the Board shall determine whether the hearing will be conducted by a TEA-appointed hearing examiner [see DFD] or will be a local hearing under Education Code 21.207 [see DFBB].</p>
Notice	<p>The Superintendent or designee shall provide each employee written notice of the proposed nonrenewal or discharge, as applicable. The notice shall include:</p> <ol style="list-style-type: none">1. The proposed action, as applicable;2. A statement of the reason for the proposed action; and3. Notice that the employee is entitled to a hearing of the type determined by the Board.
Consideration for Available Positions	<p>An employee who has received notice of proposed nonrenewal or discharge may apply for available positions for which he or she wishes to be considered. The employee is responsible for reviewing posted vacancies, submitting an application, and otherwise complying with District procedures.</p> <p>If the employee meets the District's objective criteria for the position and is the most qualified internal applicant, the District shall offer the employee the position until:</p> <ol style="list-style-type: none">1. Final action by the Board to end the employee's contract, if the employee does not request a hearing.2. The evidentiary hearing by the independent hearing examiner, the Board, or other person designated in DFBB(LOCAL), if the employee requests a hearing.
Hearing Request	An employee receiving notice of proposed nonrenewal of a term contract may request a hearing in accordance with DFBB.
Nonrenewal: Term Contract	
Discharge: Chapter 21 Contract	An employee receiving notice of proposed discharge from a contract governed by Chapter 21 of the Education Code may request a

REDUCTION IN FORCE
FINANCIAL EXIGENCY

DFFA
(LOCAL)

hearing. The hearing shall be conducted in accordance with DFD or the nonrenewal hearing process in DFBB, as determined by the Board and specified in the notice of proposed discharge.

Discharge:
Non-Chapter 21
Contract

An employee receiving notice of proposed discharge during the period of an employment contract not governed by Chapter 21 of the Education Code may request a hearing before the Board or its designee in accordance with DCE.

Final Action

Hearing Requested

If the employee requests a hearing, the Board shall take final action after the hearing in accordance with DCE, DFBB, or DFD, as applicable, and shall notify the employee in writing.

No Hearing
Requested

If the employee does not request a hearing, the Board shall take final action in accordance with DCE, DFBB, or DFD, as applicable, and shall notify the employee in writing.

Each District employee shall perform his or her duties in accordance with state and federal law, District policy, and ethical standards. The District holds all employees accountable to the Educators' Code of Ethics. [See DH(EXHIBIT)]

Each District employee shall recognize and respect the rights of students, parents, other employees, and members of the community and shall work cooperatively with others to serve the best interests of the District.

An employee wishing to express concern, complaints, or criticism shall do so through appropriate channels. [See DGBA]

Violations of Standards of Conduct

Each employee shall comply with the standards of conduct set out in this policy and with any other policies, regulations, and guidelines that impose duties, requirements, or standards attendant to his or her status as a District employee. Violation of any policies, regulations, or guidelines, including intentionally making a false claim, offering a false statement, or refusing to cooperate with a District investigation, may result in disciplinary action, including termination of employment. [See DCD and DF series]

Weapons Prohibited

The District prohibits the use, possession, or display of any firearm, location-restricted knife, club, or prohibited weapon, as defined at FNCG, on District property at all times.

Exceptions

No violation of this policy occurs when:

1. Use or possession of a firearm by a specific employee is authorized by Board action. [See CKE]
2. A District employee who holds a Texas handgun license stores a handgun or other firearm in a locked vehicle in a parking lot, parking garage, or other parking area provided by the District, provided the handgun or other firearm is not ~~loaded and not~~ in plain view; or
3. The use, possession, or display of an otherwise prohibited weapon takes place as part of a District-approved activity supervised by proper authorities. [See FOD]

Electronic Communication

Use with Students

A certified employee, licensed employee, or any other employee designated in writing by the Superintendent or a campus principal may use electronic communication, as this term is defined by law, with currently enrolled students only about matters within the scope of the employee's professional responsibilities.

Unless an exception has been made in accordance with the employee handbook or other administrative regulations, an employee

EMPLOYEE STANDARDS OF CONDUCT

DH
(LOCAL)

shall not use a personal electronic communication platform, application, or account to communicate with currently enrolled students.

Unless authorized above, all other employees are prohibited from using electronic communication directly with students who are currently enrolled in the District. The employee handbook or other administrative regulations shall further detail:

1. Exceptions for family and social relationships;
2. The circumstances under which an employee may use text messaging to communicate with individual students or student groups;
3. Hours of the day during which electronic communication is discouraged or prohibited; and
4. Other matters deemed appropriate by the Superintendent or designee.

In accordance with ethical standards applicable to all District employees [see DH(EXHIBIT)], an employee shall be prohibited from using electronic communications in a manner that constitutes prohibited harassment or abuse of a District student; adversely affects the student's learning, mental health, or safety; includes threats of violence against the student; reveals confidential information about the student; or constitutes an inappropriate communication with a student, as described in the Educators' Code of Ethics.

An employee shall have no expectation of privacy in electronic communications with students. Each employee shall comply with the District's requirements for records retention and destruction to the extent those requirements apply to electronic communication. [See CPC]

Personal Use	All employees shall be held to the same professional standards in their public use of electronic communication as for any other public conduct. If an employee's use of electronic communication violates state or federal law or District policy, or interferes with the employee's ability to effectively perform his or her job duties, the employee is subject to disciplinary action, up to and including termination of employment.
Reporting Improper Communication	In accordance with administrative regulations, an employee shall notify his or her supervisor when a student engages in improper electronic communication with the employee.
Disclosing Personal Information	An employee shall not be required to disclose his or her personal email address or personal phone number to a student.

Electronic Recording	Except as provided in state law regarding grievance conferences or hearings [see DGBA], an employee shall not electronically record by audio, video, or other means any conversations or meetings unless each and every person present has been notified and consents to being electronically recorded. Persons wishing to record a meeting must obtain consent from anyone arriving late to any such meeting.
Conversations and Meetings	
Telephone Conversations	An employee shall not electronically record telephone conversations unless all persons participating in the telephone conversation have consented to be electronically recorded.
Open Meetings and Other Public Meetings	These provisions are not intended to limit or restrict electronic recordings of publicly posted Board meetings, Board committee meetings, appeals and grievance hearings, and any other Board-sanctioned meeting recorded in accordance with Board policy.
Official Investigations	These provisions are not intended to limit or restrict electronic recordings invoking authorized investigations conducted by the police department.
Safety Requirements	Each employee shall adhere to District safety rules and regulations and shall report unsafe conditions or practices to the appropriate supervisor.
Harassment or Abuse	<p>An employee shall not engage in prohibited harassment, including sexual harassment, of:</p> <ol style="list-style-type: none">1. Other employees. [See DIA]2. Students. [See FFH; see FFG regarding child abuse and neglect.] <p>While acting in the course of employment, an employee shall not engage in prohibited harassment, including sexual harassment, of other persons, including Board members, vendors, contractors, volunteers, or parents.</p> <p>An employee shall report child abuse or neglect as required by law. [See FFG]</p>
Relationships with Students	<p>An employee shall not form romantic or other inappropriate social relationships with students. Any sexual relationship between a student and a District employee is always prohibited, even if consensual. [See FFH]</p> <p>As required by law, the District shall notify the parent of a student with whom an educator is alleged to have engaged in certain misconduct. [See FFF]</p>

EMPLOYEE STANDARDS OF CONDUCT

DH
(LOCAL)

**Tobacco and E-~~C~~-
Cigarettes**

An employee shall not smoke or use tobacco products or e-cigarettes on District property, in District vehicles, or at school-related activities. [See also GKA]

**Alcohol and Drugs /
Notice of Drug-Free
Workplace**

As a condition of employment, an employee shall abide by the terms of the following drug-free workplace provisions. An employee shall notify the Superintendent in writing if the employee is convicted for a violation of a criminal drug statute occurring in the workplace in accordance with Arrests, Indictments, Convictions, and Other Adjudications, below.

An employee shall not manufacture, distribute, dispense, possess, use, or be under the influence of any of the following substances during working hours while on District property or at school-related activities during or outside of usual working hours:

1. Any controlled substance or dangerous drug as defined by law, including but not limited to marijuana, any narcotic drug, hallucinogen, stimulant, depressant, amphetamine, or barbiturate.
2. Alcohol or any alcoholic beverage.
3. Any abusable glue, aerosol paint, or any other chemical substance for inhalation.
4. Any other intoxicant or mood-changing, mind-altering, or behavior-altering drug.

An employee need not be legally intoxicated to be considered "under the influence" of a controlled substance.

Exceptions

It shall not be considered a violation of this policy if the employee:

1. Manufactures, possesses, or dispenses a substance listed above as part of the employee's job responsibilities;
2. Uses or possesses a controlled substance or drug authorized by a licensed physician prescribed for the employee's personal use; or
3. Possesses a controlled substance or drug that a licensed physician has prescribed for the employee's child or other individual for whom the employee is a legal guardian.

Sanctions

An employee who violates these drug-free workplace provisions shall be subject to disciplinary sanctions. Sanctions may include:

1. Referral to drug and alcohol counseling or rehabilitation programs;
2. Referral to employee assistance programs;

EMPLOYEE STANDARDS OF CONDUCT

DH
(LOCAL)

3. Termination from employment with the District; and
4. Referral to appropriate law enforcement officials for prosecution.

Notice

Employees shall receive a copy of this policy.

Arrests, Indictments, Convictions, and Other Adjudications

An employee shall notify his or her principal or immediate supervisor within three calendar days of any arrest, indictment, conviction, no contest or guilty plea, or other adjudication of the employee for any felony, any offense involving moral turpitude, and any of the other offenses as indicated below:

1. Crimes involving school property or funds;
2. Crimes involving attempt by fraudulent or unauthorized means to obtain or alter any certificate or permit that would entitle any person to hold or obtain a position as an educator;
3. Crimes that occur wholly or in part on school property or at a school-sponsored activity; or
4. Crimes involving moral turpitude, which include:
 - Dishonesty; fraud; deceit; theft; misrepresentation;
 - Deliberate violence;
 - Base, vile, or depraved acts that are intended to arouse or gratify the sexual desire of the actor;
 - Felony possession or conspiracy to possess, or any misdemeanor or felony transfer, sale, distribution, or conspiracy to transfer, sell, or distribute any controlled substance defined in Chapter 481 of the Health and Safety Code;
 - Felony driving while intoxicated (DWI); or
 - Acts constituting abuse or neglect under the Texas Family Code.

Dress and Grooming

An employee's dress and grooming shall be clean, neat, in a manner appropriate for his or her assignment, and in accordance with any additional standards established by his or her supervisor and approved by the Superintendent.

Nomination / Referral	Students may be nominated /referred for the gifted and talented program at any time by teachers, counselors, parents, or other interested persons.
Screening and Identification Process	The District shall provide assessment opportunities to complete the screening and identification process for nominated /referred students at least once per school year. <u>The District shall share information about the gifted and talented program awareness session for with parents that provides an overview of the assessment procedures and services for the program prior to beginning the screening and identification process.</u>
Parental Consent	The District shall obtain written parental consent before any special testing or individual assessment is conducted as part of the screening and identification process. All student information collected during the screening and identification process shall be an educational record, subject to the protections set out in policies at FL.
Identification Criteria	The Board-approved program for the gifted and talented shall establish criteria to identify gifted and talented students. The criteria shall be specific to the state definition of gifted and talented and shall ensure the fair assessment of students with special needs, such as the culturally different, the economically disadvantaged, and students with disabilities.
Assessments	Data collected through both objective and subjective assessments shall be measured against the criteria approved by the Board to determine individual eligibility for the program. Assessment tools may include, but are not limited to, the following: achievement tests, intelligence tests, creativity tests, behavioral checklists completed by teachers and parents, student/parent conferences, and available student work products.
Selection	A selection committee shall evaluate each nominated /referred student according to the established criteria and shall identify those students for whom placement in the gifted and talented program is the most appropriate educational setting. The committee shall be composed of at least three professional educators who have received training in the nature and needs of gifted students, as required by law, and shall be established at each campus.
Notification	The District shall provide written notification to parents of students who qualify for services through the District's gifted and talented program. Participation in any program or services provided for gifted students shall be voluntary, and the District shall obtain written permission from the parents before placing a student in a gifted <u>and talented</u> program.

**No Routine
Reassessment**

If the District reassesses students in the gifted and talented program, the reassessment shall be based on a student's performance in response to services and shall occur no more than once in elementary grades, once in middle school grades, and once in high school grades.

~~The District shall not perform routine reassessments but may reassess as needed as determined by the campus selection committee.~~

Transfer Students

Interdistrict

When a student identified as gifted by a previous school district enrolls in the District, the selection committee~~District~~ shall review- place the student's records and conduct assessment procedures when necessary to determine if placement~~student~~ in the District's program for gifted and talented students is appropriate.

[See FDD(LEGAL) for information regarding transfer students and the Interstate Compact on Educational Opportunities for Military Children]

Intradistrict

A student who transfers from one campus in the District to the same grade level at another District campus shall continue to receive services in the District's gifted and talented program.

Furloughs

The District may place on a furlough any student who is unable to maintain satisfactory performance or whose educational needs are not being met within the structure of the gifted and talented program. A furlough may be initiated by the District, the parent, or the student.

In accordance with the Board-approved program~~administrative regulations~~, a furlough shall be granted for specified reasons and for a specified period of time. At the end of a furlough, the student may reenter the gifted and talented program, be placed on another furlough, or be exited from the program.

Exit Provisions

The District shall monitor student performance in response to gifted and talented~~the program~~ services. If at any time the selection committee or a parent determines it is in the best interest of the student to~~and his or her educational needs, the committee may~~ exit a student from the program. ~~If a student or parent requests removal from the program, the selection committee shall meet with the parent and student before~~ finalizing an exit decision~~honoring the request~~.

Appeals

A parent, ~~or student,~~ or educator may appeal any final decision of the selection committee regarding selection for or exit from the gifted and talented program. Appeals shall be made first to the selection committee. Any subsequent appeals shall be made in accordance with FNG(LOCAL) beginning at Level Two.

Program Evaluation

The District shall annually evaluate the effectiveness of the District's gifted and talented program, and the results of the evaluation shall be used to modify and update the District and campus improvement plans. The District shall include parents in the evaluation process and shall share the information with Board members, administrators, teachers, counselors, students in the gifted and talented program, and the community.

The District's gifted and talented program shall address effective use of funds for programs and services consistent with the standards in the state plan for gifted and talented students.

The District shall annually report to the Texas Education Agency (TEA) regarding funding used to implement the District's gifted and talented program. The District shall annually certify to TEA:

1. The establishment of a gifted and talented program by the District; and
2. That the District's program is consistent with the state plan for gifted and talented students.

Community Awareness

The District shall ensure that information about the District's gifted and talented program is available to parents and community members and that they have an opportunity to develop an understanding of and support for the program.

Safe Schools Data

The Superintendent or designee shall ensure that the District complies with Texas Education Agency (TEA) guidelines for the collection and maintenance of data regarding:

1. Mandatory expellable offenses committed at school or at a school-related or school-sponsored activity, on or off school property [see FOD];~~;~~ and
2. Any student who becomes a victim of one of the following violent criminal offenses, as defined by the Penal Code, while ~~in~~ or on the premises of the school the student attends or while attending a school-sponsored or school-related activity, on or off school property:
 - a. Attempted murder;
 - b. Indecency with a child;
 - c. Aggravated kidnapping;
 - d. Aggravated Assault resulting in bodily injury or aggravated assault on someone other than a District employee or volunteer;
 - e. Sexual assault or aggravated sexual assault against someone other than a District employee; or volunteer;
 - f. Aggravated robbery; or;
 - a. Continuous sexual abuse of a young child or children.

School Safety Transfers

The parent of a student who becomes a victim of a violent criminal offense as described in the state guidance for unsafe school choice options ~~above~~ or who is assigned to a campus identified by TEA as persistently dangerous shall be offered a transfer to a safe public or charter school within the District.

For each transfer requested, the District shall explore transfer options, as appropriate. Options may include a transfer agreement with another school district.

From a Persistently Dangerous School

The parent of a student attending a school identified as persistently dangerous shall be provided notification of his or her right to request a transfer. Notification shall occur at least 14 days prior to the start of the school year or, for a student enrolling subsequently, upon the student's enrollment.

The parent must submit to the Superintendent or designee an application for transfer. The Superintendent or designee shall complete the transfer prior to the beginning of the school year, if applicable, or within 14 calendar days of the request for a subsequently enrolling student.

Any transfer arranged for a student from a campus identified by TEA as persistently dangerous shall be renewed so long as the campus from which the student transferred retains that designation.

The District shall maintain, in accordance with the District's record retention schedule, documentation of notification to parents of the transfer option, transfer applications submitted, and action taken.

For a Victim of a
Violent Criminal
Offense

Within 14 calendar days after a violent criminal offense described above occurs in or on the premises grounds of the school the student attends or while attending a school-sponsored or school-related activity, on or off school property, the District shall notify the parent of a student who is a victim of the offense of the parent's right to request a transfer. The parent must submit to the Superintendent or designee an application for transfer. The Superintendent or designee shall approve or disapprove the request within 14 calendar days of its submission.

Any transfer arranged for a student who was a victim of a violent crime as described above shall be renewed so long as the threat to the student exists at the campus to which the student would typically be assigned.

For each offense, the District shall maintain for at least five years documentation of the nature and date of the offense, notification to the parent of the transfer option, transfer applications submitted, action taken, and other relevant information regarding the offense.

**Additional Transfer
Options**

In circumstances described by Education Code 25.0341, a parent of a student who has been the victim of a sexual assault, regardless of whether the offense occurred on or off school property, may request a transfer of the parent's child or the student assailant from the same campus. [See also FDA and FDB.]

13. FFAA(LOCAL): WELLNESS AND HEALTH SERVICES - PHYSICAL EXAMINATIONS

140

WELLNESS AND HEALTH SERVICES
PHYSICAL EXAMINATIONS

FFAA
(LOCAL)

**Required Medical
Clearance
Participation**

~~Prior to participating in a designated University Interscholastic League (UIL) A student desiring to participate in the UIL athletic program or other District extracurricular program identified by the Superintendent, a student shall undergo a physical examination annually and shall submit annually a statement from an authorized a health-care provider authorized under UIL rules indicating that the student has been examined and medically cleared is physically able to participate in the athletic program.~~

Additional Screening

The District may provide additional screening as District and community resources permit.

Referrals

Parents of students identified through any screening programs as needing treatment or further examination shall be advised of the need and referred to appropriate health agencies.

Notice of Lice

A school nurse or administrator who discovers or becomes aware that a child enrolled in a District elementary school has lice shall provide written or electronic notice to parents within the time frames prescribed in law.

**Threat Assessment
and Safe and
Supportive Team**

In compliance with law, the Superintendent shall ensure that a multidisciplinary threat assessment and safe and supportive team is established to serve each campus. The Superintendent shall appoint team members. The team shall be responsible for developing and implementing a safe and supportive school program at each campus served by the team and shall support the District in implementing its multi-hazard emergency operations plan.

Training

Each team shall complete training provided by an approved provider on evidence-based threat assessment programs.

Imminent Threats or
Emergencies

A member of the team or any District employee may act immediately to prevent an imminent threat or respond to an emergency, including contacting law enforcement directly.

Threat Assessment
Process

The District shall develop procedures as recommended by the Texas School Safety Center. In accordance with those procedures, the threat assessment and safe and supportive team shall conduct threat assessments using a process that includes:

1. Identifying individuals, based on referrals, tips, or observations, whose behavior has raised concerns due to threats of violence or exhibition of behavior that is harmful, threatening, or violent.
2. Conducting an individualized assessment based on reasonably available information to determine whether the individual poses a threat of violence or poses a risk of harm to self or others and the level of risk.
3. Implementing appropriate intervention and monitoring strategies, if the team determines an individual poses a threat of harm to self or others. These strategies may include referral of a student for a mental health assessment and escalation procedures as appropriate.

For a student or other individual the team determines poses a serious risk of violence to self or others, the team shall immediately report to the Superintendent, who shall immediately attempt to contact the student's parent or guardian. Additionally, the Superintendent shall coordinate with law enforcement authorities as necessary and take other appropriate action in accordance with the District's multihazard emergency operations plan.

For a student the team identifies as at risk of suicide, the team shall follow the District's suicide prevention program.

For a student the team identifies as having a substance abuse issue, the team shall follow the District's substance abuse program.

For a student whose conduct may constitute a violation of the District's Student Code of Conduct, the team shall make a referral to the campus behavior coordinator or other appropriate administrator to consider disciplinary action.

As appropriate, the team may refer a student:

1. To a local mental health authority or health-care provider for evaluation or treatment; or
2. For a full individualized and initial evaluation for special education services.

The team shall not provide any mental health-care services, except as permitted by law.

Guidance to School
Community

The team shall provide guidance to students and District employees on recognizing harmful, threatening, or violent behavior that may pose a threat to another person, the campus, or the community and methods to report such behavior to the team, including through anonymous reporting.

Reports

The team shall provide reports to the Texas Education Agency as required by law.

**Trauma-Informed
Care Program**

The District's trauma-informed care program, as included in the District improvement plan, shall provide for the integration of trauma-informed care practices in the school environment, including increasing staff and parent awareness of trauma-informed care, implementation of trauma-informed practices and care by District and campus staff, and providing information about available counseling options for students affected by trauma or grief.

Training

The District shall provide training in trauma-informed care to District educators as required by law. The District improvement plan shall specify required training for any other District employees as applicable.

Annual Report

The District shall provide an annual report to the Texas Education Agency on the number of employees who have participated in trauma-informed care training.

Comprehensive System

The Superintendent or designee shall develop and maintain a comprehensive system of student records and reports dealing with all facets of the school program operation and shall ensure through reasonable procedures that records are accessed by authorized persons only, as allowed by this policy. These data and records shall be stored in a safe and secure manner and shall be conveniently retrievable for use by authorized school officials.

Cumulative Record

A cumulative record shall be maintained for each student from entrance into District schools until withdrawal or graduation from the District.

This record shall move with the student from school to school and be maintained at the school where currently enrolled until graduation or withdrawal. Records for nonenrolled students shall be retained for the period of time required by law. No permanent records may be destroyed without explicit permission from the Superintendent. [See CPC]

Custodian of Records

The principal is custodian of all records for currently enrolled students. The principal is the custodian of records for students who have withdrawn or graduated. The student handbook made available to all students and parents shall contain a listing of the addresses of District schools, as well as the Superintendent's business address.

Types of Education Records

The record custodian shall be responsible for the education records of the District. These records may include:

1. Admissions data, personal and family data, including certification of date of birth.
2. Standardized test data, including intelligence, aptitude, interest, personality, and social adjustment ratings.
3. All achievement records, as determined by tests, recorded grades, and teacher evaluations.
4. All documentation regarding a student's testing history and any accelerated instruction he or she has received, including any documentation of discussion or action by a grade placement committee convened for the student.
5. Health services record, including:
 - a. The results of any tuberculin tests required by the District.
 - b. The findings of screening or health appraisal programs the District conducts or provides. [See FFAA]

- c. Immunization records. [See FFAB]
6. Attendance records.
7. Student questionnaires.
8. Records of teacher, school counselor, or administrative conferences with the student or pertaining to the student.
9. Verified reports of serious or recurrent behavior patterns.
10. Copies of correspondence with parents and others concerned with the student.
11. Records transferred from other districts in which the student was enrolled.
12. Records pertaining to participation in extracurricular activities.
13. Information relating to student participation in special programs.
14. Records of fees assessed and paid.
15. Records pertaining to student and parent complaints.
16. Other records that may contribute to an understanding of the student.

Access by Parents

The District shall make a student's records available to the student's parents, as permitted by law. The records custodian or designee shall use reasonable procedures to verify the requester's identity before disclosing student records containing personally identifiable information.

Records may be reviewed in person during regular school hours without charge upon written request to the records custodian. For in-person viewing, the records custodian or designee shall be available to explain the record and to answer questions. The confidential nature of the student's records shall be maintained at all times, and records to be viewed shall be restricted to use only in the Superintendent's, principal's, or school counselor's office, or other restricted area designated by the records custodian. The original copy of the record or any document contained in the cumulative record shall not be removed from the school.

Copies of records are available at a per copy cost, payable in advance. Copies of records must be requested in writing. Parents may be denied copies of records if they fail to follow proper procedures or pay the copying charge. If the student qualifies for free or

reduced-price lunches and the parents are unable to view the records during regular school hours, upon written request of a parent, one copy of the record shall be provided at no charge.

A parent may continue to have access to his or her child's records under specific circumstances after the student has attained 18 years of age or is attending an institution of postsecondary education. [See FL(LEGAL)]

Access by School Officials

A school official shall be allowed access to student records if he or she has a legitimate educational interest in the records.

For the purposes of this policy, "school officials" shall include:

1. An employee, Board member, or agent of the District, including an attorney, a consultant, a contractor, a volunteer, a school resource officer, and any outside service provider used by the District to perform institutional services.
2. An employee of a cooperative of which the District is a member or of a facility with which the District contracts for placement of students with disabilities.
3. A contractor retained by a cooperative of which the District is a member or by a facility with which the District contracts for placement of students with disabilities.
4. A parent or student serving on an official committee, such as a disciplinary or grievance committee, or assisting another school official in performing his or her tasks.

1. A person appointed to serve on a team to support the District's safe and supportive school program.

All contractors provided with student records shall follow the same rules as employees concerning privacy of the records and shall return the records upon completion of the assignment.

A school official has a "legitimate educational interest" in a student's records when he or she is:

- ~~1-5.~~ Working with the student;
- ~~2-6.~~ Considering disciplinary or academic actions, the student's case, or an individualized education program for a student with disabilities;
- ~~3-7.~~ Compiling statistical data;
- ~~4-8.~~ Reviewing an education record to fulfill the official's professional responsibility; or

~~5-9.~~ Investigating or evaluating programs.

**Transcripts and
Transfers of Records**

The District may request transcripts from previously attended schools for students transferring into District schools; however, the ultimate responsibility for obtaining transcripts from sending schools rests with the parent or student, if 18 or older.

For purposes of a student's enrollment or transfer, the District shall promptly forward in accordance with the ~~timelinetime line~~ provided in law education records upon request to officials of other schools or school systems in which the student intends to enroll or enrolls. [See FD(LEGAL), Required Documentation]~~REQUIRED DOCUMENTATION~~ The District may return an education record to the school identified as the source of the record.

**Records
Responsibility for
Students in Special
Education**

The Chief of Special Education ~~director of special education~~ shall be responsible for ensuring the confidentiality of any personally identifiable information in records of students in special education.

A current listing of names and positions of persons who have access to records of students in special education is maintained at the central office.

**Procedure to Amend
Records**

Within 15 District business days of the record custodian's receipt of a request to amend records, the District shall notify the parents in writing of its decision on the request and, if the request is denied, of their right to a hearing. If a hearing is requested, it shall be held within ten District business days after the request is received.

Parents shall be notified in advance of the date, time, and place of the hearing. An administrator who is not responsible for the contested records and who does not have a direct interest in the outcome of the hearing shall conduct the hearing. The parents shall be given a full and fair opportunity to present evidence and, at their own expense, may be assisted or represented at the hearing.

The parents shall be notified of the decision in writing within ten District business days of the hearing. The decision shall be based solely on the evidence presented at the hearing and shall include a summary of the evidence and reasons for the decision. If the decision is to deny the request, the parents shall be informed that they have 30 District business days within which to exercise their right to place in the record a statement commenting on the contested information and/or stating any reason for disagreeing with the District's decision.

**Directory
Information**

Directory information for District students has been classified into two separate categories:

1. Items for use only for District-sponsored purposes; and

STUDENT RECORDS

FL
(LOCAL)

2. Items for all other purposes, including third-party requestors.

District- Sponsored
Purposes

For the following District-sponsored purposes—all District publications and announcements—directory information shall include student name, address, telephone listing, photograph, date of birth, honors and awards received, grade level, participation in officially recognized activities and sports, and weight and height of members of athletic teams.

All Other Purposes /
Third-Party
Requestors

For all other purposes, including third-party requestors, directory information shall include student name.

**Charging for
Personnel Time**

As authorized by law, the District shall charge a ~~requester~~ ~~requester~~ for additional personnel time spent producing information for the ~~requester~~ ~~requester~~ after personnel of the District have collectively spent:

1. 36 hours of time during the District's fiscal year; or
2. 15 hours of time during a one-month period.

**Suspension of
Public Information
Act During
Catastrophe**

In the event of a catastrophe, as defined by law, affecting the District, the Board delegates to the Superintendent the authority to suspend the applicability of Government Code Chapter 552 to the District for the period of time permitted by law and provide the required notices to the attorney general and public. The Board shall approve any extension of an initial suspension period.

18. GKA(LOCAL): COMMUNITY RELATIONS - CONDUCT ON SCHOOL
PREMISES

155

COMMUNITY RELATIONS
CONDUCT ON SCHOOL PREMISES

GKA
(LOCAL)

**Access to District
Property**

Authorized District officials, including school resource officers and District police officers if applicable, may refuse to allow a person access to property under the District's control in accordance with law.

District officials may request assistance from law enforcement in an emergency or when a person is engaging in behavior rising to the level of criminal conduct.

**Ejection or
Exclusion under
Education Code
37.105**

In accordance with Education Code 37.105, a District official shall provide a person refused entry to or ejected from property under the District's control written information explaining the right to appeal such refusal of entry or ejection under the District's grievance process.

A person appealing under the District's grievance process shall be permitted to address the Board in person within 90 days of filing the initial complaint, unless the complaint is resolved before the Board considers it. [See FNG and GF]

**Off-Campus
Activities**

Employees shall be designated to ensure appropriate conduct of participants and others attending a school-related activity at non-District or out-of-District facilities. Those so designated shall coordinate their efforts with persons in charge of the facilities.

Prohibitions

Tobacco and
E-Cigarettes

The District prohibits smoking and the use of tobacco products and e-cigarettes on District property, in District vehicles, or at school-related activities.

Weapons

The District prohibits the unlawful use, possession, or display of any firearm, location-restricted knife, club, or prohibited weapon, as defined at FNCG, on all District property at all times.

Exceptions

No violation of this policy occurs when:

1. A Texas handgun license holder stores a handgun or other firearm in a locked vehicle in a parking lot, parking garage, or other parking area provided by the District, as long as the handgun or other firearm is not ~~loaded and not~~ in plain view; or
2. The use, possession, or display of an otherwise prohibited weapon takes place as part of a District-approved activity supervised by proper authorities. [See FOD]



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Action Item

Item Name: Approval of Election Order for May 2, 2020 general election.

Related Goals (District and/or Strategic): Goal 4: Improve Internal and External Communication

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Dr. Elijah Granger, Superintendent

Presenter and District Contact: Mrs. Ellen Clark, Board President

Explanation: Possible approval of general election order.

Intended Audience: Internal/External

Impact or Expected Outcome: N/A

Recommendation: N/A

Fiscal Implications and Funding Source: None

Frequency Monitored: Annually

District Contact: Mrs. Margo Enriquez

**ORDER OF ELECTION
LANCASTER INDEPENDENT SCHOOL DISTRICT**

An election is hereby ordered to be held on **May 2, 2020** for the purpose of:

Electing to the Board of Trustees of the Lancaster Independent School District one trustee each for positions designated as Single Member **District 2, 4, 5 and 7 for a full three-year term.**

Applications for a place on the ballot shall be filed by **Friday, February 14, 2020 at 5:00 p.m.**

Early voting by personal appearance will be conducted as follows:

Lancaster Veterans Memorial Library 1600 Veterans Memorial Parkway, Lancaster, TX 75134

April 20 - 24, 2020 (Monday through Friday)	8:00 a.m. - 5:00 p.m.
April 25, 2020 (Saturday)	8:00 a.m. - 5:00 p.m.
April 26, 2020 (Sunday)	1:00 p.m. - 6:00 p.m.
April 27 - 28, 2020 (Monday and Tuesday)	7:00 a.m. - 7:00 p.m.

Applications for ballot by mail shall be mailed to:

Toni Pippins-Poole, Joint Election Early Voting Clerk

(Name of Early Voting Clerk)

Dallas County Elections - 1520 Round Table Dr., Dallas, TX 75247

(Address)

evapplications@dallascounty.org

(Email address)

214-819-6303

(Fax)

Applications for absentee ballots by mail must be received no later than the close of business on:

Monday, April 20, 2020.

Issued this the _____ day of _____ 20_____

School Board President

School Board Member

School Board Vice President

School Board Member

School Board Secretary

School Board Member

School Board Member

School Board Member

**ÓRDEN DE ELECCIÓN
PARA EL DISTRITO ESCOLAR INDEPENDIENTE DE LANCASTER**

Por la presente se ordena que se llevará a cabo una elección el **2 de mayo de 2020** con el propósito de:

Elegir a la Mesa Directiva del Distrito Escolar Independiente de Lancaster un fideicomisario para cada uno de los siguientes puestos designados al **Distrito 2, 4, 5, y 7 de un solo miembro para un plazo completo de tres años.**

Las solicitudes para un lugar en la boleta deberán ser presentadas antes del: **viernes 14 de febrero de 2020 a las 5:00 p.m.**

La votación adelantada en persona se llevará a cabo de la siguiente manera:

Lancaster Veterans Memorial Library 1600 Veterans Memorial Parkway, Lancaster, TX 75134

Abril 20 - 24, 2020 (lunes a viernes)	8:00 a.m. - 5:00 p.m.
Abril 25, 2020 (sábado)	8:00 a.m. - 5:00 p.m.
Abril 26, 2020 (domingo)	1:00 p.m. - 6:00 p.m.
Abril 27 - 28, 20 (lunes y martes)	7:00 a.m. - 7:00 p.m.

Las solicitudes para boletas que se votarán en ausencia por correo deberán enviarse a:

Toni Pippins-Poole, Joint Election Early Voting Clerk

(Nombre del Secretario(a) de Votación Adelantada)

Dallas County Elections - 1520 Round Table Dr., Dallas, TX 75247

(Dirección)

evapplications@dallascounty.org

(Correo electrónico)

214-819-6303

(Fax)

Las solicitudes para boletas que se votarán en ausencia por correo deberán recibirse a más tardar al cierre de las horas hábiles el: **lunes, 20 de abril de 2020.**

Emitida este día _____ de _____ 20_____

Presidente/a de la Mesa Directiva

Miembro de la Mesa Directiva

Vice Presidente/a de la Mesa Directiva

Miembro de la Mesa Directiva

Secretaria/o de la Mesa Directiva

Miembro de la Mesa Directiva

Miembro de la Mesa Directiva

Miembro de la Mesa Directiva

D. Discussion and possible approval to cast a run-off election vote for Cassandra Phillips as the fifth member of Board of Directors of the Dallas Central Appraisal District (DCAD)- (G4)

161



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: 1/23/2020

Category: Action Item

Item Name: Approval of casting vote for 5th member of DCAD

Related Goals (District and/or Strategic): Goal 4: Improve Internal and External Communication

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Dr. Elijah Granger, Superintendent

Presenter and District Contact: Mrs. Ellen Clark, Board President

Explanation: Possible approval of casting vote for Cassandra Phillips as 5th member of DCAD.

Intended Audience: Internal/External

Impact or Expected Outcome: N/A

Recommendation: N/A

Fiscal Implications and Funding Source: None

Frequency Monitored: Annually

District Contact: Mrs. Margo Enriquez



Dallas Central Appraisal District

DATE: December 18, 2019
TO: Board of Trustee Presidents of Suburban School Districts/President Dallas County Community College District Board
FROM: W. Kenneth Nolan, Executive Director/Chief Appraiser
RE: Results of 2019 Election of Representative to DCAD Board of Directors

State law requires the Chief Appraiser to conduct an election of representatives to the Board of Directors in odd numbered years. The process outlined in the Texas Property Tax Code requires the election to be conducted and the individual entities notified of the results once the process is complete.

1. Suburban School District Election

The election process requires a runoff. Steve Pryor of Grand Prairie received 5, Cassandra Philips of Duncanville received 4, and Wesley Jameson of the Dallas County Community College received 2 of the 11 votes cast. Since there was no one candidate receiving 9 votes (majority of the 16 votes eligible), a runoff election is necessary. School districts voting are:

<u>School District</u>	<u>Candidate Selected</u>
1. Carrollton-Farmers Branch	No Vote
2. Cedar Hill	Cassandra Philips
3. Coppell	No Vote
4. Desoto	No Vote
5. Duncanville	Cassandra Philips
6. Ferris	No Vote
7. Garland	Steve Pryor
8. Grand Prairie	Cassandra Philips
9. Grapevine/Colleyville	Steve Pryor
10. Highland Park	Steve Pryor
11. Irving	Steve Pryor
12. Lancaster	Cassandra Philips
13. Mesquite	Wesley Jameson
14. Richardson	Steve Pryor
15. Sunnyvale	No Vote
16. DCCC	Wesley Jameson

2. Suburban Cities Election

The election process requires a runoff. The following suburban cities participated in the election. Each of their selections is noted below. The current tally indicates Michael Hurtt of Desoto received 12, Brett Franks of Sachse received 3, Mona Dixon of Lancaster received 3, Diane Cartwright of Irving received 1, and Steve Nichols of Hutchins received 1 of the 20 votes cast. Since there was no one candidate receiving 16 votes (majority of the 30 votes eligible), a runoff election is necessary. **A coin flip between the two candidates who shared the second highest number of votes, Brett Franks and Mona Dixon will be held on December 30, 2019 and a runoff ballot will be mailed to the suburban cities at that time.**

<u>City</u>	<u>Candidate Selected</u>
1. Addison	Michael Hurtt
2. Balch Springs	No Vote
3. Carrollton	Michael Hurtt
4. Cedar Hill	Mona Dixon
5. Cockrell Hill	No Vote
6. Combine	Brett Franks
7. Coppell	No Vote
8. DeSoto	Michael Hurtt
9. Duncanville	Michael Hurtt
10. Farmers Branch	Michael Hurtt
11. Ferris	No Vote
12. Garland	No Vote
13. Glenn Heights	Michael Hurtt
14. Grand Prairie	No Vote
15. Grapevine	No Vote
16. Highland Park	Michael Hurtt
17. Hutchins	Steve Nichols
18. Irving	Diane Cartwright
19. Lancaster	Mona Dixon
20. Lewisville	No Vote
21. Mesquite	Michael Hurtt
22. Ovilla	Michael Hurtt
23. Richardson	Michael Hurtt
24. Rowlett	Michael Hurtt
25. Sachse	Brett Franks
26. Seagoville	Michael Hurtt
27. Sunnyvale	No Vote
28. University Park	Michael Hurtt
29. Wilmer	Mona Dixon
30. Wylie	Brett Franks

3. Dallas County Appointment

On October 15, 2019, the Commissioners Court has reappointed John Warren to the Board of Directors.

4. Dallas ISD Appointment

On August 22, 2019, the Dallas ISD appointed Mr. Edwin Flores to the Board of Directors.

5. City of Dallas Appointment

On December 11, 2019, the City of Dallas reappointed John Threadgill to the Board of Directors.

A copy of the runoff procedures and ballot resolution is attached. The deadline to vote is January 31. Please notify our office immediately when your ballot has been cast. In order for a Suburban Schools to be elected they must receive none (9) votes. Please schedule a vote by your school board before January 31. Your assistance in this important procedure is greatly appreciated.

Attachments

cc: DCAD Board of Directors

Mr. Steve Pryor
4540 Friars Ln
Grand Prairie, TX 75052

Ms. Cassandra Philips
1106 S Santa Fe Trail, Suite 4
Duncanville, TX 75137

Mr. Wesley Jameson
Board of Trustees
Dallas County Community College District
1601 S. Lamar St.
Dallas, TX 75215

Dr. Joe May
Chancellor
Dallas County Community College District
1601 S. Lamar St.
Dallas, TX 75215

Superintendents - Suburban School Districts

Suburban School Tax Assessor/Collectors

RUNOFF ELECTION

RESOLUTION NO. _____

A RESOLUTION OF THE _____ INDEPENDENT SCHOOL DISTRICT CASTING ITS VOTE FOR THE FIFTH MEMBER OF THE BOARD OF DIRECTORS OF THE DALLAS CENTRAL APPRAISAL DISTRICT.

WHEREAS, Dallas County eligible taxing entities have expressed and approved an option which allows for representation to the Appraisal District Board of Directors (in accordance with Section 6.03 of the Texas Property Tax Code) as follows:

1. The City of Dallas shall appoint one (1) member to the Board.
2. The Dallas Independent School District shall appoint one (1) member to the Board.
3. The Dallas County Commissioners Court shall appoint one (1) member to the Board. The member appointed by the Dallas County Commissioners Court shall not be a resident of either the City of Dallas or the Dallas Independent School District.
4. Each of the incorporated cities and towns, except for the City of Dallas, shall have the right to nominate by an official resolution one (1) candidate as the fourth member of the Board of Directors. The said cities and towns shall, from the nominations received, elect by a majority vote, with each city and town being entitled to one (1) vote, the fourth member of the Board of Directors.
5. Each of the School Districts, and the Dallas County Community College District, except the Dallas Independent School District, shall have the right to nominate by an official resolution one (1) candidate as the fifth member of the Board of Directors. The said school districts shall, from the nominations received, elect by a majority vote, with each school district and the community college district being entitled to one (1) vote, the fifth member of the Board of Directors.

The votes required for election to the Board of Directors in 4 and 5 hereof shall be by a majority of those authorized to vote in 4 and 5 respectively and not by a majority of the quorum, and

WHEREAS, the _____ Independent School District does hereby cast its vote by marking the ballot below:
(Check one only)

Steve Pryor

Cassandra Phillips

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees of the _____ Independent School District/ Community College District does hereby confirm its one (1) vote for the election of _____ as the suburban school districts' representative to the Board of Directors of the Dallas Central Appraisal District.

PASSED AND APPROVED, this the _____ day of _____, 2019.

PRESIDENT, BOARD OF TRUSTEES

ATTEST: _____
SECRETARY, BOARD OF TRUSTEES

SEAL:



Dallas Central Appraisal District

**BOARD OF DIRECTORS ELECTION
RUNOFF PROCEDURE FOR SUBURBAN CITIES/SCHOOL DISTRICTS REPRESENTATIVE**

The 1979 Resolution adopted by the taxing units participating in Dallas Central Appraisal District, which governs Board of Director elections and appointments, requires that a candidate for the suburban cities position and a candidate for the suburban school districts positions on the Board each receive a majority of the votes that are cast in order to be elected to the Board of Directors (BOD).

The procedures outlined below are to be used in the event that no candidate receives a majority of the votes for the election for the Suburban Cities Representative to the BOD or the Suburban School Districts Representative to the BOD.

The Property Tax Code allows for the Chief Appraiser to resolve a tie vote by any method of chance.

RUNOFF PROCEDURE:

PARTICIPATING CITIES:

1. A candidate for the Suburban Cities Representative must receive a majority of the votes from all the suburban cities participating in the BOD election.
2. After the initial ballots are submitted by December 15 of the election year, the Chief Appraiser shall count the votes and if no candidate receives a majority of the votes from the participating suburban cities, the Chief Appraiser will declare the two (2) candidates who received the largest number of votes from the field of candidates.
3. The Chief Appraiser shall prepare another ballot listing the two (2) candidates who received the largest number of votes and shall deliver a copy of the ballot to the presiding officer of the governing body of each suburban city that is entitled to vote.
4. The governing body of each suburban city that is entitled to vote shall determine its vote by resolution and submit it to the Chief Appraiser on or before January 31.
5. The Chief Appraiser shall count the votes, declare the candidate who receives the majority number of votes, and submit the results no later than February 5 to the governing body of each suburban city and to the candidates.

PARTICIPATING SCHOOL DISTRICTS:

1. A candidate for the Suburban School Districts Representative must receive a majority of the votes from all the suburban school districts participating in the BOD election.
2. After the initial ballots are submitted by December 15 of the election year, the Chief Appraiser shall count the votes and if no candidate receives a majority of the votes from the participating suburban school districts, the Chief Appraiser will declare the two (2) candidates who received the largest number of votes from the field of candidates.

3. The Chief Appraiser shall prepare another ballot listing the two (2) candidates who received the largest number of votes and shall deliver a copy of the ballot to the presiding officer of the governing body of each suburban school district that is entitled to vote.
4. The governing body of each suburban school district entitled to vote shall determine its vote by resolution and submit it to the Chief Appraiser on or before January 31.
5. The Chief Appraiser shall count the votes, declare the candidate who receives the majority number of votes, and submit the results no later than February 5 to the governing body of each suburban school district and to the candidates.

E. Discussion and possible approval of the 2018-2019 Financial Audit - CFC(LEGAL)-
(G2,G4)

169



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: January 23, 2020

Category: Action Item

Item Name: Discussion and possible approval of the 2018 - 2019 Financial Audit - CDA(LLEGAL) and CAA(LOCAL) - (G2).

Related Goals (District and/or Strategic): Goal 2: Financial Responsibility and Transparency

Currently Budgeted? Yes No No Budgetary Impact
(If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Elijah Granger

Presenter: Shonna Pumphrey and Edgin, Parkman, Fleming & Fleming Certified Public Accountants.

Explanation: The financial audit for the period ended August 31, 2019 is presented for your review and approval.

Intended Audience: District Stakeholders

Impact or Expected Outcome: Financial Transparency

Recommendation: Review and approve annual financial report.

Fiscal Implications:

Frequency Monitored: Continuously, Audited Annually

District Contact: Shonna Pumphrey

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

As management of the Lancaster Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2019. We encourage readers to consider the information presented here in conjunction with the District's financial statements and notes to the basic financial statements to further enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District ended the year with a total net position of (\$22,021,611) of which \$9,185,203 is restricted for specific purposes (i.e. Federal/State grants, Debt Service and Child Nutrition). The net deficit reported for Unrestricted net position decreased \$1,774,224 to (\$35,909,872). The remainder represents the net investments in capital assets. The change in net position is further described on page 8 of Management's Discussion and Analysis.
- The District's portion of the Teacher Retirement System of Texas (TRS) Net Pension Liability (\$22,533,421) and Net OPEB Liability (\$26,923,117) result in a deficit balance in Unrestricted net position. Following the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, the District is now required to report its proportionate share of the TRS net pension liability and other postemployment benefits liabilities. This does not impact the District's fund balance.
- The General Fund, which is the District's main operating fund, recognized a \$6,186,606 surplus of revenues over expenditures, which allowed the District to restore fund balance utilized in fiscal year 2018 to fully implement an in-house student transportation system following the dissolution of Dallas County Schools. The surplus was the result of positive variances for both revenues and expenditures.
- The District's governmental funds financial statements reported a combined ending fund balance of \$58,412,696, which is a decrease of \$28,996,758 from the prior year due mainly to utilization of the Series 2017 Unlimited Tax School Building Bonds for construction of the new middle school.
- The District ended the year with an unassigned fund balance of \$17,797,002. Further details can be found on page 11 of Management's Discussion and Analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The statements are followed by a section of required supplementary information and a section of other information that further explains and supports the information in the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The government-wide statements are comprised of the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present both long-term and short-term information about the District's overall financial status. The District's basic services are primarily financed by property taxes and inter-governmental revenues, and

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

include instruction, extracurricular activities, curriculum, staff development, health services, general administration, and plant maintenance and operations.

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in the District's net position may serve as a useful indicator of the District's financial health. The Statement of Net Position includes all of the District's non-fiduciary assets and liabilities.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when revenue is received or expenses paid. Thus, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

Fund Financial Statements. The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The fund financial statements provide more detailed information about the District's most significant funds rather than the District as a whole. Funds are a governmental accounting tool that the District uses to track specific sources of funding and spending for particular purposes. Some funds are required by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage resources for specific purposes or to delineate the use of certain taxes and grants.

The District has two kinds of funds:

- **Governmental Funds**—All of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the availability of financial resources to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information immediately following the governmental funds statements that explain the relationship (or differences) between them. These include debt financing, capital assets, and revenue recognition.

The governmental fund financial statements can be found on pages 16 and 19 of this report.

- **Fiduciary Funds**—Fiduciary funds are used to account for resources held by the District in a custodial capacity. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The fiduciary fund statement provides information about the financial relationships in which the District acts solely as a custodian or agent for funds that belong to others.

The Statement of Fiduciary Assets and Liabilities can be found on page 22 this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

Combining and Other Statements. Immediately following the required supplementary information, combining statements are included for the Other Governmental Funds.

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

Exhibit 1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section explains the structure and contents of each of the statements.

**Exhibit 1
Major Features of the District's Government-wide
and Fund Financial Statements**

<i>Type of Statement</i>	<i>Government-wide</i>	<i>Governmental Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	All activities of the District (except fiduciary funds)	The activities of the District that are not fiduciary	Activities for which the District is the trustee or agent for another entity's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Assets and Liabilities
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of period-end information reported</i>	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term	Only assets, liabilities and deferred inflows/outflows expected to be used up or due during the year or soon thereafter; no capital or long-term items included	All assets, liabilities and deferred inflows/outflows, both financial and capital, short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of activities reported</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	Not applicable to Agency Fund

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position between fiscal years 2019 and 2018 increased by \$3.9 million. The District's net investment in capital assets is \$4.7 million and includes investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt used to acquire those assets that is still outstanding. Of the remaining net position, \$9.2 million are restricted resources subject to external restrictions on how they are used, and (\$35.9) million are unrestricted resources, of which (\$49.5) million is related to GASB Statement No. 75 and 68 pension and other post employment benefits liabilities.

The District uses the capital assets to provide services to students; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Exhibit 2 provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended August 31, 2019 and 2018, respectively.

**Exhibit 2
Net Position
Governmental Activities**

	August 31, 2019	August 31, 2018	\$ Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Current and Other Assets	\$ 70,728,833	\$ 96,977,220	\$ (26,248,387)	(27.1%)
Capital Assets	195,366,386	166,884,088	28,482,298	17.1%
Total Assets	266,095,219	263,861,308	2,233,911	0.8%
Deferred Outflows of Resources	18,113,997	10,671,926	7,442,071	69.7%
Current Liabilities	10,647,966	7,858,863	2,789,103	35.5%
Long Term Liabilities	281,213,695	277,433,668	3,780,027	1.4%
Total Liabilities	291,861,661	285,292,531	6,569,130	2.3%
Deferred Inflows of Resources	14,369,166	15,151,426	(782,260)	(5.2%)
Net Position:				
Net Investment in				
Capital Assets	4,703,058	1,585,250	3,117,808	196.7%
Restricted	9,185,203	10,188,123	(1,002,920)	(9.8%)
Unrestricted	(35,909,872)	(37,684,096)	1,774,224	(4.7%)
Total Net Position	\$ (22,021,611)	\$ (25,910,723)	\$ 3,889,112	(15.0%)

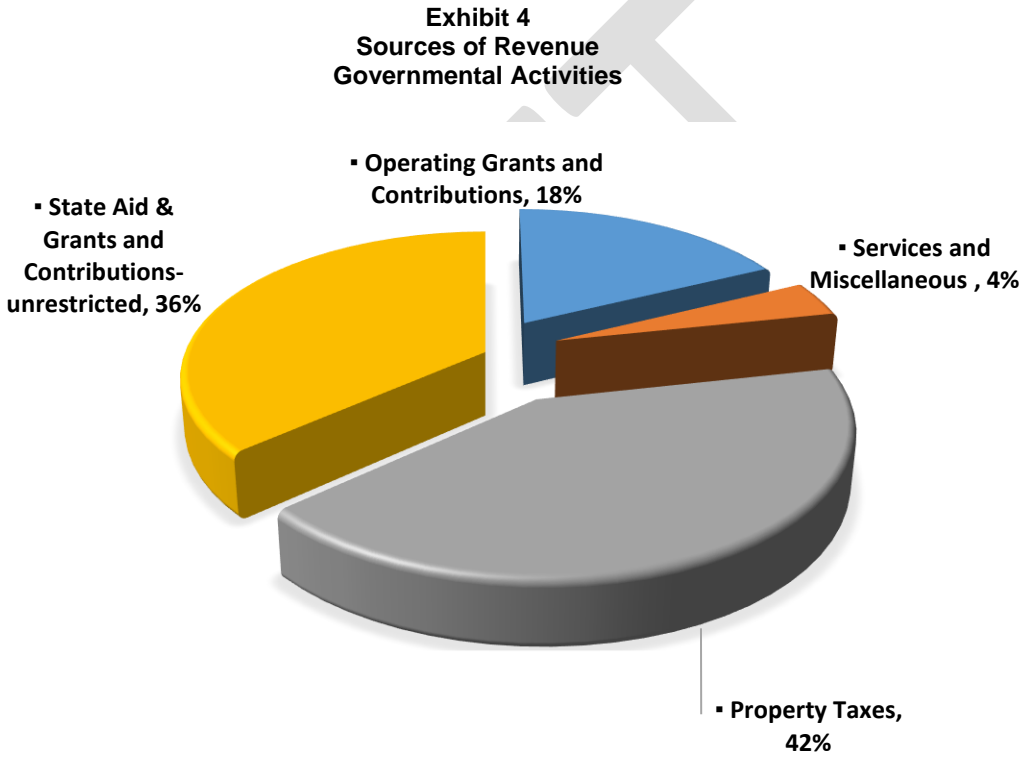
**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

**Exhibit 3
Changes in Net Position
Governmental Activities**

	<u>August 31, 2019</u>	<u>August 31, 2018</u>	<u>\$ Change Increase/ (Decrease)</u>	<u>% Change Increase/ (Decrease)</u>
Revenues				
Program Revenues:				
Operating Grants and Contributions	\$ 16,782,530	\$ 3,664,526	\$ 13,118,004	358.0%
Charges for Services	1,227,966	1,213,665	14,301	1.2%
General Revenues:				
Investment Earnings	1,815,826	1,251,439	564,387	45.1%
Property Taxes	39,607,722	34,685,262	4,922,460	14.2%
State Aid & Grants and Contributions-unrestricted	34,547,531	34,343,907	203,624	0.6%
Miscellaneous	735,056	179,789	555,267	308.8%
Total Revenues	<u>94,716,631</u>	<u>75,338,588</u>	<u>19,378,043</u>	<u>25.7%</u>
Expenses				
Instruction	41,882,774	24,627,844	17,254,930	70.1%
Instructional resources and media services	647,817	493,616	154,201	31.2%
Curriculum and staff development	3,676,613	2,241,634	1,434,979	64.0%
Instructional leadership	1,545,732	1,352,892	192,840	14.3%
School leadership	4,840,113	2,953,082	1,887,031	63.9%
Guidance, counseling and evaluation services	3,159,194	2,038,418	1,120,776	55.0%
Social work services	-	81,230	(81,230)	(100.0%)
Health services	743,318	445,486	297,832	66.9%
Student transportation	2,778,087	3,172,611	(394,524)	(12.4%)
Food services	4,921,374	4,462,668	458,706	10.3%
Cocurricular/extracurricular activities	2,275,150	1,572,422	702,728	44.7%
General administration	4,240,374	3,080,747	1,159,627	37.6%
Facilities maintenance and operations	8,128,324	7,154,499	973,825	13.6%
Security and monitoring services	1,486,552	839,537	647,015	77.1%
Data processing services	1,822,989	1,583,982	239,007	15.1%
Community services	48,889	55,776	(6,887)	(12.3%)
Interest on long-term debt	8,479,892	7,755,268	724,624	9.3%
Bond issuance costs and fees	5,450	600,080	(594,630)	(99.1%)
Payments to juvenile justice alternative education programs	19,416	35,490	(16,074)	(45.3%)
Other intergovernmental charges	125,461	113,577	11,884	10.5%
Total Expenses	<u>90,827,519</u>	<u>64,660,859</u>	<u>26,166,660</u>	<u>40.5%</u>
Increase (decrease) in Net Position	3,889,112	10,677,729	(6,788,617)	63.6%
Net Position - Beginning	(25,910,723)	(36,588,452)	10,677,729	(29.2%)
Net Position - Ending as restated	<u>\$ (22,021,611)</u>	<u>\$ (25,910,723)</u>	<u>\$ 3,889,112</u>	<u>(15.0%)</u>

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

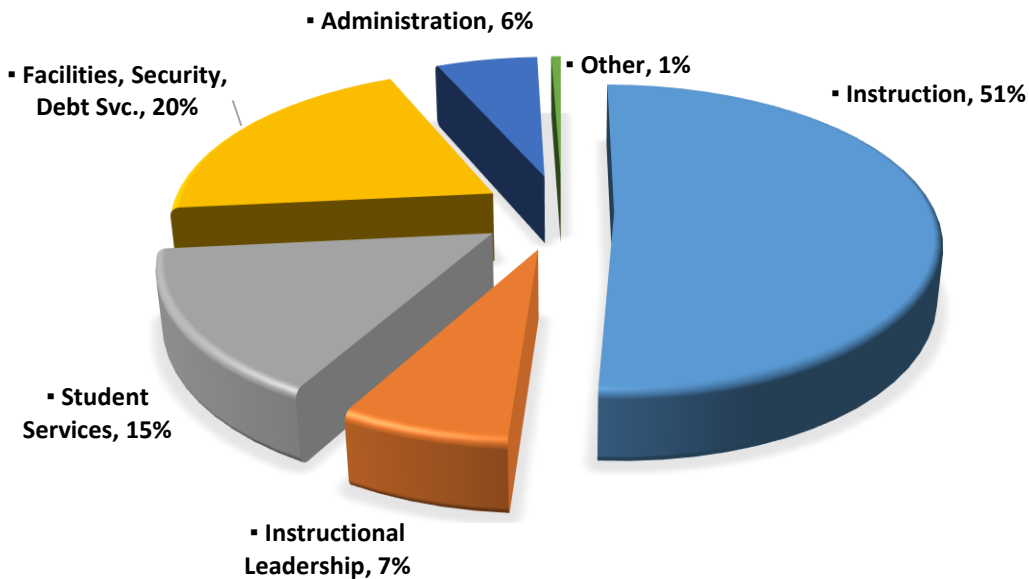
Other Financial Highlights. For the year ended August 31, 2019 the District's total revenues were \$94.7 million. Approximately, 42% of the District's revenue was generated from property taxes, 36% was state aid & grants and contributions-unrestricted, 18% operating grants and contributions, the remaining 4% was generated from services and miscellaneous revenue sources. (See Exhibit 4).



**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

For the year ended August 31, 2019, the District's total cost of all programs and services was \$90.8 million. Approximately 51% of the District's governmental activities were dedicated to instructional areas. Direct student services, such as counseling, nursing, and transportation services, comprised 15% of governmental expenses. The costs to operate facilities, including utilities, security services and debt payments comprised 20% of the cost of all programs (See Exhibit 5).

**Exhibit 5
Expenditure Allocations
Governmental Activities**



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the fiscal year ended August 31, 2019, the District's governmental funds reported ending fund balances of \$58.4 million. Of this amount, \$17.8 million constitutes unassigned fund balance available for use in activities at the District's discretion. The remainder of the fund balance is designated as non-spendable, restricted or committed, to indicate that it is not available for new spending because it has already been purposed for bond projects, debt service and other obligations of the District.

The General Fund is the chief operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to the total fund expenditures. Unassigned fund balance represents 27.6% of total General Fund expenditures, while total fund balance represents 32.5% of that same amount.

The Debt Service Fund has a total fund balance of \$5.2 million, which is restricted for the payment of debt service requirements. The Capital Projects Fund balance decreased by \$31.6 million to \$30.9 million. The decrease is due to the on-going construction of the new middle school, which is scheduled to open in August 2020. Other Governmental Funds have a total fund balance of \$1.3 million representing a decrease for the current year of \$0.23 million.

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

Capital Assets. At August 31, 2019, the District had \$195.4 million of capital assets, net of depreciation and loss on disposition of assets, including land, equipment, buildings, and vehicles. This amount represents a net increase of \$28.5 million or 14.6% over last year (See Exhibit 6.)

**Exhibit 6
District's Capital Assets**

	August 31, 2019	August 31, 2018	\$ Change	%Change
Land	\$ 3,683,057	\$ 3,683,057	\$ -	0.0%
Building and Improvements	217,215,705	216,831,307	384,398	0.2%
Furniture and Equipment	14,744,780	14,641,082	103,698	0.7%
Assets Purchased Under Capital Lease	4,687,812	4,624,922	62,890	1.3%
Total	240,331,354	239,780,368	550,986	0.2%
Accumulated Depreciation	(80,831,065)	(75,461,616)	(5,369,449)	6.6%
Net Book Value, net of CIP	159,500,289	164,318,752	(4,818,463)	-3.0%
Construction in Progress	35,866,099	2,565,336	33,300,763	92.8%
Net Book Value	<u>\$ 195,366,388</u>	<u>\$ 166,884,088</u>	<u>\$ 28,482,300</u>	<u>14.6%</u>

For the year ended August 31, 2019, the District's capital spending totaled \$33.9 million in land, construction in progress, buildings and improvements and capital equipment. For more information on the District's capital assets, see Note D in the financial statements.

Debt Administration. For the year ended August 31, 2019, the District had \$281.2 million in long-term debt outstanding. This represents a net increase of \$3.8 million, or 1.3%, over last year. (See Exhibit 7).

**Exhibit 7
District's Long Term Debt**

	August 31, 2019	August 31, 2018	\$ Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Bonds and Notes Payable	\$ 208,597,162	\$ 213,335,542	\$ (4,738,380)	-2.3%
Premiums	19,214,335	20,338,596	(1,124,261)	-5.9%
Capital Leases	3,945,660	4,509,591	(563,931)	-14.3%
Net Pension Liability (District's Share)	22,533,421	13,663,786	8,869,635	39.4%
Net OPEB Liability (District's Share)	26,923,117	25,586,153	1,336,964	5.0%
Long Term Debt Outstanding	<u>\$ 281,213,695</u>	<u>\$ 277,433,668</u>	<u>\$ 3,780,027</u>	<u>1.3%</u>

**Lancaster Independent School District
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2019**

The District's bonds presently carry A2 and A ratings from Moody's Investor Services and Standard & Poor's Ratings Group, respectively. For more information on the District's long-term debt, see Note F in the financial statements.

BUDGETARY HIGHLIGHTS

Over the course of the year, budget amendments are necessary to realign funds, which will increase and/or decrease various function levels and object series within the budget. All necessary budget amendments, which change the function level for appropriations and object series for revenues, are formally approved by the School Board and recorded in the board minutes each month. The difference between the original budget and the final amended budget were necessary amendments for changes in situations and estimates. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

- \$1,801,731 increase in local and intermediate sources revenue related to property tax valuations.

The National School Lunch and Breakfast Program budget was amended as follows:

- \$1,093,762 increase in capital outlay expenditures for middle school kitchen equipment purchases.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The primary factors considered in preparing the District's budget was the enactment of House Bill 3, which was signed into law on June 11, 2019. The bill contains major reforms to public education in the State of Texas. In August, the Board of Trustees adopted a budget for the 2019-20 fiscal year with excess revenues of \$2.0 million.

The appraised property values for the 2019-20 budget are projected at an increase of 18% with a 98% property tax collection rate. The Maintenance and Operations tax rate was set at \$1.06835 per \$100 valuation and the Interest and Sinking ("I&S") tax rate was set at \$0.46 per \$100 valuation. Student enrollment is projected to remain flat.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Finance Department, Lancaster, Independent School District, P.O. Box 400, Lancaster, Texas 75143.



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

January XX, 2020

Board of Trustees
Lancaster Independent School District
422 South Centre Avenue
Lancaster, Texas 75146

Members of the Board of Trustees:

In planning and performing our audit of the financial statements of Lancaster Independent School District (District) for the year ended August 31, 2019, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated January 15, 2020 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Prior Year Comments

Year-End Procedures and Client Provided Entries

Comment: Management should review and reconcile all general ledger accounts prior to providing trial balances to the auditor. In past years, our audit procedures detected misstatements in the trial balances. Some of these misstatements were not known by management and we were required to report these adjustments as a material or significant deficiency in the Government Auditing Standards (GAS) report that accompanies the audit report. Furthermore, there were numerous entries that were prepared by management that were provided to us after the audit had started.

Status: For the current year, the trial balance provided to us by management at the start of the audit did not include any unreconciled balances we considered material misstatements. Additionally, there were just a few client entries provided to us after receiving the year end trial balances. As a result, management made significant improvement from prior years. We commend management on addressing this issue and consider the recommendation closed.

Board of Trustees
Lancaster Independent School District
Lancaster, Texas

Page Two

Unfavorable Budget Variances

Comment: The District has three legally adopted budgeted funds; the General, Debt Service, and National School Breakfast and Lunch Program (Food Service) Funds. At no time during the year should the expenditures exceed the budgets at the functional level. However, for the year ended August 31, 2018, the District had unfavorable variances in two of these funds. The largest budget variance was in function 11 (\$269,470) of the General Fund and related to the inclusion of the unbudgeted Head Start Fund within the General Fund Category. The other two budget variances were \$16,265 in function 23 of the General Fund and \$6,771 in function 71 of the Debt Service Fund. We recommended that the budget include all applicable funds and that amendments be made prior to allowing a function to exceed its current budget level. Furthermore, we recommended that the accounting records be closely reviewed and accounts reconciled prior to year-end to anticipate potential budget adjustments or expenditure reclassifications.

Status: For the current year end, the Head Start Fund was properly included in the General Fund budget and there were no negative budget variances within the General Fund. However, actual expenditures in function 35 of the National School Lunch Fund exceeded the final approved budget by \$73,821. Therefore, we continue to recommend that the accounting records be closely reviewed and accounts reconciled prior to year-end to anticipate necessary budget amendments or expenditure reclassifications.

Current Year Comment

There are no new management letter comments for the current year.

Closing Comments

We wish to thank management and all of those with whom we worked for their support and assistance during our audit.

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

Very truly yours,

EDGIN, PARKMAN, FLEMING & FLEMING, PC
Certified Public Accountants



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

January XX, 2020

Board of Trustees
Lancaster Independent School District
422 South Centre Avenue
Lancaster, Texas 75146

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster Independent School District (District) for the year ended August 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 25, 2018. Professional standards also require that we communicate to you the following information related to your audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

- Management's estimate of the state aid accruals and deferrals is based on various calculations and reports from the Texas Education Agency.
- Management's estimate of the allowance for property taxes is based on historical collection percentages and information from the county.
- Management's estimate of useful lives of capital assets used for recording depreciation expense is based on the general knowledge and history of the individual capital assets.
- Management's and the Teacher Retirement System of Texas' (TRS) estimates and assumptions related to the TRS cost sharing multiple employer defined benefit pension and OPEB plans.

Page Two

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note A – Summary of Significant Accounting Policies,
- Note D – Capital Assets,
- Note F – Long-Term Obligations,
- Note H – Defined Benefit Pension Plan, and
- Note I – Defined Other Post-Employment Plans

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached Schedule of Uncorrected Misstatements summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January XX, 2020.

Management Consultations with Other Independent Accountants

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

Board of Trustees
Lancaster Independent School District
Lancaster, Texas
January XX, 2020

Page Three

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas, Schedule of District Pension Contributions – Teacher Retirement System of Texas, Schedule of the District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas, and Schedule of District OPEB Contributions – Teacher Retirement System of Texas, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements (H Exhibits) and the other supplementary information (J and K-1 Exhibits) which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Schedule of Required Responses to Selected School FIRST Indicators (Exhibit L-1), which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Sincerely,

EDGIN, PARKMAN, FLEMING & FLEMING, PC
Certified Public Accountants

Lancaster Independent School District
Schedule of Uncorrected Misstatements
August 31, 2019

Description	DR / (CR)				
	Asset	Liability	Equity	Revenue	Expenditure
General Fund					
Prior Year					
Unrecorded liabilities for AP			50,240		(50,240)
Difference in payroll accrual and detail			(210,369)		210,369
Current Year					
Unrecorded liabilities for AP		(31,290)	-	-	31,290
TRS On-behalf					
Difference in payroll accrual and detail		261,057			(261,057)
Total General Fund	-	229,767	(160,129)	-	(69,638)
Debt Service Fund					
None					
Total Debt Service Fund	-	-	-	-	-
Capital Projects Fund					
None					
Total Capital Projects Fund	-	-	-	-	-
Other Aggregate Fund					
Prior Year					
Difference in payroll accrual and detail			(57,021)		57,021
Current Year					
Difference in payroll accrual and detail	-	46,481	-	-	(46,481)
Total Other Aggregate	-	46,481	(57,021)	-	10,540
GW flow from Fund Level above	-	276,248	(217,150)	-	(59,098)
Total Government-Wide	-	276,248	(217,150)	-	(59,098)

LANCASTER INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2019

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2019**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Certificate of Board		1
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		2-4
Management's Discussion and Analysis (Required Supplementary Information)		5-13
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position	A-1	14
Statement of Activities	B-1	15
Balance Sheet - Governmental Funds	C-1	16-17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-1R	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C-2	19-20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	C-3	21
Statement of Fiduciary Assets and Liabilities	E-1	22
Notes to the Financial Statements		23-47
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	G-1	48-49
Schedule of District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas	G-2	50-51
Schedule of District's Pension Contributions – Teacher Retirement System of Texas	G-3	52-53
Schedule of District's Proportionate Share of the Net Other Post Employment Benefit (OPEB) Liability – Teacher Retirement System of Texas	G-4	54
Schedule of District's Other Post Employment Benefit (OPEB) Contributions – Teacher Retirement System of Texas	G-5	55
Notes to the Required Supplementary Information		56-58
COMBINING STATEMENTS AS SUPPLEMENTARY INFORMATION:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	H-1	59-66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	H-2	67-74

LANCASTER INDEPENDENT SCHOOL DISTRICT

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2019**

TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION:		
Schedule of Delinquent Tax Collections.....	J-1	75-76
National School Lunch and Breakfast Program – Budgetary Comparison Schedule.....	J-2	77
Debt Service Fund – Budgetary Comparison Schedule.....	J-3	78
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		79-80
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		81-82
Schedule of Findings and Questioned Costs		83
Corrective Action Plan		84
Summary Schedule of Prior Audit Findings.....		85
Schedule of Expenditures of Federal Awards	K-1	86
Notes to the Schedule of Expenditures of Federal Awards.....		87
Schedule of Required Responses to Selected School FIRST Indicators (Unaudited)	L-1	88

INTRODUCTORY SECTION

Draft

CERTIFICATE OF BOARD

Lancaster Independent School District
Name of School District

Dallas
County

057-913
Co.-Dist. Number

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

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

FINANCIAL SECTION

Draft



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Financial Statements

Board of Trustees
Lancaster Independent School District
422 South Centre Avenue
Lancaster, Texas 75146

Members of the Board of Trustees:

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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, each major fund, and the aggregate remaining fund information of Lancaster Independent School District as of August 31, 2019, and the respective changes in financial position for the year then ended in conformity 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, budgetary comparison information, and schedules related to the District's participation in the Teacher Retirement System identified as Required Supplementary Information in the table of contents 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 the District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, 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, except for that portion labeled "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 individual nonmajor fund financial statements, other supplementary information, 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 section and Schedule of Required Responses to Selected School FIRST Indicators 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 XX, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

January XX, 2020

Draft

BASIC FINANCIAL STATEMENTS

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2019

1

Data Control Codes		Governmental Activities
Assets		
1110	Cash and cash equivalents	\$ 64,327,572
1225	Property taxes receivable, net	2,203,888
1240	Due from other governments	3,801,143
1290	Other receivables	30,985
1300	Inventories	24,596
1410	Unrealized expenses	340,649
	Capital assets:	
1510	Land	3,683,057
1520	Buildings and improvements, net	145,446,247
1530	Furniture and equipment, net	6,184,844
1550	Assets purchased under capital lease, net	4,186,139
1580	Construction in progress	35,866,099
1000	Total assets	<u>266,095,219</u>
Deferred outflows of resources		
1701	Pension-related outflows	13,128,942
1702	OPEB-related outflows	2,272,443
1703	Deferred refunding losses	2,712,612
1700	Total deferred outflows of resources	<u>18,113,997</u>
Liabilities		
2110	Accounts payable	6,252,616
2140	Accrued interest	502,032
2150	Payroll deductions & withholdings	140,199
2160	Accrued wages payable	3,163,537
2180	Due to other governments	409,575
2200	Accrued expenses	155,897
2300	Unearned revenue	24,110
	Noncurrent liabilities:	
2501	Due within one year	5,837,532
2502	Due in more than one year	225,919,625
2540	Net pension liability	22,533,421
2545	Net OPEB liability	26,923,117
2000	Total liabilities	<u>291,861,661</u>
Deferred inflows of resources		
2601	Pension-related inflows	3,157,932
2602	OPEB-related inflows	11,211,234
2600	Total deferred inflows of resources	<u>14,369,166</u>
Net Position		
3200	Net investment in capital assets	4,703,058
	Restricted for:	
3820	Federal and state programs	1,138,432
3850	Debt service	8,046,771
3900	Unrestricted	(35,909,872)
3000	Total net position	<u>\$ (22,021,611)</u>

See accompanying notes to the basic financial statements.

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

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	6 Net (Expense) Revenue and Changes in Net Position
			Charges for Services			
	Governmental activities:					
11	Instruction	\$ 41,882,774	\$ 424,433	\$ 5,378,184	\$ (36,080,157)	
12	Instructional resources and media services	647,817	-	54,190	(593,627)	
13	Curriculum and staff development	3,676,613	-	2,194,056	(1,482,557)	
21	Instructional leadership	1,545,732	-	225,571	(1,320,161)	
23	School leadership	4,840,113	-	429,523	(4,410,590)	
31	Guidance, counseling, & evaluation services	3,159,194	-	876,638	(2,282,556)	
33	Health services	743,318	-	1,087,398	344,080	
34	Student transportation	2,778,087	-	214,134	(2,563,953)	
35	Food services	4,921,374	358,913	4,537,248	(25,213)	
36	Cocurricular/extracurricular activities	2,275,150	118,689	158,506	(1,997,955)	
41	General administration	4,240,374	-	261,935	(3,978,439)	
51	Facilities maintenance and operations	8,128,324	325,931	441,904	(7,360,489)	
52	Security and monitoring services	1,486,552	-	133,246	(1,353,306)	
53	Data processing services	1,822,989	-	67,798	(1,755,191)	
61	Community services	48,889	-	9,215	(39,674)	
72	Interest on long-term debt	8,479,892	-	712,984	(7,766,908)	
73	Bond issuance costs and fees	5,450	-	-	(5,450)	
	Payments to juvenile justice alternative education programs	19,416	-	-	(19,416)	
99	Other intergovernmental charges	125,461	-	-	(125,461)	
TG	Total governmental activities	<u>\$ 90,827,519</u>	<u>\$ 1,227,966</u>	<u>\$ 16,782,530</u>	<u>(72,817,023)</u>	
	General revenues:					
MT	Property taxes, levied for general purposes				30,297,579	
DT	Property taxes, levied for debt service				9,310,143	
IE	Investment earnings				1,815,826	
GC	Grants and contributions not restricted to specific programs				34,547,531	
MI	Miscellaneous				735,056	
TR	Total general revenues				<u>76,706,135</u>	
CN	Change in net position				3,889,112	
NB	Net position - beginning				(25,910,723)	
NE	Net position - ending				<u>\$ (22,021,611)</u>	

See accompanying notes to the basic financial statements.

LANCASTER INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes		10 General Fund	50 Debt Service Fund
Assets			
1110	Cash and cash equivalents	\$ 21,654,711	\$ 5,413,088
1225	Property taxes receivable, net	1,642,692	561,196
1240	Due from other governments	3,123,723	-
1260	Due from other funds	-	-
1290	Other receivables	30,600	-
1300	Inventories	24,596	-
1410	Unrealized expenditures	339,612	-
1000	Total assets	<u>\$ 26,815,934</u>	<u>\$ 5,974,284</u>
Liabilities			
2110	Accounts payable	\$ 878,332	\$ -
2150	Payroll deductions and withholdings	140,199	-
2160	Accrued wages payable	2,920,141	-
2170	Due to other funds	7,583	-
2180	Due to other governments	103,485	260,481
2190	Due to Student Groups	-	-
2200	Accrued expenditures	152,071	-
2300	Unearned revenue	-	-
2000	Total liabilities	<u>4,201,811</u>	<u>260,481</u>
Deferred inflows of resources			
	Unavailable property taxes	1,617,913	552,289
2600	Total deferred inflows of resources	<u>1,617,913</u>	<u>552,289</u>
Fund balances			
Nonspendable fund balances:			
3410	Inventories	24,596	-
3430	Prepaid items	339,612	-
Restricted fund balances:			
3450	Federal/state funds grant restrictions	-	-
3470	Capital acquisitions & contractual obligations	-	-
3480	Retirement of long-term debt	2,835,000	5,161,514
Committed fund balances:			
3545	Other committed fund balance	-	-
3600	Unassigned	17,797,002	-
3000	Total fund balances	<u>20,996,210</u>	<u>5,161,514</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,815,934</u>	<u>\$ 5,974,284</u>

See accompanying notes to the basic financial statements.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 35,343,071	\$ 1,916,702	\$ 64,327,572
-	-	2,203,888
-	677,419	3,801,142
259,026	6,023	265,049
-	385	30,985
-	-	24,596
-	1,037	340,649
<u>\$ 35,602,097</u>	<u>\$ 2,601,566</u>	<u>\$ 70,993,881</u>
\$ 4,691,109	\$ 683,175	\$ 6,252,616
-	-	140,199
-	243,396	3,163,537
-	259,026	266,609
-	44,030	407,996
-	19	19
-	3,826	155,897
-	24,110	24,110
<u>4,691,109</u>	<u>1,257,582</u>	<u>10,410,983</u>
-	-	2,170,202
<u>-</u>	<u>-</u>	<u>2,170,202</u>
-	-	24,596
-	-	339,612
-	1,138,432	1,138,432
30,910,988	-	30,910,988
-	-	7,996,514
-	205,552	205,552
-	-	17,797,002
<u>30,910,988</u>	<u>1,343,984</u>	<u>58,412,696</u>
<u>\$ 35,602,097</u>	<u>\$ 2,601,566</u>	<u>\$ 70,993,881</u>

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

Data
Control
Codes

	Total fund balances - governmental funds (Exhibit C-1)		\$ 58,412,696
	Amounts reported for <i>governmental activities</i> in the Statement of Net Position (Exhibit A-1) are different because:		
	Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:		
1	Gross capital assets	\$ 276,197,452	
	Related accumulated depreciation	<u>80,831,065</u>	195,366,387
2	Property taxes receivable are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		2,170,202
	Long-term liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
3	General obligation bonds	201,126,934	
	Accreted interest for capital appreciation bonds	7,470,228	
	Premiums on current interest bonds	19,214,335	
	Capital leases	<u>3,945,660</u>	(231,757,157)
4	Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are recorded only when due.		(502,032)
5	In the governmental fund financial statements, refunding losses are expensed when incurred, whereas in the government-wide financial statements they are capitalized, net of amortization.		2,712,612
	The District's net liabilities and related deferred outflows and inflows related to its proportionate share of the Teacher Retirement System pension and OPEB plans are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:		
6	Net pension liability	22,533,421	
	Deferred outflows - pension related items	(13,128,942)	
	Deferred inflows - pension related items	3,157,932	
	Net OPEB liability	26,923,117	
	Deferred outflows - OPEB related items	(2,272,443)	
	Deferred inflows - OPEB related items	<u>11,211,234</u>	<u>(48,424,319)</u>
19	Total net position - governmental activities (Exhibit A-1)		<u>\$ (22,021,611)</u>

See accompanying notes to the basic financial statements.

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

Data Control Codes		10 General Fund	50 Debt Service Fund
Revenues			
5700	Local and intermediate sources	\$ 32,017,982	\$ 9,559,412
5800	State program revenues	37,469,476	712,984
5900	Federal program revenues	1,247,281	-
5020	Total revenues	<u>70,734,739</u>	<u>10,272,396</u>
Expenditures			
Current:			
0011	Instruction	34,707,625	-
0012	Instructional resources and media services	566,082	-
0013	Curriculum and staff development	1,153,727	-
0021	Instructional leadership	1,252,433	-
0023	School leadership	4,213,527	-
0031	Guidance, counseling, & evaluation services	2,101,403	-
0033	Health services	653,708	-
0034	Student transportation	2,354,479	-
0035	Food services	622	-
0036	Cocurricular/extracurricular activities	2,001,858	-
0041	General administration	3,777,890	-
0051	Facilities maintenance and operations	7,336,788	-
0052	Security and monitoring services	1,408,994	-
0053	Data processing services	2,228,454	-
0061	Community services	40,824	-
0071	Principal on long-term debt	571,050	5,020,000
0072	Interest on long-term debt	33,792	8,699,306
0073	Bond issuance costs and fees	-	5,450
0081	Capital outlay	-	-
0095	Payments to Juvenile Justice Alternative Education Programs	19,416	-
0099	Other intergovernmental charges	125,461	-
6030	Total expenditures	<u>64,548,133</u>	<u>13,724,756</u>
1100	Excess of revenues over (under) expenditures	<u>6,186,606</u>	<u>(3,452,360)</u>
Other Financing Sources			
7912	Proceeds from sale of capital assets	103,500	-
7080	Total other financing sources	<u>103,500</u>	<u>-</u>
1200	Net change in fund balances	6,290,106	(3,452,360)
0100	Fund balances - beginning	14,706,104	8,613,874
3000	Fund balances - ending	<u>\$ 20,996,210</u>	<u>\$ 5,161,514</u>

See accompanying notes to the basic financial statements.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 1,239,081	\$ 949,090	\$ 43,765,565
-	1,064,372	39,246,832
-	8,033,333	9,280,614
<u>1,239,081</u>	<u>10,046,795</u>	<u>92,293,011</u>
-	2,039,814	36,747,439
-	3,887	569,969
-	2,098,883	3,252,610
-	107,069	1,359,502
-	23,667	4,237,194
-	706,682	2,808,085
-	-	653,708
-	-	2,354,479
-	4,559,879	4,560,501
-	26,249	2,028,107
-	443	3,778,333
-	99,561	7,436,349
-	16,408	1,425,402
-	-	2,228,454
-	5,379	46,203
-	-	5,591,050
-	-	8,733,098
-	-	5,450
32,848,444	584,015	33,432,459
-	-	19,416
-	-	125,461
<u>32,848,444</u>	<u>10,271,936</u>	<u>121,393,269</u>
<u>(31,609,363)</u>	<u>(225,141)</u>	<u>(29,100,258)</u>
-	-	103,500
-	-	103,500
(31,609,363)	(225,141)	(28,996,758)
62,520,351	1,569,125	87,409,454
<u>\$ 30,910,988</u>	<u>\$ 1,343,984</u>	<u>\$ 58,412,696</u>

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

Net change in fund balances - total governmental funds (Exhibit C-2)		\$ (28,996,758)
Amounts reported for <i>governmental activities</i> in the Statement of Activities (Exhibit B-1) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:		
Capital outlay during the year	\$ 34,403,058	
Depreciation expense for the year	<u>5,643,502</u>	28,759,556
The disposal of capital assets is not recognized in the governmental fund financial statements. However, the net book value of the capital assets disposed of in the current year is:		(277,257)
Because property tax receivables will not be collected for several months after the District's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows increased by this amount this year.		78,263
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year long-term debt principal payments, are summarized as follows:		
General obligation bonds	5,020,000	
Capital leases	<u>563,931</u>	5,583,931
Accretion on capital appreciation bonds is not reflected in the governmental fund financial statements, but is reflected as an increase in accreted interest in the government-wide financial statements. The current year accretion is:		(281,620)
Interest is accrued on long-term debt in the government-wide financial statements, whereas interest is reported when due in the governmental fund financial statements. Accrued interest increased by:		(118,996)
Amortization of deferred losses on refundings is only reported in the government-wide financial statements. Current year amortization is:		(463,320)
Amortization of the premium of current interest bonds is only reported in the government-wide financial statements. Current year amortization is:		1,124,261
The District participates in a defined benefit pension plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year.		(1,677,294)
The District participates in an OPEB plan through TRS. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, OPEB expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year.		<u>158,346</u>
Change in net position of governmental activities (Exhibit B-1)		<u>\$ 3,889,112</u>

See accompanying notes to the basic financial statements.

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

Data Control Codes		Agency Funds		
		Student Activity	Dallas County Schools	Total
Assets				
1110	Cash and cash equivalents	\$ 171,589	\$ -	\$ 171,589
1240	Due from Dallas County Schools	-	3,704,274	3,704,274
1260	Due from other funds	1,560	-	1,560
1000	Total assets	<u>\$ 173,149</u>	<u>\$ 3,704,274</u>	<u>\$ 3,877,423</u>
Liabilities				
Current Liabilities:				
2110	Accounts payable	\$ 19,706	\$ -	\$ 19,706
2180	Due to other governments	-	3,704,274	3,704,274
2190	Due to student groups	143,683	-	143,683
2200	Accrued expenditures	9,760	-	9,760
2000	Total liabilities	<u>\$ 173,149</u>	<u>\$ 3,704,274</u>	<u>\$ 3,877,423</u>

See accompanying notes to the basic financial statements.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies

The basic financial statements of Lancaster Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (Resource Guide). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (Board), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the Debt Service Fund.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Capital Projects Fund: The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in this fund.

In addition, the District reports the following fund types:

Governmental Funds:

Special Revenue Funds: The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

Agency Funds: These funds are used to report funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are reported in the fiduciary fund financial statements. Because their assets are held in a trustee or agent capacity and are, therefore, not available to support District programs, these funds are not included in the government-wide statements:

Student Activity Funds: These funds are raised and controlled by applicable student groups within the District. The student sponsor and District management approve and oversee fundraisers and disbursements approved by the student organization.

Dallas County Schools: This agency fund relates to an agreement with the dissolution committee for the former Board of Dallas County School Trustees. This fund holds projected payments from the creditor (Dallas County Schools) based on a final judgment dated May 22, 2018 in the 134th Judicial District, Dallas County, Texas. The agreement with the creditors is subject to annual revision. Currently, the outstanding principal of the obligation is \$3,704,274 and carries an interest rate of 5%. Interest only payments are due starting March 31, 2019 and continue until maturity in March 2024. Outstanding principal payments are scheduled to start March 31, 2023. Repayment is to be funded by currently estimated net tax revenue collections. All collections are to be remitted to the creditor Districts. Lancaster ISD is listed as a creditor and will recognize revenue in the General Fund once payments are remitted.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate charges. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property 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.

At August 31, 2019, net property taxes receivable are calculated as follows:

	General Fund	Debt Service Fund	Totals
Gross property taxes receivable	\$1,932,579	\$660,230	\$2,592,809
Allowance for uncollectible taxes	(289,887)	(99,034)	(388,921)
Net property taxes receivable	<u>\$1,642,692</u>	<u>\$561,196</u>	<u>\$2,203,888</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building improvements	50
Buses	15
Office equipment	7
Vehicles	5
Computer equipment	3

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables, except for delinquent taxes receivable, which are not scheduled for collection within one year of year end. Of the \$2,592,809 outstanding at August 31, 2019, it is expected that the District will collect approximately \$500,000 during the upcoming year.

f. Long-term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between this method and the interest method is immaterial. Bonds payable are reported net of the applicable premium or discount.

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 and any premiums received are reported as other financing sources. 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.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

g. Deferred Outflows/Inflows of Resources

Deferred outflows of resources refers to the consumption of net assets that are applicable to a future reporting period. Deferred outflows of resources has a positive effect on net position, similar to assets. Notwithstanding the similarities, Concepts Statement 5 clearly establishes that deferred outflows of resources are not assets. For the year ended August 31, 2019, the District has two items that qualify for reporting in this category, deferred loss on refunding and TRS related items.

Deferred inflows of resources refers to the acquisition of net assets that are applicable to a future reporting period. Deferred inflows of resources has a negative effect on net position, similar to liabilities. Notwithstanding the similarities, Concepts Statement 5 clearly establishes that deferred inflows of resources are not liabilities. The District has only one type of item that qualifies for reporting in this category at the fund level, property taxes receivable. Property taxes receivable are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. At the government-wide level, the District reports TRS related deferred inflows of resources.

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation. The General Fund includes \$2,835,000 that is being set aside to pay Qualified Zone Academy Maintenance Tax Notes.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. At August 31, 2019, the Board has committed funds totaling \$205,552 relative to the Campus Activity Fund and other special revenue funds.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

i. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

j. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

k. Fund Balance Flow Assumptions

The District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, and then, finally, unassigned fund balance.

l. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position.

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from these estimates.

n. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

o. Pension

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' 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.

p. Other Post-Employment Benefits

The fiduciary net position of the 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.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

The District had no violations of finance-related legal and contractual provisions for the year ended August 31, 2019 except the over-expenditure of function 35 by \$73,821 in the NSLP Fund.

2. Deficit Fund Balance or Net Position of Individual Funds

The District had no individual funds with a deficit fund balance as of August 31, 2019.

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2019, the carrying amount of the District's deposits (including fiduciary balances, but excluding the investments listed below) was \$10,014,145 and the bank balance was \$10,704,057. The District's cash deposits at August 31, 2019, and during the year ended August 31, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (Act), 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, and (9) bid solicitation preferences for certificates of deposit.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

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

<u>Investment or Investment Type</u>	<u>Weighted Maturity (Days)</u>	<u>Fair Value</u>
Lone Star Investment Pool	27	\$52,845,436
TexPool Investment Pool	36	1,467,991
		<u>\$54,313,427</u>

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District values investment pools at net asset value per unit/share.

Public Funds Investment Pools

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

a. Lone Star Investment Pool

The Lone Star Investment Pool (Lone Star) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAA by Standard and Poor's. Lone Star has three different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government and Corporate Overnight seeks to maintain a net asset value of \$1.00 per unit

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

and the Corporate Overnight Plus seeks to maintain a net asset value of \$0.50 per unit. The District is only invested in the Government Overnight Fund.

b. **TexPool Investment Pool**

The TexPool Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. **Analysis of Specific Deposit and Investment Risks**

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. **Custodial Credit Risk**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. **Concentration of Credit Risk**

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. **Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

D. Capital Assets

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

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 3,683,057	\$ -	\$ -	\$ 3,683,057
Construction in progress	<u>2,565,335</u>	<u>33,300,764</u>	<u>-</u>	<u>35,866,099</u>
Total capital assets not being depreciated	<u>6,248,392</u>	<u>33,300,764</u>	<u>-</u>	<u>39,549,156</u>
Capital assets being depreciated:				
Buildings and improvements	216,831,307	791,856	407,459	217,215,704
Furniture and equipment	14,578,193	310,438	143,851	14,744,780
Assets purchased under capital lease	<u>4,687,812</u>	<u>-</u>	<u>-</u>	<u>4,687,812</u>
Total capital assets being depreciated	<u>236,097,312</u>	<u>1,102,294</u>	<u>551,310</u>	<u>236,648,296</u>
Less accumulated depreciation for:				
Buildings and improvements	68,004,466	4,005,793	240,802	71,769,457
Furniture and equipment	7,302,574	1,266,994	33,251	8,559,935
Assets purchased under capital lease	<u>154,576</u>	<u>370,715</u>	<u>-</u>	<u>501,673</u>
Total accumulated depreciation	<u>75,461,616</u>	<u>5,643,502</u>	<u>274,053</u>	<u>80,831,065</u>
Total capital assets being depreciated, net	<u>160,635,696</u>	<u>(4,541,208)</u>	<u>277,257</u>	<u>155,817,231</u>
Governmental activities capital assets, net	<u>\$166,884,088</u>	<u>\$28,759,556</u>	<u>\$277,257</u>	<u>\$195,366,387</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities:</u>	
Instruction	\$2,847,198
Instructional Resources and Media Services	44,381
Curriculum and Staff Development	252,153
Instructional Leadership	105,859
School Leadership	329,932
Guidance, Counseling, and Evaluation Services	218,654
Health Services	50,901
Student Transportation	183,333
Food Services	355,107
Extracurricular Activities	158,526
General Administration	294,203
Facilities Maintenance and Operations	572,436
Security and Monitoring Services	102,102
Data Processing Services	<u>128,717</u>
Total governmental depreciation	<u>\$5,643,502</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2019 consists of the following:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
Other Governmental Funds	General Fund	\$ 6,023	Short-term borrowings
Fiduciary Funds	General Fund	1,560	Short-term borrowings
Capital Projects Fund	Other Governmental Funds	<u>259,026</u>	Short-term borrowings
Total		<u>\$266,609</u>	

The interfund balances are anticipated to be repaid within one year.

F. Long-term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2019, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$206,146,934	\$ -	\$5,020,000	\$201,126,934	\$5,390,000
Accretion	7,188,608	281,620	-	7,470,228	-
Premiums	20,338,596	-	1,124,261	19,214,335	-
Capital Leases	<u>4,509,591</u>	-	<u>563,931</u>	<u>3,945,660</u>	<u>447,532</u>
	238,183,729	281,620	6,708,192	231,757,157	<u>\$5,837,532</u>
Loss on Refundings	(3,175,932)	-	(463,320)	(2,712,612)	
Total	<u>\$235,007,797</u>	<u>\$ 281,620</u>	<u>\$6,244,872</u>	<u>\$229,044,545</u>	

2. General Obligation Bonds

A summary of changes in general obligation bonds for the year ended August 31, 2019, is as follows:

	<u>Amounts Outstanding 9/1/18</u>	<u>Issued</u>	<u>Amortization/ Accretion</u>	<u>Retired/ Refunded</u>	<u>Amounts Outstanding 8/31/19</u>
Unlimited Tax Refunding Bonds, Series 2012 Interest 1.03% - 2.55%					
Current Interest Bonds	\$ 16,025,000	\$ -	\$ -	(\$ 3,750,000)	\$12,275,000
Amortizable Premiums	991,476	-	(247,869)	-	743,607
Qualified Zone Academy Maintenance Tax Notes, Taxable Series 2012 Interest 4.00%					
	6,075,000	-	-	-	6,075,000

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Unlimited Tax Refunding					
Bonds, Series 2013					
Interest 2.00% - 4.00%					
Current Interest Bonds	8,400,000	-	-	(70,000)	8,330,000
Amortizable Premiums	293,353	-	(17,779)	-	275,574
CAB – Principal	140,000	-	-	-	140,000
Accumulated Accretion	760,738	-	29,511	-	790,249
Unlimited Tax Refunding					
Bonds, Series 2014					
Interest 2.00% - 4.00%					
Current Interest Bonds	8,760,000	-	-	-	8,760,000
Amortizable Premiums	844,611	-	(33,122)	-	811,489
Unlimited Tax School Building					
Bonds, Series 2015-A					
Interest 2.00% - 4.00%					
Current Interest Bonds	43,955,000	-	-	(460,000)	43,495,000
Amortizable Premiums	3,476,384	-	(131,184)	-	3,345,200
Unlimited Tax Refunding					
Bonds, Series 2015-B					
Interest 1.50% - 4.00%					
Current Interest Bonds	7,750,000	-	-	(740,000)	7,010,000
Amortizable Premiums	227,893	-	(8,600)	-	219,293
Unlimited Tax Refunding					
Bonds, Series 2015-C					
Interest 2.00% - 5.00%					
Current/Term Int. Bonds	41,650,000	-	-	-	41,650,000
Amortizable Premiums	5,125,055	-	(330,649)	-	4,794,406
CAB – Principal	3,231,933	-	-	-	3,231,933
Accumulated Accretion	6,427,873	-	252,109	-	6,679,982
Unlimited Tax School Building					
Bonds, Series 2016					
Interest 2.00% - 3.25%					
Current/Term Int. Bonds	5,950,000	-	-	-	5,950,000
Amortizable Premiums	117,886	-	(4,448)	-	113,438
Unlimited Tax School Building					
Bonds, Series 2017					
Interest 2.00% - 5.00%					
Current/Term Int. Bonds	64,210,000	-	-	-	64,210,000
Premium on CIBs	9,261,936	-	(350,610)	-	8,911,326
	<u>\$233,674,138</u>	<u>\$ -</u>	<u>(\$ 842,641)</u>	<u>(\$ 5,020,000)</u>	<u>\$ 227,811,497</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Debt service requirements for the above general obligation bonds at August 31, 2019, are as follows:

<u>Year Ending August 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,390,000	\$ 8,516,731	\$ 13,906,731
2021	5,535,000	8,301,281	13,836,281
2022	5,785,000	8,051,381	13,836,381
2023	3,629,928	10,353,141	13,983,069
2024	3,854,474	10,458,195	14,312,669
2025-2029	39,102,532	38,546,891	77,649,423
2030-2034	42,985,000	28,584,384	71,569,384
2035-2039	39,090,000	17,913,563	57,003,563
2040-2044	45,335,000	8,024,094	53,359,094
2045	10,420,000	242,850	10,662,850
Totals	<u>\$201,126,934</u>	<u>\$138,992,511</u>	<u>\$340,119,445</u>

3. Accretion on Capital Appreciation Bonds

A portion of the bonds sold in the Unlimited Tax Refunding Bonds, Series 2013, were capital appreciation bonds. The obligations have par values of \$140,000 and maturity values of \$1,305,000. The interest on these obligations will be paid upon maturity in the fiscal year August 31, 2030. The accreted values of these bonds at August 31, 2019 are \$790,249.

A portion of the bonds sold in the Unlimited Tax Refunding Bonds, Series 2015-C, were capital appreciation bonds. The obligations have a par value of \$3,231,933 and maturity value of \$11,140,000. The interest on these obligations will be paid upon maturity in the fiscal years August 31, 2023 through 2025. The accreted value of those bonds at August 31, 2019 is \$6,679,982.

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

5. Capital Leases

The Public Property Finance Act authorizes the District to enter into capital lease agreements for the purchase of personal property. The commitments under the capitalized lease agreements provides for minimum future lease payments as of August 31, 2019, are as follows:

<u>Year Ending August 31,</u>	<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 447,532	\$ 134,378	\$ 581,910
2021	463,262	118,648	581,910
2022	439,261	102,619	541,880
2023	397,060	88,779	485,839
2024	410,641	75,198	485,839
2025-2028	1,787,904	155,452	1,943,356
Totals	<u>\$ 3,945,660</u>	<u>\$ 675,074</u>	<u>\$ 4,620,734</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

6. Total Debt Service Requirements

Debt service requirements on the long-term debt at August 31, 2019, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 5,837,532	\$ 8,651,109	\$ 14,488,641
2021	5,998,262	8,419,929	14,418,191
2022	6,224,261	8,154,000	14,378,261
2023	4,026,988	10,441,920	14,468,908
2024	4,265,115	10,533,393	14,798,508
2025-2029	40,890,436	38,702,343	79,592,779
2030-2034	42,985,000	28,584,384	71,569,384
2035-2039	39,090,000	17,913,563	57,003,563
2040-2044	45,335,000	8,024,094	53,359,094
2045	10,420,000	242,850	10,662,850
Totals	205,072,594	<u>\$139,667,585</u>	<u>\$344,740,179</u>
Accretion	7,470,228		
Premiums	19,214,335		
Loss on refundings	(2,712,612)		
Total per summary	<u>\$229,044,545</u>		

G. Risk Management

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

H. Defined Benefit Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan 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.

2. Pension Plan Fiduciary Net Position

Detailed information about the TRS'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 at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

3. 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 a 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 the date of employment, of if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (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.

4. 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 6.0% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Members (Employees)	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employer (District)	6.8%	6.8%
Members (Employees)	\$3,451,989	\$3,666,236
Non-Employer Contributing Entity (State)	\$2,216,585	\$2,295,889
Employer (District)	\$1,347,871	\$1,490,103

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

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

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

- 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 sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school 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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term Expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Payroll Growth Rate	3.00%
Benefit Changes During the Year	None
Ad hoc post-employment benefit changes	None

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

6. Discount Rate

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

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2018 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Long-term Expected Arithmetic Real Rate of Return ⁽²⁾</u>	<u>Expected Contribution to Long-term Portfolio Returns *</u>
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	-	-
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	-	-
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Volatility Drag ⁽³⁾			-0.8%
Total	<u>100.0%</u>		<u>7.2%</u>

⁽¹⁾ Target allocations are based on the FY 2016 policy model.

⁽²⁾ Capital market assumptions come from Aon Hewitt (2017 Q4).

⁽³⁾ The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

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

	<u>1% Decrease 5.907%</u>	<u>Current Discount Rate 6.907%</u>	<u>1% Increase 7.907%</u>
District's proportionate share of the net pension liability	<u>\$34,008,336</u>	<u>\$22,533,421</u>	<u>\$13,243,797</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

8. Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

At August 31, 2019, the District reported a liability of \$22,533,421 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for the State pension support provided to the District. The amount recognized by the 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 the District were as follows:

District's proportionate share of the collective net pension liability	\$22,533,421
State's proportionate share that is associated with the District	<u>35,828,375</u>
Total	<u>\$58,361,796</u>

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

At August 31, 2018, the District's proportion of the collective net pension liability was 0.0409382775%, which was a decrease of .0017949556% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation

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

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

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

For the year ended August 31, 2019, the District recognized pension expense of \$3,546,054 and revenue of \$2,191,429 for support provided by the State.

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

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual economic experience	\$ 140,455	\$ 552,881
Changes in actuarial assumptions	8,124,384	253,887
Difference between projected and actual investment earnings	1,171,046	1,598,601
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,202,954	752,563
Contributions paid to TRS subsequent to the measurement date	<u>1,490,103</u>	<u>-</u>
Total	<u>\$13,128,942</u>	<u>\$3,157,932</u>

\$1,490,103 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the plan year ending August 31, 2019. The remaining amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended August 31</u>	<u>Pension Exp. Amount</u>
2019	\$2,411,616
2020	1,511,858
2021	1,242,271
2022	1,267,765
2023	1,218,665
Thereafter	828,732

I. Defined Other Post-Employment Benefit Plans

1. 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 TRS Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care'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 at <http://www.trs.state.tx.us/about/documents/cafr.pdf> #CAFR; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly for Retirees January 1, 2018 Through December 31, 2018		
	<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

4. 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 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% 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.

Contribution Rates

	<u>2018</u>	<u>2019</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%
Employer Contributions	\$264,632	\$389,650
Member Contributions	\$291,019	\$309,487
NECE On-behalf Contributions	\$541,267	\$562,619

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

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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

5. Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were used in this report.

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

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

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%, including inflation
Annual Healthcare Trend Rates	8.50% for FY 2019, decreasing 0.5% per year to 4.50% for FY 2027 and later years
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Other Information:

In this valuation, the impact of the Cadillac Tax 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 2.50%.
- 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.

6. Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27% 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.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the net OPEB liability.

	1% Decrease <u>2.69%</u>	Current Discount Rate <u>3.69%</u>	1% Increase <u>4.69%</u>
District's proportionate share of the net OPEB liability	<u>\$32,017,759</u>	<u>\$26,923,117</u>	<u>\$22,869,194</u>

The following schedule presents the net OPEB liability of the plan using the assumed healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a trend ratio that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease <u>7.5%</u>	Current Discount Rate <u>8.5%</u>	1% Increase <u>9.5%</u>
District's proportionate share of the net OPEB liability	<u>\$22,360,087</u>	<u>\$26,923,117</u>	<u>\$32,932,725</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEBs

At August 31, 2019, the District reported a liability of \$26,923,117 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for the 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	\$26,923,117
State's proportionate share that is associated with the District	<u>39,297,308</u>
Total	<u>\$66,220,425</u>

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

At August 31, 2019, the District's proportion of the collective net OPEB liability was 0.0539207348%, compared to 0.0588373423% as of 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 OPEB liability since the prior measurement period:

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

Changes of benefit terms since the prior measurement date which became effective September 1, 2017 are as follows:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended August 31, 2019, the District recognized OPEB expense of \$1,429,400 and revenue of \$542,167 for support provided by the State.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual economic experience	\$1,428,710	\$ 424,886
Changes in actuarial assumptions	449,274	8,088,852
Difference between projected and actual investment earnings	4,709	-
Changes in proportion and difference between District contributions and proportionate share of contributions	100	2,697,496
Contributions paid to TRS subsequent to the measurement date	<u>389,650</u>	<u>-</u>
Total	<u>\$2,272,443</u>	<u>\$11,211,234</u>

\$389,650 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the plan year ending August 31, 2019. The remaining amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan Year Ended <u>August 31</u>	<u>OPEB Exp. Amount</u>
2019	(\$1,395,179)
2020	(1,395,179)
2021	(1,395,179)
2022	(1,396,069)
2023	(1,396,579)
Thereafter	(2,350,256)

9. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$173,472, \$136,594, \$126,824 for the years ended August 31, 2019, 2018, and 2017, respectively.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

J. Commitments and Contingencies

1. Contingencies

The District participates in 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, refunds of any money received may be required and the collectability of any related receivable 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 basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District as of August 31, 2019.

3. Construction Commitments

The District has engaged an architect and selected a general contractor for the new Elsie Robertson Middle School related to the issuance of the Series 2017 Bonds. As of August 31, 2019, the District has incurred \$34,527,901 of costs towards \$56,372,762 of contracts, leaving a remaining commitment of \$21,844,861.

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts			Variance With Final Budget - Positive (Negative)
		Original	Final	Actual	
Revenues:					
5700	Local and intermediate sources	\$ 30,099,093	\$ 31,900,824	\$ 32,017,982	\$ 117,158
5800	State program revenues	36,430,632	36,430,632	37,469,476	1,038,844
5900	Federal program revenues	1,030,355	1,255,755	1,247,281	(8,474)
5020	Total revenues	<u>67,560,080</u>	<u>69,587,211</u>	<u>70,734,739</u>	<u>1,147,528</u>
Expenditures:					
Current:					
Instruction & instructional related services:					
0011	Instruction	35,475,069	35,141,850	34,707,625	434,225
0012	Instructional resources and media services	596,099	594,160	566,082	28,078
0013	Curriculum and staff development	639,839	1,249,711	1,153,727	95,984
	Total instruction & instructional related services	<u>36,711,007</u>	<u>36,985,721</u>	<u>36,427,434</u>	<u>558,287</u>
Instructional and school leadership:					
0021	Instructional leadership	1,789,774	1,356,474	1,252,433	104,041
0023	School leadership	4,281,952	4,288,839	4,213,527	75,312
	Total instructional and school leadership	<u>6,071,726</u>	<u>5,645,313</u>	<u>5,465,960</u>	<u>179,353</u>
Support services - student (pupil):					
0031	Guidance, counseling and evaluation services	2,197,825	2,205,953	2,101,403	104,550
0032	Social work services	11,355	-	-	-
0033	Health services	768,366	756,192	653,708	102,484
0034	Student transportation	2,531,390	2,361,390	2,354,479	6,911
0035	Food services	4,093	1,593	622	971
0036	Cocurricular/extracurricular activities	1,274,858	2,001,858	2,001,858	-
	Total support services - student (pupil)	<u>6,787,887</u>	<u>7,326,986</u>	<u>7,112,070</u>	<u>214,916</u>
Administrative support services:					
0041	General administration	3,992,431	3,962,431	3,777,890	184,541
	Total administrative support services	<u>3,992,431</u>	<u>3,962,431</u>	<u>3,777,890</u>	<u>184,541</u>
Support services - nonstudent based:					
0051	Facilities maintenance and operations	7,557,129	7,557,129	7,336,788	220,341
0052	Security and monitoring services	1,601,946	1,491,946	1,408,994	82,952
0053	Data processing services	1,646,222	2,320,700	2,228,454	92,246
	Total support services - nonstudent based	<u>10,805,297</u>	<u>11,369,775</u>	<u>10,974,236</u>	<u>395,539</u>
Ancillary services:					
0061	Community services	51,996	51,996	40,824	11,172
	Total ancillary services	<u>51,996</u>	<u>51,996</u>	<u>40,824</u>	<u>11,172</u>
Debt service:					
0071	Principal on long-term debt	726,062	601,062	571,050	30,012
0072	Interest on long-term debt	23,662	23,662	33,792	(10,130)
	Total debt service	<u>749,724</u>	<u>624,724</u>	<u>604,842</u>	<u>19,882</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)	
	Original	Final			
	Intergovernmental charges:				
0095	Payments to JJAEPs	30,000	27,600	19,416	8,184
0099	Other intergovernmental charges	171,200	126,200	125,461	739
	Total intergovernmental charges	201,200	153,800	144,877	8,923
6030	Total expenditures	65,371,268	66,120,746	64,548,133	1,572,613
1100	Excess of revenues over (under) expenditures	2,188,812	3,466,465	6,186,606	2,720,141
	Other financing sources:				
7912	Proceeds from sale of capital assets	-	103,500	103,500	-
8911	Transfers out	(405,000)	(405,000)	-	405,000
7080	Total other financing sources	(405,000)	(301,500)	103,500	405,000
1200	Net change in fund balance	1,783,812	3,164,965	6,290,106	3,125,141
0100	Fund balance - beginning	14,706,104	14,706,104	14,706,104	-
3000	Fund balance - ending	\$ 16,489,916	\$ 17,871,069	\$ 20,996,210	\$ 3,125,141

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	<u>0.0409382775%</u>	<u>0.0427332331%</u>	<u>0.0435777675%</u>
District's proportionate share of the net pension liability	\$ 22,533,421	\$ 13,663,786	\$ 16,467,390
State's proportionate share of the net pension liability associated with the District	<u>35,828,375</u>	<u>21,111,483</u>	<u>24,781,944</u>
Total	<u>\$ 58,361,796</u>	<u>\$ 34,775,269</u>	<u>\$ 41,249,334</u>
District's covered payroll	<u>\$ 44,772,174</u>	<u>\$ 43,664,131</u>	<u>\$ 42,406,525</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>50.33%</u>	<u>31.29%</u>	<u>38.83%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.74%</u>	<u>82.17%</u>	<u>78.00%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

<u>2016</u>	<u>2015</u>
<u>0.0456508000%</u>	<u>0.0267064000%</u>
\$ 16,136,950	\$ 7,133,648
<u>22,499,929</u>	<u>20,742,391</u>
<u>\$ 38,636,879</u>	<u>\$ 27,876,039</u>
<u>\$ 39,881,852</u>	<u>\$ 38,265,697</u>
<u>40.46%</u>	<u>18.64%</u>
<u>78.43%</u>	<u>83.25%</u>

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,490,103	\$ 1,347,871	\$ 1,400,546
Contributions in relation to the contractually required contribution	<u>(1,490,103)</u>	<u>(1,347,871)</u>	<u>(1,400,546)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 47,613,447</u>	<u>\$ 44,772,174</u>	<u>\$ 43,664,131</u>
Contributions as a percentage of covered payroll	<u>3.13%</u>	<u>3.01%</u>	<u>3.21%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Draft

<u>2016</u>	<u>2015</u>
\$ 1,317,416	\$ 1,294,503
<u>(1,317,416)</u>	<u>(1,294,503)</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 42,406,525</u>	<u>\$ 39,881,852</u>
<u>3.11%</u>	<u>3.25%</u>

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	<u>0.0539207348%</u>	<u>0.0588373423%</u>
District's proportionate share of the net OPEB liability	\$ 26,923,117	\$ 25,586,153
State's proportionate share of the net OPEB liability associated with the District	<u>39,297,308</u>	<u>35,003,141</u>
Total	<u>\$ 66,220,425</u>	<u>\$ 60,589,294</u>
District's covered payroll (Plan year end August 31)	<u>\$ 44,772,174</u>	<u>\$ 43,664,131</u>
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>60.13%</u>	<u>58.60%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.57%</u>	<u>0.91%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the column label is the District's fiscal year. The data is derived from the Teacher Retirement System's Comprehensive Annual Financial Statement for the preceding year.

LANCASTER INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S OTHER POST EMPLOYMENT BENEFIT (OPEB) CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 389,650	\$ 264,632
Contributions in relation to the contractually required contribution	<u>(389,650)</u>	<u>(264,632)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 47,613,447</u>	<u>\$ 44,772,174</u>
Contributions as a percentage of covered payroll	<u>0.82%</u>	<u>0.59%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the contractually required contribution is for the District's indicated fiscal year.

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

A. Budget

1. Basis of Budgeting

The Lancaster Independent School District's (District) budget for the General Fund is prepared and presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

2. Budget Process

a. Budgeting

Annual budgets are legally adopted for the General Fund, Debt Service Fund, and Food Service Fund. The annual budget is presented in the accompanying schedule for the General Fund. The following procedures are used in establishing the budgetary data reflected in that schedule:

1. Prior to August 20th of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1st, the budget is legally enacted through passage of a resolution by the Board of Trustees.

The budget is prepared and controlled by the budget officer at the revenue object and expenditure function level.

Debt Service Fund: The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds in this fund.

The official budget for the General Fund was prepared and adopted through Board resolution before August 31, 2018. The administration performs budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Texas Education Agency. Total expenditures may exceed total appropriations, as amended, by fund as long as those expenditures are certified as being available by the budget officer to the Board. The budget amounts reflected in the accompanying schedule represent final amended budget amounts as approved by the Board. The District had the following funds and functions with negative budgetary variances based on the final approved budget:

General Fund Function 72 over-expended by \$10,130

National School Lunch and Breakfast Program Fund Function 35 over-expended by \$73,821

b. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. There are no outstanding encumbrances at year-end as all encumbrances at that date are canceled and re-appropriated in the subsequent fiscal year's budget to provide for their liquidation.

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

B. Defined Benefit Pension Plan

1. Change of Benefit Terms

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

2. Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the pension trust fund were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

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

C. OPEB Plan

1. Change of Benefit Terms

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

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

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

2. Changes of Assumptions

The following assumptions, methods, and plan changes which are specific to TRS-Care were updated from the prior year's report:

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

**COMBINING STATEMENTS AS
SUPPLEMENTARY INFORMATION**

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2019

Data Control Codes		204 Title IV, Part A Subpart 1 SSAE	206 Education for Homeless Children and Youth	211 ESEA Title I Improving Basic Programs
Assets				
1110	Cash and cash equivalents	\$ -	\$ (235)	\$ 138,470
1240	Due from other governments	-	235	41,866
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Unrealized expenditures	-	-	-
1000	Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,336</u>
Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	137,505
2170	Due to other funds	-	-	-
2180	Due to other governments	-	-	40,535
2190	Due to student groups	-	-	-
2200	Accrued expenses	-	-	2,296
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>-</u>	<u>-</u>	<u>180,336</u>
Fund balances				
Restricted fund balances:				
3450	Federal/state funds grant restrictions	-	-	-
Committed fund balances:				
3545	Other committed fund balance	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,336</u>

224 IDEA-B Formula	225 IDEA-B Preschool	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	243 Child and Adult Care Food Program
\$ (8,481)	\$ (989)	\$ 1,472,791	\$ 271,908	\$ (7,229)
93,540	1,006	210,617	-	7,755
-	-	5,863	-	-
-	-	-	-	-
-	-	1,037	-	-
<u>\$ 85,059</u>	<u>\$ 17</u>	<u>\$ 1,690,308</u>	<u>\$ 271,908</u>	<u>\$ 526</u>
\$ 8,376	\$ -	\$ 649,685	\$ -	\$ -
75,892	-	670	-	-
-	-	259,026	-	-
-	17	-	-	-
791	-	-	-	-
-	-	-	-	-
<u>85,059</u>	<u>17</u>	<u>909,381</u>	<u>-</u>	<u>-</u>
-	-	780,927	271,908	526
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>780,927</u>	<u>271,908</u>	<u>526</u>
<u>\$ 85,059</u>	<u>\$ 17</u>	<u>\$ 1,690,308</u>	<u>\$ 271,908</u>	<u>\$ 526</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2019

Data Control Codes		244 Career & Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement
Assets				
1110	Cash and cash equivalents	\$ 15,979	\$ (12,146)	\$ (23)
1240	Due from other governments	-	23,695	347
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Unrealized expenditures	-	-	-
1000	Total assets	<u>\$ 15,979</u>	<u>\$ 11,549</u>	<u>\$ 324</u>
Liabilities				
2110	Accounts payable	\$ -	\$ 1,397	\$ -
2160	Accrued wages payable	15,653	10,152	324
2170	Due to other funds	-	-	-
2180	Due to other governments	326	-	-
2190	Due to student groups	-	-	-
2200	Accrued expenses	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>15,979</u>	<u>11,549</u>	<u>324</u>
Fund balances				
Restricted fund balances:				
3450	Federal/state funds grant restrictions	-	-	-
Committed fund balances:				
3545	Other committed fund balance	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 15,979</u>	<u>\$ 11,549</u>	<u>\$ 324</u>

287 Summer School LEP	288 Teacher Incentive Funds	289 Summer School LEP	397 Advanced Placement Incentive	401 Optional Extended Year Program
\$ 5,552	\$ 310	\$ 5,956	\$ 7,732	\$ 3,200
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,552</u>	<u>\$ 310</u>	<u>\$ 5,956</u>	<u>\$ 7,732</u>	<u>\$ 3,200</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	310	-	-	-
-	-	-	-	-
2,213	-	3,582	1,937	3,200
<u>2,213</u>	<u>310</u>	<u>3,582</u>	<u>1,937</u>	<u>3,200</u>
3,339	-	2,374	5,795	-
-	-	-	-	-
<u>3,339</u>	<u>-</u>	<u>2,374</u>	<u>5,795</u>	<u>-</u>
<u>\$ 5,552</u>	<u>\$ 310</u>	<u>\$ 5,956</u>	<u>\$ 7,732</u>	<u>\$ 3,200</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2019

Data Control Codes		410 State Textbook Fund	427 Math Achievement Academies	461 Campus Activity Funds
Assets				
1110	Cash and cash equivalents	\$ (279,656)	\$ 1,456	\$ 202,862
1240	Due from other governments	298,294	-	-
1260	Due from other funds	-	-	160
1290	Other receivables	-	-	385
1410	Unrealized expenditures	-	-	-
1000	Total assets	<u>\$ 18,638</u>	<u>\$ 1,456</u>	<u>\$ 203,407</u>
Liabilities				
2110	Accounts payable	\$ 12,596	\$ -	\$ 10,688
2160	Accrued wages payable	3,200	-	-
2170	Due to other funds	-	-	-
2180	Due to other governments	2,842	-	-
2190	Due to student groups	-	-	19
2200	Accrued expenses	-	-	516
2300	Unearned revenue	-	1,456	-
2000	Total liabilities	<u>18,638</u>	<u>1,456</u>	<u>11,223</u>
Fund balances				
Restricted fund balances:				
3450	Federal/state funds grant restrictions	-	-	-
Committed fund balances:				
3545	Other committed fund balance	-	-	192,184
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>192,184</u>
4000	Total liabilities and fund balances	<u>\$ 18,638</u>	<u>\$ 1,456</u>	<u>\$ 203,407</u>

462 Scholarship Awards	463 LISD Foundation Grants	464 HEB Grant	480 I Rock Math Grant	481 Greenspace Grant	482 STEM Consulting Services
\$ 17,945	\$ 20,522	\$ 52,500	\$ 1,217	\$ 1,729	\$ 882
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,945</u>	<u>\$ 20,522</u>	<u>\$ 52,500</u>	<u>\$ 1,217</u>	<u>\$ 1,729</u>	<u>\$ 882</u>
\$ -	\$ 759	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,577	-	-	1,217	1,729	882
<u>4,577</u>	<u>759</u>	<u>-</u>	<u>1,217</u>	<u>1,729</u>	<u>882</u>
-	19,763	52,500	-	-	-
-	-	-	-	-	-
13,368	-	-	-	-	-
<u>13,368</u>	<u>19,763</u>	<u>52,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,945</u>	<u>\$ 20,522</u>	<u>\$ 52,500</u>	<u>\$ 1,217</u>	<u>\$ 1,729</u>	<u>\$ 882</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2019

Data Control Codes	484 STEM Learning Lab	485 Jobs for American Grads	486 Hidden Figures
Assets			
1110	\$ 64	\$ (64)	\$ 3,000
1240	-	64	-
1260	-	-	-
1290	-	-	-
1410	-	-	-
1000	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Liabilities			
2110	\$ 24	\$ -	\$ -
2160	-	-	-
2170	-	-	-
2180	-	-	-
2190	-	-	-
2200	-	-	-
2300	40	-	3,000
2000	<u>64</u>	<u>-</u>	<u>3,000</u>
Fund balances			
Restricted fund balances:			
3450	-	-	-
Committed fund balances:			
3545	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ 3,000</u>

487 STEM Professional Development	488 Accelerated Math Grant	489 Blended Learning Grant	490 Firehouse Subs Public Safety	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 150	\$ 1,300	\$ -	\$ -	\$ 1,916,702
-	-	-	-	677,419
-	-	-	-	6,023
-	-	-	-	385
-	-	-	-	1,037
<u>\$ 150</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,601,566</u>
\$ (350)	\$ -	\$ -	\$ -	\$ 683,175
-	-	-	-	243,396
-	-	-	-	259,026
-	-	-	-	44,030
-	-	-	-	19
223	-	-	-	3,826
277	-	-	-	24,110
<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,257,582</u>
-	1,300	-	-	1,138,432
-	-	-	-	205,552
-	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>1,343,984</u>
<u>\$ 150</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,601,566</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		204 Title IV, Part A Subpart 1 SSAE	206 Education for Homeless Children and Youth	211 ESEA Title I Improving Basic Programs
	Revenues			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	76,284	18,390	1,722,475
5020	Total revenues	<u>76,284</u>	<u>18,390</u>	<u>1,722,475</u>
	Expenditures			
	Current:			
0011	Instruction	4,421	17,236	4,329
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	-	-	1,785,339
0021	Instructional leadership	-	1,154	-
0023	School leadership	-	-	230
0031	Guidance, counseling, & evaluation services	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring	-	-	-
0061	Community services	-	-	4,440
0081	Capital outlay	-	-	-
6030	Total expenditures	<u>4,421</u>	<u>18,390</u>	<u>1,794,338</u>
1100	Excess of revenues over (under) expenditures	<u>71,863</u>	<u>-</u>	<u>(71,863)</u>
	Other Financing Sources (Uses)			
7915	Transfers	(71,863)	-	71,863
7080	Total other financing sources (uses)	<u>(71,863)</u>	<u>-</u>	<u>71,863</u>
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

224 IDEA-B Formula	225 IDEA-B Preschool	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	243 Child and Adult Care Food Program	244 Career & Tech Basic Grant
\$ -	\$ -	\$ 381,506	\$ -	\$ -	\$ -
-	-	23,692	-	-	-
1,367,106	5,567	4,538,853	45,413	7,755	96,607
<u>1,367,106</u>	<u>5,567</u>	<u>4,944,051</u>	<u>45,413</u>	<u>7,755</u>	<u>96,607</u>
643,943	5,342	-	-	-	1,969
-	-	-	-	-	-
3,000	225	-	-	-	-
9,144	-	-	-	-	94,638
-	-	-	-	-	-
703,095	-	-	-	-	-
-	-	4,468,377	84,273	7,229	-
7,309	-	-	-	-	-
-	-	99,561	-	-	-
-	-	-	-	-	-
615	-	-	-	-	-
-	-	584,015	-	-	-
<u>1,367,106</u>	<u>5,567</u>	<u>5,151,953</u>	<u>84,273</u>	<u>7,229</u>	<u>96,607</u>
-	-	(207,902)	(38,860)	526	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(207,902)	(38,860)	526	-
-	-	988,829	310,768	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 780,927</u>	<u>\$ 271,908</u>	<u>\$ 526</u>	<u>\$ -</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	287 Summer School LEP
Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	144,734	10,149	-
5020	Total revenues	<u>144,734</u>	<u>10,149</u>	<u>-</u>
Expenditures				
Current:				
0011	Instruction	130,971	9,825	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	13,763	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, & evaluation services	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring	-	-	-
0061	Community services	-	324	-
0081	Capital outlay	-	-	-
6030	Total expenditures	<u>144,734</u>	<u>10,149</u>	<u>-</u>
1100	Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
7915	Transfers	-	-	-
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	3,339
3000	Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,339</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	461 Campus Activity Funds	462 Scholarship Awards	463 LISD Foundation Grants
Revenues			
5700	\$ 191,249	\$ 22,285	\$ 26,602
5800	-	1,024	-
5900	-	-	-
5020	<u>191,249</u>	<u>23,309</u>	<u>26,602</u>
Expenditures			
Current:			
0011	146,843	700	20,381
0012	3,887	-	-
0013	-	-	-
0021	-	-	-
0023	23,437	-	-
0031	-	-	-
0035	-	-	-
0036	9,699	9,241	-
0041	-	-	443
0051	-	-	-
0052	-	-	-
0061	-	-	-
0081	-	-	-
6030	<u>183,866</u>	<u>9,941</u>	<u>20,824</u>
1100	<u>7,383</u>	<u>13,368</u>	<u>5,778</u>
Other Financing Sources (Uses)			
7915	-	-	-
7080	<u>-</u>	<u>-</u>	<u>-</u>
1200	7,383	13,368	5,778
0100	184,801	-	13,985
3000	<u>\$ 192,184</u>	<u>\$ 13,368</u>	<u>\$ 19,763</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	486 Hidden Figures	487 STEM Professional Development	488 Accelerated Math Grant
Revenues			
5700	\$ -	\$ 309,740	\$ 1,300
5800	-	-	-
5900	-	-	-
5020	<u>-</u>	<u>309,740</u>	<u>1,300</u>
Expenditures			
Current:			
0011	-	100,543	-
0012	-	-	-
0013	-	203,477	-
0021	-	2,133	-
0023	-	-	-
0031	-	3,587	-
0035	-	-	-
0036	-	-	-
0041	-	-	-
0051	-	-	-
0052	-	-	-
0061	-	-	-
0081	-	-	-
6030	<u>-</u>	<u>309,740</u>	<u>-</u>
1100	<u>-</u>	<u>-</u>	<u>1,300</u>
Other Financing Sources (Uses)			
7915	-	-	-
7080	<u>-</u>	<u>-</u>	<u>-</u>
1200	<u>-</u>	<u>-</u>	<u>1,300</u>
0100	-	-	-
3000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300</u>

489 Blended Learning Grant	490 Firehouse Subs Public Safety	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ -	\$ 16,408	\$ 949,090
7,000	-	1,064,372
-	-	8,033,333
<u>7,000</u>	<u>16,408</u>	<u>10,046,795</u>
-	-	2,039,814
-	-	3,887
7,000	-	2,098,883
-	-	107,069
-	-	23,667
-	-	706,682
-	-	4,559,879
-	-	26,249
-	-	443
-	-	99,561
-	16,408	16,408
-	-	5,379
-	-	584,015
<u>7,000</u>	<u>16,408</u>	<u>10,271,936</u>
-	-	(225,141)
-	-	-
-	-	-
-	-	(225,141)
-	-	1,569,125
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,343,984</u>

OTHER SUPPLEMENTARY INFORMATION SECTION

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2019

Fiscal Year Ending August 31,	1		2		3
	Tax Rates				Assessed/Appraised Value for School Tax Purposes
	Maintenance		Debt Service		
2009 and Prior Years	\$	Various	\$	Various	\$ Various
2011		1.0347		0.378	1,489,078,998
2012		1.0347		0.378	1,505,567,990
2013		1.0400		0.378	1,448,322,511
2014		1.0400		0.378	1,466,339,845
2015		1.0400		0.330	1,642,781,752
2016		1.0400		0.500	1,728,683,657
2017		1.0400		0.500	2,026,974,091
2018		1.0400		0.500	2,246,183,896
2019 (School year under audit)		1.1700		0.360	2,554,951,307
1000 Totals					

Draft

10 Beginning Balance 9/1/2018	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2019
\$ 963,785	\$ -	\$ 47,218	\$ 13,939	\$ (68,043)	\$ 834,585
107,957	-	7,199	2,630	(10,675)	87,453
114,725	-	7,813	2,854	(12,120)	91,938
111,119	-	8,488	3,085	(7,337)	92,209
127,257	-	25,532	9,280	9,395	101,840
143,423	-	40,343	12,806	39,789	130,063
194,790	-	49,301	23,702	35,924	157,711
271,314	-	60,294	28,987	18,763	200,796
517,879	-	72,897	35,046	(90,830)	319,106
-	39,090,755	29,657,400	9,125,353	269,106	577,108
<u>\$ 2,552,249</u>	<u>\$ 39,090,755</u>	<u>\$ 29,976,485</u>	<u>\$ 9,257,682</u>	<u>\$ 183,972</u>	<u>\$ 2,592,809</u>

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 411,121	\$ 411,121	\$ 381,506	\$ (29,615)
5800	State program revenues	26,538	23,692	23,692	-
5900	Federal program revenues	5,044,089	4,544,089	4,538,853	(5,236)
5020	Total revenues	<u>5,481,748</u>	<u>4,978,902</u>	<u>4,944,051</u>	<u>(34,851)</u>
	Expenditures:				
	Current:				
	Support services - student (pupil):				
0035	Food services	4,394,556	4,394,556	4,468,377	(73,821)
	Total support services - student (pupil)	<u>4,394,556</u>	<u>4,394,556</u>	<u>4,468,377</u>	<u>(73,821)</u>
	Support services - nonstudent based:				
0051	Facilities maintenance and operations	750,000	350,000	99,561	250,439
	Total support services - nonstudent based	<u>750,000</u>	<u>350,000</u>	<u>99,561</u>	<u>250,439</u>
	Capital outlay:				
0081	Capital outlay	-	1,093,762	584,015	509,747
	Total capital outlay	<u>-</u>	<u>1,093,762</u>	<u>584,015</u>	<u>509,747</u>
6030	Total expenditures	<u>5,144,556</u>	<u>5,838,318</u>	<u>5,151,953</u>	<u>686,365</u>
1200	Net change in fund balance	337,192	(859,416)	(207,902)	651,514
0100	Fund balance - beginning	988,829	988,829	988,829	-
3000	Fund balance - ending	<u>\$ 1,326,021</u>	<u>\$ 129,413</u>	<u>\$ 780,927</u>	<u>\$ 651,514</u>

LANCASTER INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 9,244,789	\$ 9,535,419	\$ 9,559,412	\$ 23,993
5800	State program revenues	914,016	977,492	712,984	(264,508)
5020	Total revenues	<u>10,158,805</u>	<u>10,512,911</u>	<u>10,272,396</u>	<u>(240,515)</u>
	Expenditures:				
	Debt service:				
0071	Principal on long-term debt	5,020,000	5,020,000	5,020,000	-
0072	Interest on long-term debt	8,699,306	8,699,306	8,699,306	-
0073	Bond issuance costs and fees	6,000	6,000	5,450	550
	Total debt service	<u>13,725,306</u>	<u>13,725,306</u>	<u>13,724,756</u>	<u>550</u>
6030	Total expenditures	<u>13,725,306</u>	<u>13,725,306</u>	<u>13,724,756</u>	<u>550</u>
1200	Net change in fund balance	(3,566,501)	(3,212,395)	(3,452,360)	(239,965)
0100	Fund balance - beginning	8,613,874	8,613,874	8,613,874	-
3000	Fund balance - ending	<u>\$ 5,047,373</u>	<u>\$ 5,401,479</u>	<u>\$ 5,161,514</u>	<u>\$ (239,965)</u>



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's 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

Board of Trustees
Lancaster Independent School District
422 South Centre Avenue
Lancaster, Texas 75146

Members of the Board of Trustees:

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, each major fund, and the aggregate remaining fund information of Lancaster Independent School District (District) as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January XX, 2020.

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 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 an 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.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

January XX, 2020

Draft



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR . . . P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 . . . FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Lancaster Independent School District
422 South Centre Avenue
Lancaster, Texas 75146

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

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

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 the 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, Cost 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 the 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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Lancaster 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2019.

Report on Internal Control Over Compliance

Management of the 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, we considered the 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 our opinion on compliance for each major 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 the 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 considered to be material weaknesses. However, material weaknesses may exist that may not have 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.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

January XX, 2020

LANCASTER INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified that are not considered to be material weaknesses?

Yes None reported

Noncompliance material to the financial statements noted?

Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?

Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses?

Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported under CFR Section 200.516(a)

Yes No

Identification of major programs:

CFDA #

ESEA Title I, Part A – Improving Basic Programs

84.010A

Dollar threshold used to distinguish between Type A and Type B federal programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

LANCASTER INDEPENDENT SCHOOL DISTRICT

AUDIT CORRECTIVE ACTION PLAN FOR THE YEAR ENDED AUGUST 31, 2019

There were no findings in the current year.

Draft

LANCASTER INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED AUGUST 31, 2019

The District had the following finding in the prior year:

Finding 2018-001 – Noncompliance – Unexpended Mandated Program Allotment

Condition

The District's CATE allotment from TEA was \$3,269,204 for the 2017-18 school year. The District is required to expend 58% of this allotment each year. Thus, the required CATE expenditures should total at least \$1,896,138. The District expended \$1,455,875 that was directly coded to the CATE program intent code (PIC) code during the 2017-2018 fiscal year. Thus, the District was \$440,264 short of the required expenditure level prior to allocation by TEA of expenditures with an 'undistributed' PIC.

Current Status

During the current year that ended August 31, 2019, audit tests did not reveal any noncompliance with mandated program allotment requirements.

Draft

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures and Indirect Costs	Amount Relating to Pass-Through to Subrecipients
U.S. Department of Education				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010A	18610101057913	\$ 40,535	\$ -
ESEA Title I Part A - Improving Basic Programs	84.010A	19610101057913	1,743,682	-
Total CFDA Number 84.010A			<u>1,784,217</u>	<u>-</u>
Special Education Cluster:				
IDEA-B Formula	84.027	186600010579136000	75,540	-
IDEA-B Formula	84.027	196600010579136000	1,318,179	-
IDEA-B Preschool	84.173	196610010579136000	5,937	-
Total Special Education Cluster			<u>1,399,656</u>	<u>-</u>
Career and Technical - Basic Grant	84.048A	19420006057913	101,034	-
Education for Homeless Children and Youth	84.196A	194600057110044	19,427	-
Title III Part A English Language Acquisition & Lang. Enhancement	84.365A	19671001057913	10,727	-
Title II, Part A - Supporting EF	84.367A	19694501057913	152,797	-
Title IV, Part A, Subpart 1	84.424A	19680101057913	80,587	-
Total Passed Through State Department of Education			<u>3,548,445</u>	<u>-</u>
Total U.S. Department of Education			<u>3,548,445</u>	<u>-</u>
U.S. Department of Defense				
Direct Program:				
ARJROTC Program	12.000	TX310348	111,677	-
Total U.S. Department of Defense			<u>111,677</u>	<u>-</u>
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed Through Texas Department of Agriculture:				
National School Lunch Program (Non-cash)	10.555	057015A	349,864	-
Summer Food Service Program	10.559	057-913	45,413	-
Total Passed Through Texas Department of Agriculture			<u>395,277</u>	<u>-</u>
Passed Through State Department of Education:				
School Breakfast Program	10.553	71401901	1,300,478	-
National School Lunch Program	10.555	71301901	2,888,511	-
Total Passed Through State Department of Education			<u>4,188,989</u>	<u>-</u>
Total Child Nutrition Cluster			<u>4,584,266</u>	<u>-</u>
Passed Through Texas Department of Agriculture:				
Child and Adult Care Food Program	10.558	057-913	7,755	-
Total U.S. Department of Agriculture			<u>4,592,021</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 8,252,143</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

LANCASTER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Lancaster Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

B. Reconciliation of Federal Expenditures per the SEFA to the Basic Financial Statements

Amount of federal revenues per Exhibit C-2	\$9,280,614
Less Medicaid reimbursements not considered to be federal awards for inclusion on the Schedule of Expenditures of Federal Awards	(1,028,471)
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u>\$8,252,143</u>

C. De Minimis Indirect Cost Rate

Entities that receive federal awards for which an indirect cost rate has never been negotiated may elect to charge a de minimis indirect cost rate of ten percent of modified total direct costs. The District did not elect to charge the de minimis rate to any of its federal awards during the year ended August 31, 2019.

LANCASTER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS (UNAUDITED)
AS OF AUGUST 31, 2019

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion on the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the School District make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the School District not receive an adjusted repayment schedule for more than one fiscal year for an allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 7,470,228
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ -
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 22,533,421
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ -



Lancaster ISD Board Agenda

Meeting Type: Regular

Meeting Date: January 23, 2020

Category: Action Item

Item Name:

Dikita Contract Amendment Recommendation

Related Goals (District and/or Strategic): Goal 1: Improve Student Performance

Currently Budgeted? Yes No No Budgetary
Impact (If Yes, description provided under Fiscal Implications.)

Attachments: Yes No

Primary Contact Person: Dr. Elijah Granger

Presenter and District Contact: Dr. John Ellis Price

Explanation: Approval of this contract amendment at a cost of an additional \$210,000 allows the District to have the project management to end when all activities associated with this project are completed. This amendment will ensure that all phases of the project are completed correctly, according to plans, and completed in a timely manner.

Intended Audience: All District Stakeholders

Impact or Expected Outcome: Timely, high-quality completion of all projects with a substantial improvement in the teaching, learning, and physical fitness environment of the Lancaster Independent School District..

Recommendation: Approval to execute contract amendment 1, Program Management Services, Pursuant to the Lancaster ISD 2015 Bond Program..

Fiscal Implications and Funding Source: Bond Fund Account 618. Additional cost of \$210,000.

Frequency Monitored:

Projected Start Date: September 28, 2017

Projected Completion Date: October 31, 2020

AMENDMENT 1

PROGRAM MANAGEMENT SERVICES PURSUANT TO THE LANCASTER ISD 2015 BOND PROGRAM

This Amendment supplements additional services required in connection with the Lancaster Independent School District 2015 Bond Program's contract for program management services dated September 28, 2017 BETWEEN LANCASTER INDEPENDENT SCHOOL DISTRICT (hereinafter called "LISD") AND DIKITA ENTERPRISES, INC (hereinafter referred to as "Program Manager") and

WHEREAS, LISD and the Program Manager are parties to the above-referenced Contract for program management services in connection with its projects in its 2015 Bond Program (hereinafter referred to as "Projects") and LISD and Program Manager desire to supplement the Contract to accommodate an extension of services to provide needed support through the construction completion date (October 2020) for Elsie Robertson Middle School project;

WHEREAS, the construction contractor's schedule of work has been extended longer than the original contract and will include demolition during the summer of 2020;

WHEREAS, the Program Manager services contract with the District was originally negotiated to include staff reduction beginning October 2019 with an expected substantial completion date of April 30, 2020;

WHEREAS, LISD desires the Program Manager to continue to provide fulltime services through the scheduled completion date of the new school building on May 1, 2020, and

WHEREAS, the Contract allows such amendments as described in the existing Program Management Services Agreement Articles 2.1.2, 2.1.3, 3.1.1, and 3.1.2 to provide for the negotiation of additional duration and compensation.

NOW, THEREFORE, the parties hereto agree to the following:

1. The Program Director will continue fulltime until April 30, 2020, then continue to part-time until July 2020;
2. The Construction Manager will continue fulltime until July 2020, then continue part-time until October 2020;
3. The Office Mgr./Document Controller will continue fulltime until July 2020, then continue part-time until October 2020, and
4. The Program Advisor will continue part-time until October 2020.

	2019			2020									
	October	November	December	January	February	March	April	May	June	July	August	September	October
Program Manager													
Original Schedule	PART TIME												
Revised Schedule	FULL TIME							PART TIME					
Construction Manager													
Original Schedule	PART TIME												
Revised Schedule	FULL TIME							PART TIME					
Office Manager/Document Control													
Original Schedule	PART TIME												
Revised Schedule	FULL TIME							PART TIME					

Building Substantial Completion - End of Dikita Base Contract Period

Phase 2 Scheduled Completion

Phase 3 Completion

In return for the performance of the foregoing obligations, LISD shall pay the Program Manager, an increased amount of two hundred ten thousand (\$210,000.00) for the above-referenced additional Services, increasing the contract from two million twenty-three thousand six hundred thirty dollars (\$2,023,630.00) for fulltime service until April 30, 2020; plus forty-three thousand two hundred dollars (\$43,200.00) for part-time service until September 2020; for a total of two million sixty-six thousand eight hundred thirty dollars (\$2,066,830) to two million two hundred seventy-six thousand eight hundred thirty dollars (\$2,276,830).

Monthly invoices shall be amended in according with the following payment schedule:

PAYMENT SCHEDULE				
Total Fees				
Total Original Contract Amount	\$2,066,830			
Amendment	\$ 210,000			
Total Amended Contract	<u>\$2,276,830</u>			
<i>Total Billings</i>		<i>Billing Cycle</i>	<i>Monthly Invoice Per Period</i>	<i>Totals (rounded)</i>
Year 1 (Oct 2017 thru Sept 2018)		12	\$ 66,880	\$ 802,560
Year 2 (Oct 2018 thru Sept 2019)		12	\$ 66,299	\$ 795,588
Year 3 (Oct 2019 thru Apr 2020) *		7	\$ 60,783	\$ 425,481
Total Billings thru Apr 2020	\$2,023,630			\$ 2,023,630
Balance Remaining beginning May 2020	\$ 253,200			
Year 3 cont. (May 2020 thru Oct 2020)		6	\$ 42,200	\$ 253,200
Total Contract				<u>\$ 2,276,830</u>
* <i>in progress</i>				

Except to the extent modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first approved. The individuals signing this document represent and warrant that they have the power and authority to enter into this Amendment and bind the parties for whom they sign:

**Lancaster Independent School District
(LISD)**

**DIKITA ENTERPRISES, INC
(Program Manager)**

Name:

Name

Evelynn A. Williams

Signature

Signature

Evelynn A. Williams

Date

Date

1/6/20



Dikita Contract Amendment Recommendation

**To
Board of Trustees**

**Lancaster Independent School District
January 23, 2020**

Dikita Contract Amendment



Background/Rationale:

1. The current construction contract for the new LMS has a final completion date of October 15, 2020.
2. The current Dikita contract has a base completion date of April 30, 2020 with the last seven months (October 1, 2019 through April 30, 2020 at reduced staffing levels).
3. Scheduled completion of the Park and Walking Trail and the Asbestos Abatement and Demolition of the New LMS is scheduled to be completed by the end of October 2020.
4. If approved, the contract amendment allows the District to have the project management to end when all activities associated with this project are completed.
5. Absent approval, there will be a void in required professional services that cannot be met by Lancaster ISD Maintenance and Operations because we do not have the personnel with the requisite expertise to complete the work timely and correctly and according to the plans approved by the Lancaster ISD Board of Trustees.
6. The District respectfully recommends the approval of the contract amendment for Dikita to be the site project manager for the completion process of the new LMS, Parks and Walking Trail, and the Demolition and Asbestos Abatement of the current LMS. Approval of this recommendation will ensure that all phases of the project are completed correctly, according to plans, and in a timely manner.



Contract Amendment Summary

The District respectfully recommends that the current Dikita Contract be amended (as specified in the contract amendment document) to reflect the following changes:

1. The program director/manager will continue full-time until April 30, 2020 then part-time until July 2020.
2. The construction manager will continue full-time until July 2020 then part time until October 2020.
3. The office manager/document controller will continue full-time until July 2020 then part-time until October 2020.
4. The program advisor will continue part-time until October 2020.
5. The amended contract amount be increased by \$210,000 from \$2,066,830 to \$2,276,830.



Supporting Documentation/Budget Source:

1. Amendment 1, Program Management Services, Pursuant to the Lancaster ISD 2015 Bond Program.
2. Bond Fund Account 618.

Board Approval Requested:

The District respectfully request Board approval to execute Dikita Contract Amendment 1, Program Management Services, Pursuant to the Lancaster ISD 2015 Bond Program.

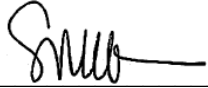


QUESTIONS



- 10. Citizens Communication On Non-Agenda Items
- 11. Adjournment

This notice was posted in compliance with the Texas Open Meetings Act on Monday, January 20, 2019 at 6:30 p.m.



Shemeka Millner-Williams,
Acting Superintendent of Schools



Marion F. Hamilton, MBA-MHA
Board President