

Agenda of Regular Meeting

The Board of Trustees Lake Travis Independent School District

A meeting of the Board of Trustees of Lake Travis Independent School District will be held December 17, 2009, beginning at 6:30 PM in the Educational Development Center, Live Oak Room, 607 RR 620 North, Austin, Texas 78734.

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

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

If, during the course of the meeting covered by this agenda, the Board should determine that a closed session of the Board should be held or is required in relation to any item included on this agenda, then such closed session as authorized by Section 551.001 et seq of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this agenda or as soon after the commencement of the meeting covered by this agenda as the Board may conveniently meet in such closed session concerning any and all subjects and for any and all purposes permitted by Sections 551.071 – 551.084, inclusive, of the Open Meetings Act.

1. Call To Order
2. Quorum Determination
3. Closed Session - Trustees will meet in closed session as permitted by the Texas Government Code Section 551.001 et. seq.
 - A. Section 551.071 - Consultation with Attorney
 1. The Board will discuss and receive legal advice from its attorney on matters which should be confidential under Texas Government Code Section 551.071(2).
 - B. Section 551.072 - Deliberation regarding Real Property
 1. The Board will discuss the purchase, exchange, lease, or value of real property. (This may involve consultation with attorney as permitted under Section 551.071.)
 - C. Section 551.074 – Personnel Matters
 1. The Board will discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of public employees or officials. (This may involve consultation with attorney as permitted under Section 551.071.)

4. ****OPEN SESSION WILL BEGIN AT 7:00 P.M.****
5. Pledge of Allegiance and Moment of Silence
6. Superintendent Update
 - A. Recognition of Eagle Scout
7. Audience Comments
8. Discussion and/or Action
 - A. Governance and Legal Services
 1. Board of Trustees Training Status Report 3
 2. Drainage Easement for Dedication to Public for Related Construction of Transportation/Warehouse Facility 4
 3. Right of Entry to City of Bee Cave for Inspection of Water Quality and Detention Facilities 9
 - B. Business and Financial Services
 1. Bond Program Update 11
 2. 2006 Bond Program Budget Amendments 18
 3. 2008-09 Financial Audit Report 21
 4. Authorization of the Superintendent or Designee to Execute Contract with FTWOODS Construction for Transportation – Distribution Center Project 86
 - C. Consent Agenda
 1. Revisions, Deletions, and/or Additions to Board Policies
 - a. EIC (Local) Academic Achievement: Class Ranking
 2. November 2009 Financials - Statement of Revenues & Expenditures, Balance Sheet, Summary of Tax Collections Report, Quarterly Investment Report 87
 3. Minutes - November 19, 2009 Regular Board Meeting; December 10, 2009 Board/Superintendent Conference 93
9. Upcoming Meetings
 - A. January 14, 2010, 7:00 p.m., Board Workshop, EDC
 - B. January 28, 2010, 7:00 p.m., Regular Board Meeting, EDC
 - C. February 4, 2010 6:00 p.m., Board Workshop, EDC
 - D. February 18, 2010, 6:00 p.m., Regular Board Meeting, EDC
 - E. March 11, 2010, 7:00 p.m., Regular Board Meeting, EDC
10. Adjournment



AGENDA ITEM ACTION SHEET

SUBJECT	Board of Trustees' Training Status Report
RECOMMENDED ACTION	No action required. Let the minutes reflect: “LTISD Trustees, Tolles, Buddin, Williams, Clayton, Davidson, Goff, and Johnson have met the required hours of continuing education. There are no Trustees that are deficient in the required continuing education.”
RATIONALE	In 2007, the legislature added an additional requirement to the Education Code that says, "The minutes of the last regular meeting of the Board of Trustees held during a calendar year must reflect whether each trustee has met or is delinquent in meeting the training required to be completed as of the date of the meeting." We are still required at the meeting at which the call for election of Board members is scheduled (February), to announce the Board members' compliance with training requirements.
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Dr. Rocky Kirk, Linnea Bennett
ATTACHMENTS	None
MEETING DATE	December 17, 2009



AGENDA ITEM ACTION SHEET

SUBJECT	Drainage Easement for Dedication to Public for Related Construction of Transportation/Warehouse Facility
RECOMMENDED ACTION	Approval of dedication of easement to the public
RATIONALE	The Administration recommends approval of the dedication to the public of an approximately 3.569-acre drainage easement on property owned by the District and located on Highway 71. The District purchased the property, which is located in the extraterritorial jurisdiction of the City of Bee Cave ("City"). The District is currently working with the City to secure necessary permits and approvals for the construction of the District's transportation/warehouse facility. One of the City's requirements is that the District dedicate a drainage easement to the public for the existing off-site drainage that runs through the property.
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Jim Ratcliff, Senior Director of Facilities, Construction and Support Services Susan Bohn, General Counsel
ATTACHMENTS	Depiction of approximately 3.569-acre drainage easement (Instrument dedicating easement to public to be provided to trustees at Board meeting)
MEETING DATE	December 17, 2009

DESCRIPTION OF A 3.569 ACRE TRACT PREPARED BY DELTA SURVEY GROUP, INC., IN DECEMBER 2009 AND LOCATED IN THE G. WOLFE SURVEY NO. 182, ALL IN TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF A 136.000 ACRE TRACT CONVEYED TO LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT AS DESCRIBED IN DOCUMENT NUMBER 2009078731, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, SAID 3.569 ACRE TRACT AS SHOWN ON THE ACCOMPANYING PLAT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2 inch iron rod with "Delta Survey" cap found in the south right-of-way (ROW) line of State Highway 71 (S.H. 71) (ROW varies), same being the northeast corner of a remainder of 1581.061 acres conveyed to Sweetwater Austin Properties, LLC., as described in Document Number 2007015155, Official Public Records, Travis County, Texas, same being the northwest corner of said 136.000 acre tract;

THENCE with the south ROW of said S.H. 71, same being the north line of said 136.059 acre tract the following two (2) courses and distances:

1. N79°54'08"E a distance of 269.22 feet to a TxDOT Type I concrete monument found, and
2. with the arc of a curve to the right a distance of 159.39 feet, through a central angle of 1°37'10", with a radius of 5639.58 feet, and whose chord bears N80°42'43"E, a distance of 159.38 feet to a calculated point for the **POINT OF BEGINNING**;

THENCE continuing with said common line, with the arc of a curve to the right a distance of 25.45 feet, through a central angle of 0°15'31", with a radius of 5639.58 feet, and whose chord bears N81°39'03"E, a distance of 25.45 feet to a calculated point;

THENCE leaving said common line and crossing said 136.000 acre tract the following twenty-two (22) courses and distances:

1. S02°26'46"W a distance of 73.05 feet to a calculated point,
2. S81°42'48"W a distance of 5.09 feet to a calculated point,
3. S02°26'46"W a distance of 467.99 feet to a calculated point,
4. N79°54'08"E a distance of 14.16 feet to a calculated point,
5. S09°12'43"W a distance of 161.20 feet to a calculated point,
6. S21°48'55"E a distance of 65.33 feet to a calculated point,
7. S50°55'17"E a distance of 143.38 feet to a calculated point,
8. S18°45'48"E a distance of 32.46 feet to a calculated point,
9. S28°07'41"W a distance of 22.57 feet to a calculated point,

10. S35°05'30"W a distance of 127.75 feet to a calculated point,
11. S21°28'04"E a distance of 108.77 feet to a calculated point,
12. S74°16'02"E a distance of 51.30 feet to a calculated point,
13. S53°26'30"E a distance of 39.35 feet to a calculated point,
14. S36°55'51"E a distance of 43.53 feet to a calculated point,
15. S20°37'30"E a distance of 70.49 feet to a calculated point,
16. S22°02'14"E a distance of 137.98 feet to a calculated point,
17. S40°31'10"E a distance of 77.72 feet to a calculated point,
18. S59°09'59"E a distance of 77.80 feet to a calculated point,
19. S49°52'03"E a distance of 40.91 feet to a calculated point,
20. S31°42'59"E a distance of 180.30 feet to a calculated point,
21. S15°21'00"E a distance of 78.50 feet to a calculated point, and
22. S32°31'34"E a distance of 81.48 feet to a calculated point in an east line of said 136.000 acre tract, same being a west line of a 75.00 acre tract conveyed to Artie C. Grumbles and described in Volume 1951, Page 246, Deed Records, Travis County, Texas, from which a 1/2 inch iron rod with plastic "Bury Partners" cap found bears N27°20'35"E a distance of 586.13 feet;

THENCE with said common line, S27°20'35"W a distance of 66.39 feet to a calculated point,

THENCE leaving said common line and crossing said 136.000 acre tract the following twenty-three (23) courses and distances:

1. N43°24'41"W a distance of 38.59 feet to a calculated point,
2. N29°45'04"W a distance of 108.86 feet to a calculated point,
3. N23°06'23"W a distance of 122.43 feet to a calculated point,
4. N48°57'26"W a distance of 123.63 feet to a calculated point,
5. N34°58'54"W a distance of 42.15 feet to a calculated point,
6. N48°35'19"W a distance of 124.04 feet to a calculated point,
7. N31°13'42"W a distance of 34.26 feet to a calculated point,
8. N14°38'17"W a distance of 68.96 feet to a calculated point,
9. N08°11'21"W a distance of 112.62 feet to a calculated point,
10. N39°59'48"W a distance of 84.21 feet to a calculated point,
11. N62°46'37"W a distance of 95.56 feet to a calculated point,
12. N46°03'33"W a distance of 223.62 feet to a calculated point,
13. N14°14'57"W a distance of 39.61 feet to a calculated point,
14. N17°55'23"E a distance of 111.00 feet to a calculated point,
15. N23°59'11"E a distance of 112.60 feet to a calculated point,
16. N73°50'57"W a distance of 60.75 feet to a calculated point,
17. N67°31'13"W a distance of 186.33 feet to a calculated point,
18. N50°10'43"W a distance of 137.08 feet to a calculated point,
19. N61°16'15"W a distance of 34.70 feet to a calculated point,
20. N71°03'39"W a distance of 75.00 feet to a calculated point,
21. N61°16'15"W a distance of 21.61 feet to a calculated point,
22. N28°43'45"E a distance of 9.39 feet to a calculated point, and

23. N59°08'11"W a distance of 98.97 feet to a calculated point in a west line of said 136.000 acre tract, same being an east line of said 1581.061 acre tract;

THENCE with said common line, N28°43'45"E a distance of 15.01 feet to a calculated point from which a 1/2 inch iron rod with plastic "Delta Survey" cap found bears N28°43'45"E a distance of 372.48 feet;

THENCE leaving said common line and crossing said 136.000 acre tract the following ten (10) courses and distances:

1. S59°08'11"E a distance of 98.97 feet to a calculated point,
2. N28°43'45"E a distance of 13.35 feet to a calculated point,
3. S61°16'15"E a distance of 132.64 feet to a calculated point,
4. S50°10'43"E a distance of 135.69 feet to a calculated point,
5. S67°31'13"E a distance of 181.13 feet to a calculated point,
6. S73°50'57"E a distance of 87.27 feet to a calculated point,
7. N09°12'43"E a distance of 119.75 feet to a calculated point,
8. N02°26'46"E a distance of 492.83 feet to a calculated point,
9. S81°42'48"W a distance of 5.09 feet to a calculated point, and
10. N02°26'46"E a distance of 73.03 feet to the **POINT OF BEGINNING** and containing 3.569 acres of land, more or less.

BEARING BASIS: State Plane Coordinates System, NAD83/HARN, Texas Central Zone

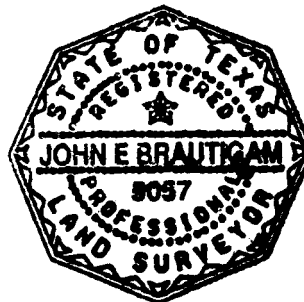
I, John E Brautigam hereby certify that the foregoing description represents an on-the-ground survey performed under my direction and supervision during December 2009, and is true and correct to the best of my knowledge and belief.

Date: 12-08-09



John E Brautigam
Registered Professional Land Surveyor
No. 5057 - State of Texas

Delta Survey Group, Inc.
8213 Brodie Lane, Suite 102
Austin, Texas 78745





GRAPHIC SCALE
1" = 300'

TRAVIS COUNTY, TEXAS
DECEMBER 2009

CURVE	RADIUS	ARC	CHORD	BEARING	DELTA
C1	5639.58'	25.45'	25.45'	N81°39'03"E	00°15'31"
C2	5639.58'	159.39'	159.38'	N80°42'43"E	01°37'10"

LEGEND

- TXDOT TYPE I CONCRETE MONUMENT FOUND
- 1/2" IRON ROD WITH "DELTA SURVEY" CAP FOUND
- ⊕ 1/2" IRON ROD WITH "BURY PARTNERS" CAP FOUND
- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- O.P.R.T.C.TX. OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS
- D.R.T.C.TX. DEED RECORDS, TRAVIS COUNTY, TEXAS

STATE HIGHWAY 71
(R.O.W VARIES)

1581.061 ACRE TRACT
(REMAINDER)
SWEETWATER AUSTIN
PROPERTIES, LLC.
DOC. NO. 2007015155
O.P.R.T.C.TX.

LINE	BEARING	DISTANCE
L1	S02°26'46"W	73.05'
L2	S81°42'48"W	5.09'
L3	S02°26'46"W	467.99'
L4	N79°54'08"E	14.16'
L5	S09°12'43"W	161.20'
L6	S21°48'55"E	65.33'
L7	S50°55'17"E	143.38'
L8	S18°45'48"E	32.46'
L9	S28°07'41"W	22.57'
L10	S35°05'30"W	127.75'
L11	S21°28'04"E	108.77'
L12	S74°16'02"E	51.30'
L13	S53°26'30"E	39.35'
L14	S36°55'51"E	43.53'
L15	S20°37'30"E	70.49'
L16	S22°02'14"E	137.98'
L17	S40°31'10"E	77.72'
L18	S59°09'59"E	77.80'
L19	S49°52'03"E	40.91'
L20	S31°42'59"E	180.30'
L21	S15°21'00"E	78.50'
L22	S32°31'34"E	81.48'
L23	S27°20'35"W	66.39'
L24	N43°24'41"W	38.59'
L25	N29°45'04"W	108.86'
L26	N23°06'23"W	122.43'
L27	N48°57'26"W	123.63'
L28	N34°58'54"W	42.15'
L29	N48°35'19"W	124.04'
L30	N31°13'42"W	34.26'
L31	N14°38'17"W	68.96'
L32	N08°11'21"W	112.62'
L33	N39°59'48"W	84.21'

LINE	BEARING	DISTANCE
L34	N62°46'37"W	95.56'
L35	N46°03'33"W	223.62'
L36	N14°14'57"W	39.61'
L37	N17°55'23"E	111.00'
L38	N23°59'11"E	112.60'
L39	N73°50'57"W	60.75'
L40	N67°31'13"W	186.33'
L41	N50°10'43"W	137.08'
L42	N61°16'15"W	34.70'
L43	N71°03'39"W	75.00'
L44	N61°16'15"W	21.61'
L45	N28°43'45"E	9.39'
L46	N59°08'11"W	98.97'
L47	N28°43'45"E	15.01'
L48	S59°08'11"E	98.97'
L49	N28°43'45"E	13.35'
L50	S61°16'15"E	132.64'
L51	S50°10'43"E	135.69'
L52	S67°31'13"E	181.13'
L53	S73°50'57"E	87.27'
L54	N09°12'43"E	119.75'
L55	N02°26'46"E	492.83'
L56	S81°42'48"W	5.09'
L57	N02°26'46"E	73.03'

BEARING BASIS: STATE PLANE COORDINATE SYSTEM,
NAD83/HARN, TEXAS CENTRAL ZONE
POINTS ARE CALCULATED UNLESS OTHERWISE NOTED

136.000 ACRE TRACT
LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
DOC. #2009078731
O.P.R.T.C.TX

75.00 ACRE TRACT
ARTIE C. GRUMBLES
VOL. 1951, PG. 246
D.R.T.C.TX.

Delta Survey Group Inc.

8213 Brodie Lane Ste. 102 Austin, TX. 78745
office: (512) 282-5200 fax: (512) 282-5230
WWW.DELTASURVEYGROUP.COM

QUAD SHINGLE HILLS

PROJECT LTISD

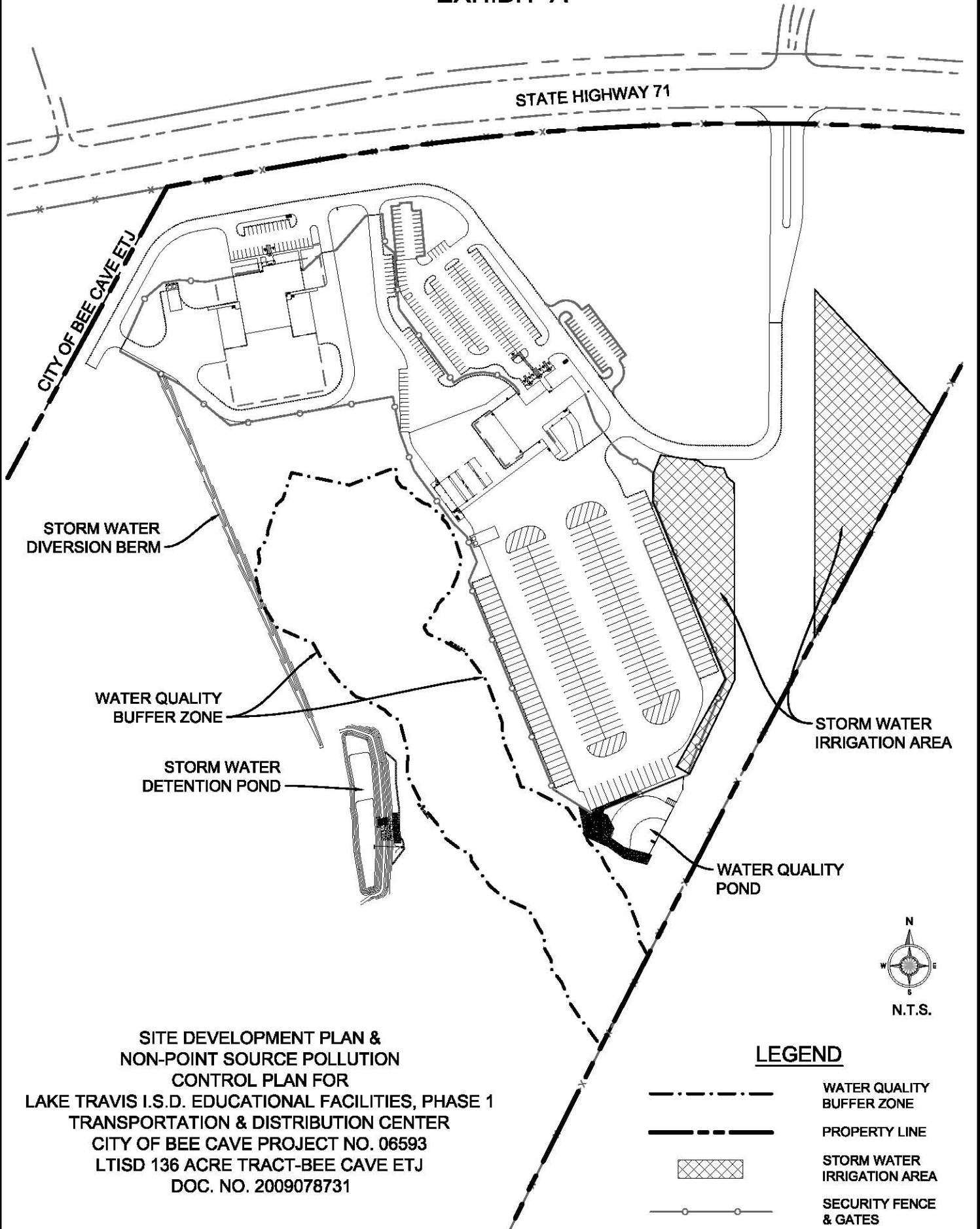
DWG. 3.569 ACRE



AGENDA ITEM ACTION SHEET

SUBJECT	Right of Entry to City of Bee Cave for Inspection of Water Quality and Detention Facilities
RECOMMENDED ACTION	Approval of granting of right of entry to City of Bee Cave
RATIONALE	The Administration recommends approval of the granting of a right of entry to the City of Bee Cave on property owned by the District and located on Highway 71. The District purchased the property, which is located in the extraterritorial jurisdiction of the City of Bee Cave ("City"). The District is currently working with the City to secure necessary permits and approvals for the construction of the District's transportation/warehouse facility. One of the City's requirements is that the District grant the City a right of entry so that the City may inspect the District's water quality and detention facilities located on the property and approved by the City.
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Jim Ratcliff, Senior Director of Facilities, Construction and Support Services Susan Bohn, General Counsel
ATTACHMENTS	Depiction of area of property to which City would have right of entry (Instrument granting right of entry to be provided to trustees at Board meeting)
MEETING DATE	December 17, 2009

EXHIBIT 'A'



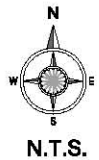
STORM WATER DIVERSION BERM

WATER QUALITY BUFFER ZONE

STORM WATER DETENTION POND





STORM WATER IRRIGATION AREA

WATER QUALITY POND



**SITE DEVELOPMENT PLAN &
NON-POINT SOURCE POLLUTION
CONTROL PLAN FOR
LAKE TRAVIS I.S.D. EDUCATIONAL FACILITIES, PHASE 1
TRANSPORTATION & DISTRIBUTION CENTER
CITY OF BEE CAVE PROJECT NO. 06593
LTISD 136 ACRE TRACT-BEE CAVE ETJ
DOC. NO. 2009078731**

LEGEND

-  WATER QUALITY BUFFER ZONE
-  PROPERTY LINE
-  STORM WATER IRRIGATION AREA
-  SECURITY FENCE & GATES



AGENDA ITEM ACTION SHEET

SUBJECT	Bond Construction Update
RECOMMENDED ACTION	Information/Discussion
RATIONALE	To keep the Board updated on progress of the bond program
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Johnny Hill, Assistant Superintendent for Business and Financial Services Jim Ratcliff, Senior Director of Facilities, Construction and Support Services
ATTACHMENTS	1. Bond Construction Update 2. Bond Financials
MEETING DATE	December 17, 2009



LAKE TRAVIS
INDEPENDENT SCHOOL DISTRICT
Every heart. Every mind. Every day.

BOND CONSTRUCTION UPDATE
REPORT TO BOARD OF TRUSTEES
December 17, 2009

Current Bond Facilities Projects

2006 Bond

- **Lake Travis High School, Lake Travis Middle School** – This project covers the expansion of Lake Travis High School to provide a student capacity of 2500 with core facilities for 3000 and the expansion of Lake Travis Middle School to provide a student capacity of 900 students. The LTISD Planning and Construction Department is currently working with the contractor to closeout this project, which is expected to occur this quarter.
- **Serene Hills Elementary School** – The LTISD Planning and Construction Department is currently working with the contractor to closeout this project, which is expected to occur this quarter.
- **Transportation Center and District Distribution Center** – Proposals were received 11/17/09 and the contract for construction will be awarded at the 12/17/09 board meeting. Construction completion is scheduled for fall 2010.
- **Conversion of Existing Transportation Center to Maintenance Facility** – The conversion renovation work will commence with the completion of the new Transportation Center and is scheduled to take approximately 5 months to complete.
- **Educational Development Center Phase II** – The pre-construction conference was conducted on 12/10/09. Construction completion is scheduled for late spring 2010.
- **Maintenance, Technology, Instructional, Food and Nutrition Services, Transportation Buses/Vehicles** – Maintenance repairs and upgrades to facilities, replacements and upgrades of equipment and infrastructure for technology, instructional equipment and related items, food service and nutrition equipment and facilities, and buses and related vehicles and equipment for transportation are included in this bond program and are taking place on an as-needed basis across the timeframe of the bond program.
- **Land Acquisition for Future Facilities** – The district is currently reviewing and evaluating opportunities for the acquisition of land for future facilities and has acquired two Middle School sites, one Elementary School site, the High School / Transportation Center/District Warehouse site and the Central Events Center site. Efforts to acquire an additional Elementary School site are still in progress.

Completed Facilities Projects

2006 Bond

- **Administration Building Renovations** – this project covered the conversion of the former board room in the Administration Building to offices for the Human Resources Department and the replacement of building heating system water piping and was completed in August 2007.

- **Hudson Bend Middle School Expansion Phase II** – this project covered the expansion of Hudson Bend Middle School to accommodate 900 students and included the following components and was completed in May 2007.
 - Expansion of the drama instructional facilities
 - Additional bleacher seating at the main gym
 - Expansion of the Cafeteria
 - Construction of a new Dance instructional area
 - Construction of a new 4 classroom addition
 - Expansion of parking facilities and the addition of bleacher seating, lighting and a concession stand / restroom building at the football field
 - Site landscaping and irrigation

- **Elementary School Upgrades and Renovations** – This project included the following upgrades and renovations and was completed in August 2006.
 - **Lakeway Elementary School**
 - Library expansion
 - Ceiling tile replacement throughout original building
 - Floor replacement at needed areas
 - Corridor tackstrips
 - Sinks added at nurse's area and special services area
 - Gym floor replacement
 - Sound absorption panels at gym and cafeteria
 - Walking track around playfield area
 - Security fencing and gates
 - Landscaping at front building entry areas
 - **Bee Cave Elementary School**
 - New secure entry vestibule
 - Corridor tackstrips
 - Walking track around playfield area
 - Security fencing and gates
 - **Lake Pointe Elementary School**
 - New secure entry vestibule
 - Replacement of stair nosings
 - Corridor tackstrips
 - Walking track around playfield area
 - **Lake Travis Elementary School**
 - Corridor tackstrips
 - Walking track around playfield area

- **Safety and Security Measures**
 - RaptorWare visitor background screening systems have been installed in each school reception area. This project was completed in August 2006.
 - Surveillance cameras have been installed at all school campuses. This project was completed in March 2008.
 - Phase One of the Building Access and Control System was completed in June 2009.

2004 Bond

- **Lift Station and Sewer Line for Lake Travis Elementary** – the new Water District 17 lift station and sewer line have been completed and are now in operation. This project was completed in September 2009.

- **Hudson Bend Middle School Expansion – Phase I** – This project included the installation of a new 6 lane running track and football field and was completed in August 2006.
- **Conversion of existing Building 100 at the original Lake Travis Elementary School to an Educational Development Center** – The condition of Building 100 at the original Lake Travis Elementary School allowed this building to be economically salvaged and a portion of it converted to meeting and training facilities for district staff and faculty. This project was completed in December 2005.
- **Lake Travis Elementary School** – This project, located on Kollmeyer Drive at Ranch Road 620, was completed and opened for school in August 2005.
- **Maintenance Upgrade Projects** – This project included upgrades to roofing, waterproofing, mechanical equipment and alarm systems at Lake Travis High School, Lake Travis Middle School and the Administration Building and was completed in August 2005.
- **Energy Management Controls System** – The installation of a district wide energy management and control system was completed in September 2005.
- **Expansion of Lakeway, Bee Cave, and Lake Pointe Elementary Schools** – This project expanded the capacity of each of these schools to 850 students and was completed for the start of school in August 2004.
- **Expansion/Renovation of the Lake Travis Middle School Kitchen and Cafeteria** – This project included the expansion and renovation of the kitchen and dining area at Lake Travis Middle School and was completed in August 2004.

Lake Travis ISD
 2004 Bond Program (3 Year)
 November 30, 2009

Resources	Original Budget	Amended Budget	Total Revenue	Amended Balance
1. Bond Proceeds	36,275,000	36,275,000	36,275,000	0
2. Interest Revenue	0	703,753	702,795	958
3. Other Resources	0	128,886	128,886	0
Total Resources	36,275,000	37,107,639	37,106,681	958

Appropriations	Original Budget	Amended Budget	Total Expended	Balance to Complete
1. Lake Travis Elementary School	12,772,000	13,320,389	13,319,440	949
2. Elementary School Expansions	8,853,575	9,252,915	9,252,915	0
3. Building Improvements	7,774,030	6,398,598	6,269,838	20,361
4. Other Programs				
Bond Issue and Reimbursements	2,080,000	1,726,330	1,726,330	0
Library Books	210,000	208,184	208,184	0
Transportation	1,300,000	1,259,846	1,259,846	0
Technology	2,498,750	2,498,309	2,498,309	0
Athletic Facilities	286,000	678,314	678,314	0
Educational Development Center	0	765,943	765,943	0
Utility Upgrades	500,000	873,914	869,166	4,748
Tranfers-Out & Arbitrage	0	72,000	70,000	2,000
Total 2004 Bond Program	36,274,355	37,104,982	36,968,526	28,057

The 'Balance to Complete' column reflects funding for construction payments based on close-out of Lake Travis Elementary School and proposed conversion of wastewater utilities.

Lake Travis ISD
2006 Bond Program Summary
November 30, 2009

Resources	Original Budget	Amended Budget	Total Resources	Balance
1 Bond Proceeds	126,830,000.00	127,847,316.00	127,847,316.74	(0.74)
2 Interest Revenue	0.00	8,950,000.00	8,940,305.56	9,694.44
3 Interest Subject to Arbitrage Rebate	0.00	170,000.00	168,840.40	1,159.60
4 Other	0.00	557,946.00	559,280.76	(1,334.76)
Total Resources	126,830,000.00	137,525,262.00	137,515,743.46	9,518.54

Appropriations	Original Budget	Amended Budget	Total Expended	Balance to Complete
10 Elementary School #5	15,875,000.00	16,456,029.00	16,374,287.95	81,741.05
20 Lake Travis Middle School	9,227,000.00	9,774,711.00	9,774,710.63	0.37
20 Hudson Bend Middle School	3,098,000.00	3,745,910.00	3,711,826.20	34,083.80
30 Lake Travis High School	56,305,000.00	62,557,330.00	62,206,470.69	350,859.31
40 Transportation Facility/Warehouse	6,015,000.00	7,875,134.00	542,981.58	7,332,152.42
50 Stadium	1,135,000.00	1,217,666.00	1,216,861.16	804.84
Construction/Renovation	91,655,000.00	101,626,780.00	93,827,138.21	7,799,641.79
60 Small Renovation Improvements	3,633,930.00	2,782,031.00	2,083,580.35	698,450.65
70 Building Equipment	417,700.00	557,112.00	408,756.66	148,355.34
80 Other Equipment	12,853,370.00	12,598,837.00	8,231,098.08	4,367,738.92
90 Land	15,750,000.00	14,391,443.00	11,340,693.65	3,050,749.35
91 Bond Issuance Costs	1,975,000.00	1,006,932.00	1,006,933.60	(1.60)
92 General Fund Reimbursements	545,000.00	531,000.00	531,000.00	0.00
93 Interest Costs (Arbitrage)	0.00	170,000.00	0.00	170,000.00
94 Contingency	0.00	3,861,127.00	0.00	3,861,127.00
Other Programs	35,175,000.00	35,898,482.00	23,602,062.34	12,296,419.66
Total 2006 Bond Program	126,830,000.00	137,525,262.00	117,429,200.55	20,096,061.45

This is a three-year bond program. The 'Balance to Complete' reflects available funding to finish the projects and make purchases during this period of time.



AGENDA ITEM ACTION SHEET

SUBJECT	2006 Bond Program Budget Amendments
RECOMMENDED ACTION	Approval
RATIONALE	To reflect adjustments in projected interest earnings, arbitrage liability, Transportation/Warehouse facility, Educational Development Center and purchase of land.
BUDGET PROVISIONS	Amends the 2006 Bond Program budget
RESOURCE PERSONNEL	Johnny W. Hill, Asst. Supt. – Business and Financial Services
ATTACHMENTS	<ol style="list-style-type: none">1. Proposed 2006 Bond Program Budget Amendments.2. 2006 Bond Program Amendment Justifications.
MEETING DATE	December 17, 2009

		Original Budget	Amended Budget	Requested Amendments	Adjusted Amended Budget	11/30/2009 Actual	Amended Balance
2006 Bond Program							
Resources							
	1 Bond Proceeds	\$ 126,830,000.00	\$ 127,847,316.00	\$ -	\$ 127,847,316.00	\$ 127,847,316.74	\$ (0.74)
A	2 Interest Revenue	\$ -	\$ 8,950,000.00	\$ 240,000.00	\$ 9,190,000.00	\$ 9,028,678.96	\$ 161,321.04
B	3 Interest Subject to Arbitrage Rebate	\$ -	\$ 170,000.00	\$ (89,533.00)	\$ 80,467.00	\$ 80,467.00	\$ -
C	4 Other	\$ -	\$ 557,946.00	\$ 1,335.00	\$ 559,281.00	\$ 559,280.76	\$ 0.24
Total Resources		\$ 126,830,000.00	\$ 137,525,262.00	\$ 151,802.00	\$ 137,677,064.00	\$ 137,515,743.46	\$ 161,320.54
Appropriations							
D	10 Elementary School #5	\$ 15,875,000.00	\$ 16,456,029.00	\$ (5,123.00)	\$ 16,450,906.00	\$ 16,374,287.95	\$ 76,618.05
	20 Lake Travis Middle School	\$ 9,227,000.00	\$ 9,774,711.00	\$ -	\$ 9,774,711.00	\$ 9,774,710.63	\$ 0.37
D	20 Hudson Bend Middle School	\$ 3,098,000.00	\$ 3,745,910.00	\$ (34,083.00)	\$ 3,711,827.00	\$ 3,711,826.20	\$ 0.80
D	30 Lake Travis High School	\$ 56,305,000.00	\$ 62,557,330.00	\$ (186,778.00)	\$ 62,370,552.00	\$ 62,206,470.69	\$ 164,081.31
E	40 Transportation Facility/Warehouse	\$ 6,015,000.00	\$ 7,875,134.00	\$ 1,900,144.00	\$ 9,775,278.00	\$ 542,981.58	\$ 9,232,296.42
D	50 Stadium	\$ 1,135,000.00	\$ 1,217,666.00	\$ (804.00)	\$ 1,216,862.00	\$ 1,216,861.16	\$ 0.84
Construction/Renovation		\$ 91,655,000.00	\$ 101,626,780.00	\$ 1,673,356.00	\$ 103,300,136.00	\$ 93,827,138.21	\$ 9,472,997.79
F	61 Elementary Upgrades/Renovations	\$ 1,052,750.00	\$ 1,148,210.00	\$ (105,294.00)	\$ 1,042,916.00	\$ 1,042,914.85	\$ 1.15
D	62 Small Maintenance Projects	\$ 1,621,180.00	\$ 339,240.00	\$ (65,958.00)	\$ 273,282.00	\$ 212,985.02	\$ 60,296.98
G	63 Educational Development Center	\$ 570,000.00	\$ 570,000.00	\$ 141,194.00	\$ 711,194.00	\$ 123,100.25	\$ 588,093.75
	64 Portables	\$ 390,000.00	\$ 380,202.00	\$ -	\$ 380,202.00	\$ 360,201.98	\$ 20,000.02
	65 District Upgrades	\$ -	\$ 344,379.00	\$ -	\$ 344,379.00	\$ 344,378.25	\$ 0.75
Small Renovation Improvements		\$ 3,633,930.00	\$ 2,782,031.00	\$ (30,058.00)	\$ 2,751,973.00	\$ 2,083,580.35	\$ 668,392.65
D	71 Access Controls	\$ 229,200.00	\$ 164,058.00	\$ (9,016.00)	\$ 155,042.00	\$ 140,042.52	\$ 14,999.48
	72 Criminal Background Systems	\$ 17,500.00	\$ 11,948.00	\$ -	\$ 11,948.00	\$ 11,948.48	\$ (0.48)
D	73 Security Surveillance	\$ 50,000.00	\$ 260,106.00	\$ (1,841.00)	\$ 258,265.00	\$ 256,765.66	\$ 1,499.34
	74 Mechanical	\$ 121,000.00	\$ 121,000.00	\$ -	\$ 121,000.00	\$ -	\$ 121,000.00
Building Equipment		\$ 417,700.00	\$ 557,112.00	\$ (10,857.00)	\$ 546,255.00	\$ 408,756.66	\$ 137,498.34
	81 Instructional Books/Equipment	\$ 1,495,000.00	\$ 1,495,000.00	\$ -	\$ 1,495,000.00	\$ 1,172,311.89	\$ 322,688.11
F	82 Technology	\$ 8,335,000.00	\$ 8,229,657.00	\$ (35,900.00)	\$ 8,193,757.00	\$ 4,918,553.06	\$ 3,275,203.94
	83 Transportation	\$ 2,505,000.00	\$ 2,505,000.00	\$ -	\$ 2,505,000.00	\$ 1,847,800.15	\$ 657,199.85
	84 Maintenance	\$ 333,370.00	\$ 327,370.00	\$ -	\$ 327,370.00	\$ 281,068.98	\$ 46,301.02
	85 Food & Nutrition Services	\$ 185,000.00	\$ 41,810.00	\$ -	\$ 41,810.00	\$ 11,364.00	\$ 30,446.00
Other Equipment		\$ 12,853,370.00	\$ 12,598,837.00	\$ (35,900.00)	\$ 12,562,937.00	\$ 8,231,098.08	\$ 4,331,838.92
H	90 Land	\$ 15,750,000.00	\$ 14,391,443.00	\$ 668,000.00	\$ 15,059,443.00	\$ 11,340,693.65	\$ 3,718,749.35
	91 Bond Issuance Costs	\$ 1,975,000.00	\$ 1,006,932.00	\$ -	\$ 1,006,932.00	\$ 1,006,933.60	\$ (1.60)
	92 General Fund Reimbursements	\$ 545,000.00	\$ 531,000.00	\$ -	\$ 531,000.00	\$ 531,000.00	\$ -
I	93 Interest Costs (Arbitrage)	\$ -	\$ 170,000.00	\$ (89,533.00)	\$ 80,467.00	\$ -	\$ 80,467.00
J	94 Contingency	\$ -	\$ 3,861,127.00	\$ (2,023,206.00)	\$ 1,837,921.00	\$ -	\$ 1,837,921.00
Other Costs/Contingencies		\$ 2,520,000.00	\$ 5,569,059.00	\$ (2,112,739.00)	\$ 3,456,320.00	\$ 1,537,933.60	\$ 1,918,386.40
Total 2006 Bond Program		\$ 126,830,000.00	\$ 137,525,262.00	\$ 151,802.00	\$ 137,677,064.00	\$ 117,429,200.55	\$ 20,247,863.45
Balance		\$ -	\$ -	\$ -	\$ -	\$ 20,086,542.91	\$ (20,086,542.91)

<u>#</u>	<u>Amended</u> <u>Variances</u>	<u>Description</u>
A	\$ 240,000.00	To reflect estimated interest earnings.
B	\$ (89,533.00)	To reduce interest income subject to arbitrage per annual review of liability.
C	\$ 1,335.00	To increase Other budget to reflect actual rebates received.
D	\$ 303,603.00	Positive variance reflects appropriations that are able to be reclassified to the Trans./Maint. Facility project.
E	\$ (1,900,144.00)	Negative variance shows funding increase to pay for the new Trans./Maint. Facility project.
F	\$ 141,194.00	Positive variance reflects appropriations that are able to be reclassified to the EDC project.
G	\$ (141,194.00)	Negative variance shows funding increase to pay for the new EDC project.
H	\$ (668,000.00)	Negative variance reflects additional funding needed to purchase land.
I	\$ 89,533.00	Positive variance reflects adjustment to arbitrage liability appropriation. (See # B above)
J	\$ 2,023,206.00	Decrease in contingency fund due to additional funding needed for land purchase (\$668,000-# H) and Trans./Maint. Facility (\$1,355,206).
Total	\$ -	



AGENDA ITEM ACTION SHEET

SUBJECT	2008-09 Financial Audit Report
RECOMMENDED ACTION	Approval of the 2008-09 Financial Audit Report
RATIONALE	<p>The district's audit firm, Maxwell, Locke & Ritter, LLP, has completed their annual audit of the school district for the 2008-09 fiscal year. Ashlee Martin, Audit Manager, will be present to provide an overview of the audit report to the Board of Trustees.</p> <p>Attached is the Annual Financial Report for 2008-09. The report generally reflects the August 2009 financials presented on the October 22 board meeting agenda.</p>
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Johnny W. Hill, Asst. Supt. – Business & Financial Services
ATTACHMENTS	1. Annual Financial Report for 2008-09
MEETING DATE	December 17, 2009

**LAKE TRAVIS INDEPENDENT
SCHOOL DISTRICT**

**Annual Financial Report
for the Fiscal Year Ended
August 31, 2009**



LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

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LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF BOARD

<u>Lake Travis Independent School District</u>	<u>Travis</u>	<u>227913</u>
Name of School District	County	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, 2009 at a meeting of the Board of Trustees of such school district on the ___ day of _____, 2009.

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are): (Attach list as necessary.)



INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Lake Travis Independent School District:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lake Travis Independent School District (the "District") as of and for the year ended August 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express opinions on these basic 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on 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 and should be considered in assessing the results of our audit.

Affiliated Companies
ML&R PERSONNEL SOLUTIONS LLC
"The Resource for Direct Hire & Project Staffing"

ML&R WEALTH MANAGEMENT LLC^{*}
"A Registered Investment Advisor"
^{*} This firm is not a CPA firm

The management's discussion and analysis on pages 4 through 11 and the budgetary comparison information on pages 44 and 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the basic financial statements of the District. The combining and individual nonmajor fund financial statements and schedules, other schedules and schedule of expenditures of federal awards, except for that portion marked unaudited on which we express no opinion, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Maxwell Toche + Ritter LLP

December 8, 2009

FINANCIAL SECTION

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Lake Travis Independent School District (the "District"), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2009. Please read it in conjunction with the independent auditors' report on page 2, and the District's Basic Financial Statements that begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent period by \$45 million. Of this amount, \$22.2 million (unrestricted net assets) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$46.4 million. Approximately 50 percent of this total amount, \$23.2 million, is available for spending at the government's discretion (unreserved, undesignated fund balance). Fund balance of \$20.7 million, about 45 percent, is reserved for current and future capital projects.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$22.3 million, or 29 percent of the total general fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities (on pages 12 and 13). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 14) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The Notes to Basic Financial Statements (starting on page 22) provide narrative explanations or additional data that are an integral part for full disclosure in the government-wide statements or the fund financial statements.

The combining statements and budget comparisons included as supplementary information provide detail of all nonmajor governmental funds and budgetary comparisons for the debt service major governmental fund and the food service nonmajor governmental fund.

The Other Schedules section provides additional supporting schedules, including a Schedule of Delinquent Taxes Receivable, Schedule of Expenditures for Computation of Indirect Costs for General and Special Revenue Funds, and Fund Balance and Cash Flow Calculation Worksheet.

The Federal Awards Section contains data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 12. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by the private sector.

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

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

In the Statement of Net Assets and the Statement of Activities, the District has two types of activities:

- Governmental activities - The District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities - The District's community education function is reported here as the intention is to recover all or a significant portion of their costs through user fees and charges.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the most significant funds - not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes, such as campus activities. The District uses governmental funds for its accounting:

- Governmental funds - The District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. The differences are described between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds - The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise fund (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. These resources are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Both current and prior year data are presented with discussion of significant changes in the accounts. Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

This two-year comparison provides an indication of the District's financial well being. Increases and decreases in net assets may serve over time as a useful indicator of a government's financial position. As of August 31, 2009, the District's assets exceed its liabilities by \$45 million compared to prior year net assets of \$43.3 million. This increase was caused primarily by the retirement of bonds for construction projects and general fund and debt service fund revenues exceeding expenditures.

Table 1
The District's Net Assets
(in thousands)

	Governmental Activities 2009	Governmental Activities 2008
Current and other assets	\$ 54,752	\$ 67,594
Capital assets	186,736	181,920
Total assets	<u>\$ 241,488</u>	<u>\$ 249,514</u>
Current and other liabilities	\$ 11,264	\$ 13,965
Long-term liabilities	185,212	192,261
Total liabilities	196,476	206,226
Net assets:		
Invested in capital assets, net of related debt	20,259	18,926
Restricted	2,556	2,398
Unrestricted	22,197	21,964
Total net assets	<u>\$ 45,012</u>	<u>\$ 43,288</u>

Investment in capital assets (e.g., land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is \$20.3 million. The District uses these 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, generally property taxes, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (\$2.6 million or approximately 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$22.2 million) may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

Governmental activities. As described above, the District’s total net assets increased by \$1.7 million. The total cost of all *governmental activities* this year was \$101.6 million. The amount that our taxpayers paid for these activities through property taxes was \$79.3 million or 78 percent, as compared with 79 percent for the previous year.

Table 2
Changes in the District’s Net Assets
(in thousands)

	Governmental Activities 2009	Governmental Activities 2008
Revenues:		
Program revenues:		
Charges for services	\$ 2,685	\$ 2,189
Operating grants and contributions	7,123	5,938
Capital grants and contributions	2	61
General revenues:		
Property taxes	79,258	69,908
State aid-formula grants	12,627	12,977
Other	1,610	4,131
Total revenues	103,305	95,204
Expenses:		
Instruction	34,171	28,902
Instructional resources and media services	674	547
Curriculum and staff development	602	609
Instructional leadership	340	390
School leadership	2,608	2,358
Guidance, counseling and evaluation services	2,089	1,765
Health services	502	408
Student transportation	2,349	2,258
Food service	2,796	2,260
Extracurricular activities	2,787	2,615
General administration	2,430	2,221
Plant maintenance and operations	6,763	5,032
Security and monitoring services	196	185
Data processing services	1,072	866
Community services	102	106
Interest on long-term debt	8,974	9,014
Other debt service	6	3
Facilities acquisition	1,605	3,254
Contracted instructional services between schools	31,083	25,180
Incremental costs related to Chapter 41	224	186
Payments related to shared services arrangements	25	19
Appraisal fees	183	180
Total expenses	101,581	88,358
Change in net assets	1,724	6,846
Beginning net assets	43,288	36,442
Ending net assets	\$ 45,012	\$ 43,288

The District is considered wealthy under Chapter 41 of the Texas Education Code because its wealth level per student (\$827,656) exceeded the state level of \$374,200. Under Chapter 41 of the Texas Education Code, the District's voters approved for the District to equalize its excess wealth by either purchasing *attendance credits* from the State or purchasing *weighted average daily attendance* from other school districts. The District contracts with the State to equalize its wealth. This recapture payment results in an outflow of local tax dollars to the other school districts and the State. Due to an increase in property taxes collected, based on higher property values in the District, the recapture amount paid to other school districts increased by \$5.9 million, from \$25.2 million in the prior year to \$31.1 million. This equates to 50 percent of each tax dollar raised under maintenance and operations. Debt service taxes are excluded from recapture.

The District's program and general revenues increased by \$8.1 million (9 percent) due primarily to an increase in property taxes and investment activities. Investment revenues decreased due to decreasing interest rates and the use of investment funds for construction projects.

In March 2006, the District sold \$90.7 million in bonds. Of the \$90.7 million issued, \$17 million was used to refund outstanding bonds from Series 1998 and 2001. The other \$73.7 million is the first sale of the \$126.8 million approved by the District's voters in September 2005. The outstanding \$53 million in voter approved bonds was sold by the District in September 2006. A task force drawn from across the community formulated a bond proposal that called for new instructional facilities and sites to meet enrollment growth. One new elementary school and the expansion of Lake Travis High School from 1,500 students to 2,500 students was completed in 2008. Four future school sites have been acquired for 2 elementary schools and 2 middle schools. The expansion of Hudson Bend Middle School and Lake Travis Middle School from the previous capacities of 750 students to 900 students has been completed. Under support facilities, a new central transportation center and warehouse have been constructed along with completing the conversion of the old Lake Travis Elementary School's Kindergarten Building into additional office, storage and a leadership training facility. Various other technology and instructional enhancements were included, as well as buses, vehicles, maintenance and facility improvements. Overall, 2006 bond program expenditures totaled \$11.7 million this fiscal year compared to \$36.8 million in the prior year. The primary source of revenue for bond payments is from property taxes.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved, undesignated fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$46.4 million, a decrease of \$11.1 million. This change in the fund balances is due primarily to a decrease in the major capital projects fund of \$11.1 million. Approximately 50 percent of this total amount (\$23.2 million) constitutes *unreserved, undesignated fund balance*. The remainder of fund balance is *reserved* or *designated* to indicate that it is not available for new spending because it has already been committed to 1) pay debt service (\$2.0 million), 2) support the food service program (\$106 thousand), 3) pay for capital projects (\$20.7 million), and 4) pay for accrued leave balances (\$317 thousand).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$22.3 million, while the total fund balance was \$22.6 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved, undesignated fund balance to the total fund expenditures. Unreserved, undesignated fund balance represents 29 percent of the total general fund expenditures.

The District's general fund's fund balance increased by \$0.8 million. This is less than the prior year's increase of \$3.4 million, but a continued reflection of revenues exceeding the expenditures.

The debt service fund has a total fund balance of \$2.0 million, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$0.2 million. This increase was due an increase in the District's appraised property values and related tax collections.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the District's Board of Trustees approved amendments to the budget.

The District made the following larger amendments to budgeted revenue:

- \$222,000 addition in tax revenues due primarily to the appraisal district's exclusion of the additional reduction in tax bills for homeowners over 65 years of age. This will generally be offset with adjustments to state aid and state recapture payments.
- \$167,000 increase in state revenue. This, in conjunction with an addition in recapture payments to the state to maintain a net target revenue per student under state finance legislation.

Following is a summary of the larger amendments made to appropriations:

- \$598,892 decrease reflects savings in payroll related costs for instructional staff due to federal reimbursements, unfilled positions, leave of absences, and transfers with special revenue funds.
- \$140,000 increase reflects reclassification of payroll related costs between federal and local funds.
- \$295,000 decrease due to drop in fuel costs during the school year.
- \$105,000 increase in student travel due to success in post season activities in all student areas.
- \$240,000 decreases in legal services and cost of contracted services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of August 31, 2009, amounts to \$186.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, and vehicles.

District's Capital Assets (Net of Depreciation) (In thousands)

	2009	2008
Land	\$ 17,901	\$ 9,791
Construction in progress	1,424	349
Buildings and improvements	158,705	162,371
Furniture and equipment	6,416	6,783
Vehicles	2,290	2,626
Total capital assets (net of depreciation)	<u>\$ 186,736</u>	<u>\$ 181,920</u>

Additional information on the District's capital assets can be found in Note 5 on page 30 of this report.

Long-term Debt

As of August 31, 2009, the District had total bonded debt outstanding of \$192.6 million, a decrease of \$7.8 million from the prior year. Payments on bond principal for 2008-09 totaled \$8.4 million.

The "AAA" long-term rating on the District's bonds reflects the Texas Permanent School Fund guarantee. The District's underlying credit rating is "AA+" by Standard and Poor's (2009) and "AA-" by Fitch Rating Services.

State statutes have limits on the amount of general obligation debt a governmental entity may issue. A school district may not exceed \$0.50/\$100 on its debt service tax rate for new debt (debt issued after August 31, 1992). The District's current debt service tax rate is \$0.2759/\$100. This would leave up to an additional 22 cents available on the tax rate. Based on these limitations, the District has the ability to fund future bond issues. The District's last bond election was successfully held in September 2005.

Additional information on the District's long-term debt can be found in Note 6 on pages 31 and 32 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The October, 2009 unemployment rate for Travis County is 7.0 percent while the state unemployment rate is 8.3 percent.
- The District's student attendance rate remained stable at 96.0 percent for the 2008-09 school year, which is within the typical annual range.
- The District has experienced an enrollment increase of 6.7 percent; this is up slightly from the previous year and reflects the average growth during the past five years.
- The District's taxable valuation has increased by 6.4 percent for the 2009-10 school year, slightly lower than last year's 17.5 percent increase.

- The District has appropriated general fund revenues and expenditures in the 2009-10 budget of \$78.8 million and \$80.3 million, respectively. Significant changes include additional payroll costs of \$2.1 million, and \$185 thousand increase for utilities. Salary/benefit adjustments were approved to keep the District competitive in the marketplace. Net new positions throughout the District totaled \$2.6 million.
- In a 2006 special legislative session, the state legislature passed House Bill 1 that provided property tax relief in 2006-07 and again in 2007-08 through a reduction in the District's operating tax rate. The legislative intent is for the difference to be made up through additional funding by the state. The District set a 2009-10 operating tax rate of \$1.06. This legislation maintains constant revenue per student from year to year. Inflation erodes a school district's opportunity to financially meet new challenges by limiting a school district's ability to generate additional revenue without holding a tax rate rollback election. As a result of the failed tax rollback election, the District's 2009-10 fund balance is projected to decrease by \$1.5 million.

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 as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Assistant Superintendent for Business and Financial Services, Lake Travis Independent School District, 3322 Ranch Road 620 South, Austin, Texas 78738.

BASIC FINANCIAL STATEMENTS

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statement of Net Assets
August 31, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,700,299	79,568	2,779,867
Temporary investments	47,059,341	-	47,059,341
Receivables:			
Property taxes - delinquent	2,800,871	-	2,800,871
Allowance for uncollectible taxes	(513,786)	-	(513,786)
Due from other governments	1,276,419	-	1,276,419
Other receivables	9,154	-	9,154
Inventory	25,805	-	25,805
Deferred charge - bond issuance costs	1,394,287	-	1,394,287
Capital assets (net of accumulated depreciation):			
Land	17,901,424	-	17,901,424
Buildings and improvements	158,704,682	-	158,704,682
Construction in progress	1,424,132	-	1,424,132
Furniture and equipment	6,415,809	-	6,415,809
Vehicles	2,289,862	-	2,289,862
Total assets	<u>\$ 241,488,299</u>	<u>79,568</u>	<u>241,567,867</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 610,825	-	610,825
Payroll deductions and withholdings payable	8,620	-	8,620
Accrued wages payable	1,820,193	-	1,820,193
Due to other governments	1,687	-	1,687
Deferred revenue	545,853	-	545,853
Payable from restricted assets	139,660	-	139,660
Bond interest payable	319,105	-	319,105
Bonds payable	7,531,080	-	7,531,080
Accretion payable	286,979	-	286,979
Noncurrent liabilities:			
Bonds payable	181,062,192	-	181,062,192
Accretion payable	3,752,979	-	3,752,979
Rebatable arbitrage	80,467	-	80,467
Compensated absences	316,642	-	316,642
Total liabilities	<u>196,476,282</u>	<u>-</u>	<u>196,476,282</u>
NET ASSETS			
Invested in capital assets, net of related debt	20,259,407	-	20,259,407
Restricted for:			
Debt service	2,449,263	-	2,449,263
Food service	106,410	-	106,410
Unrestricted	22,196,937	79,568	22,276,505
Total net assets	<u>\$ 45,012,017</u>	<u>79,568</u>	<u>45,091,585</u>

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statement of Activities
Year Ended August 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction	\$ 34,171,035	77,426	4,769,084	-	(29,324,525)	-	(29,324,525)
Instructional resources and media services	673,810	-	27,154	-	(646,656)	-	(646,656)
Curriculum and staff development	602,471	-	196,901	-	(405,570)	-	(405,570)
Instructional leadership	340,951	-	26,397	-	(314,554)	-	(314,554)
School leadership	2,607,617	-	109,726	-	(2,497,891)	-	(2,497,891)
Guidance, counseling, and evaluation services	2,089,072	-	386,880	-	(1,702,192)	-	(1,702,192)
Health services	502,469	-	22,845	-	(479,624)	-	(479,624)
Student transportation	2,349,424	-	177,162	-	(2,172,262)	-	(2,172,262)
Food service	2,795,549	2,063,534	477,694	-	(254,321)	-	(254,321)
Extracurricular activities	2,786,626	434,720	629,142	-	(1,722,764)	-	(1,722,764)
General administration	2,429,692	-	97,480	-	(2,332,212)	-	(2,332,212)
Plant maintenance and operations	6,763,337	109,782	161,663	-	(6,491,892)	-	(6,491,892)
Security and monitoring services	196,401	-	7,042	-	(189,359)	-	(189,359)
Data processing services	1,071,718	-	30,218	-	(1,041,500)	-	(1,041,500)
Community services	101,661	-	3,024	-	(98,637)	-	(98,637)
Interest on long-term debt	8,974,225	-	-	-	(8,974,225)	-	(8,974,225)
Other debt service	5,876	-	-	-	(5,876)	-	(5,876)
Facilities acquisition	1,604,480	-	450	1,961	(1,602,069)	-	(1,602,069)
Contracted instructional services between schools	31,083,494	-	-	-	(31,083,494)	-	(31,083,494)
Incremental costs related to Chapter 41	224,007	-	-	-	(224,007)	-	(224,007)
Payments related to shared services arrangements	24,633	-	-	-	(24,633)	-	(24,633)
Appraisal fees	183,000	-	-	-	(183,000)	-	(183,000)
Total governmental activities	\$ 101,581,548	2,685,462	7,122,862	1,961	(91,771,263)	-	(91,771,263)
Business-type activities-							
Community education	\$ 1,087,098	1,125,874	-	-	-	38,776	38,776
Total business-type activities	\$ 1,087,098	1,125,874	-	-	-	38,776	38,776
General revenues:							
Property taxes, levied for general purposes					\$ 62,643,353	-	62,643,353
Property taxes, levied for debt service					16,614,740	-	16,614,740
State aid-formula grants					12,626,624	-	12,626,624
Investment earnings					1,355,935	-	1,355,935
Miscellaneous revenue					254,225	-	254,225
Total general revenues and other					93,494,877	-	93,494,877
Change in net assets					1,723,614	38,776	1,762,390
Net assets, beginning					43,288,403	40,792	43,329,195
Net assets, ending					\$ 45,012,017	79,568	45,091,585

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
August 31, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Major Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 887,047	35,778	94,416	1,290,394	2,307,635
Temporary investments	20,722,568	1,937,983	22,929,023	56,916	45,646,490
Receivables:					
Property taxes - delinquent	2,222,491	578,380	-	-	2,800,871
Allowance for uncollectible taxes	(410,908)	(102,878)	-	-	(513,786)
Due from other governments	1,190,454	-	-	85,965	1,276,419
Due from other funds	2,092,002	-	-	-	2,092,002
Other receivables	7,016	-	-	2,138	9,154
Inventory	-	-	-	25,805	25,805
Total assets	<u>\$ 26,710,670</u>	<u>2,449,263</u>	<u>23,023,439</u>	<u>1,461,218</u>	<u>53,644,590</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 62,986	-	254,961	37,527	355,474
Payroll deductions and withholdings payable	8,620	-	-	-	8,620
Accrued wages payable	1,771,499	-	-	48,694	1,820,193
Due to other governments	-	-	-	1,687	1,687
Due to other funds	-	-	2,000,000	92,002	2,092,002
Deferred revenue	2,230,710	475,502	-	126,726	2,832,938
Payable from restricted assets	-	-	25,769	113,891	139,660
Total liabilities	<u>4,073,815</u>	<u>475,502</u>	<u>2,280,730</u>	<u>420,527</u>	<u>7,250,574</u>
Fund balances:					
Reserved for:					
Debt service	-	1,973,761	-	-	1,973,761
Authorized construction	-	-	20,662,242	60,241	20,722,483
Rebatable arbitrage	-	-	80,467	-	80,467
Food service	-	-	-	106,410	106,410
Designated for-					
Compensated absences	316,642	-	-	-	316,642
Unreserved, reported in:					
General fund	22,320,213	-	-	-	22,320,213
Special revenue funds	-	-	-	874,040	874,040
Total fund balances	<u>22,636,855</u>	<u>1,973,761</u>	<u>20,742,709</u>	<u>1,040,691</u>	<u>46,394,016</u>
Total liabilities and fund balances	<u>\$ 26,710,670</u>	<u>2,449,263</u>	<u>23,023,439</u>	<u>1,461,218</u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	186,735,909
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	2,287,085
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	1,550,164
The following liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable, including premiums	(189,345,263)
Less: Deferred charge for bond issuance costs	1,394,287
Less: Deferred charge on refunding	751,991
Bond interest payable	(319,105)
Accretion of interest payable	(4,039,958)
Rebatable arbitrage	(80,467)
Compensated absences	(316,642)
Net assets of governmental activities	<u>\$ 45,012,017</u>

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended August 31, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Major Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local and intermediate sources	\$ 63,864,823	16,647,947	575,029	4,259,091	85,346,890
State program revenues	14,567,092	-	-	835,297	15,402,389
Federal program revenues	1,429	-	-	2,264,970	2,266,399
Total revenues	<u>78,433,344</u>	<u>16,647,947</u>	<u>575,029</u>	<u>7,359,358</u>	<u>103,015,678</u>
EXPENDITURES					
Current:					
Instruction	27,117,024	-	-	3,580,419	30,697,443
Instructional resources and media services	612,295	-	-	-	612,295
Curriculum and staff development	422,475	-	-	179,996	602,471
Instructional leadership	312,083	-	-	13,336	325,419
School leadership	2,321,247	-	-	-	2,321,247
Guidance, counseling and evaluation services	1,620,845	-	-	308,768	1,929,613
Health services	454,632	-	-	1,377	456,009
Student transportation	1,908,181	-	-	99,700	2,007,881
Food service	45,152	-	-	2,515,796	2,560,948
Extracurricular activities	1,662,351	-	-	625,231	2,287,582
General administration	2,381,151	-	-	4,741	2,385,892
Plant maintenance and operations	6,029,393	-	-	15,333	6,044,726
Security and monitoring services	191,401	-	-	5,000	196,401
Data processing services	928,544	-	-	3,000	931,544
Community services	62,145	-	-	-	62,145
Debt service:					
Principal on long-term debt	-	8,364,955	-	-	8,364,955
Interest on long-term debt	-	8,106,481	-	-	8,106,481
Other debt service expenditures	-	5,876	-	-	5,876
Capital outlay	9,242	-	11,721,244	981,714	12,712,200
Intergovernmental:					
Contracted instructional services between schools	31,083,494	-	-	-	31,083,494
Incremental costs related to Chapter 41	224,007	-	-	-	224,007
Payments related to shared services arrangements	24,633	-	-	-	24,633
Other intergovernmental charges	183,000	-	-	-	183,000
Total expenditures	<u>77,593,295</u>	<u>16,477,312</u>	<u>11,721,244</u>	<u>8,334,411</u>	<u>114,126,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>840,049</u>	<u>170,635</u>	<u>(11,146,215)</u>	<u>(975,053)</u>	<u>(11,110,584)</u>
OTHER FINANCING SOURCES (USES)					
Other sources	4,175	-	-	-	4,175
Other uses	-	-	-	(4,175)	(4,175)
Total other financing sources (uses), net	<u>4,175</u>	<u>-</u>	<u>-</u>	<u>(4,175)</u>	<u>-</u>
Net change in fund balances	844,224	170,635	(11,146,215)	(979,228)	(11,110,584)
Fund balances, beginning	21,792,631	1,803,126	31,888,924	2,019,919	57,504,600
Fund balances, ending	<u>\$ 22,636,855</u>	<u>1,973,761</u>	<u>20,742,709</u>	<u>1,040,691</u>	<u>46,394,016</u>

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended August 31, 2009

Net change in fund balances - total governmental funds	\$ (11,110,584)
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlay	11,037,872
Depreciation expense	(6,221,804)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Change in deferred tax revenue	85,688
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Repayment of bond principal	8,364,955
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Change in bond interest payable	14,634
Change in accretion payable	(802,448)
Amortization of bond issuance costs	(79,930)
Amortization of deferred charges on refundings	(88,634)
Amortization of bond premiums	267,779
Change in compensated absences	(34,880)
Change in rebatable arbitrage	172,791
<p>The internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities</p>	
	118,175
Change in net assets of governmental activities	\$ 1,723,614

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended August 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local and intermediate sources	\$ 63,345,911	63,568,290	63,864,823	296,533
State program revenues	15,829,208	15,995,895	14,567,092	(1,428,803)
Federal program revenue	20,000	-	1,429	1,429
Total revenues	<u>79,195,119</u>	<u>79,564,185</u>	<u>78,433,344</u>	<u>(1,130,841)</u>
EXPENDITURES				
Current:				
Instruction	27,754,877	27,155,985	27,117,024	38,961
Instructional resources and media services	624,419	624,419	612,295	12,124
Curriculum and staff development	475,085	445,085	422,475	22,610
Instructional leadership	344,878	344,878	312,083	32,795
School leadership	2,371,468	2,346,468	2,321,247	25,221
Guidance, counseling and evaluation services	1,518,933	1,658,933	1,620,845	38,088
Health services	471,436	471,436	454,632	16,804
Student transportation	2,347,213	2,052,213	1,908,181	144,032
Food service	55,000	60,000	45,152	14,848
Extracurricular activities	1,597,239	1,702,239	1,662,351	39,888
General administration	2,635,548	2,395,548	2,381,151	14,397
Plant maintenance and operations	6,113,155	6,123,155	6,029,393	93,762
Security and monitoring services	232,580	223,580	191,401	32,179
Data processing services	1,013,433	979,433	928,544	50,889
Community services	78,839	78,839	62,145	16,694
Debt service	15,000	15,000	-	15,000
Capital outlay	15,000	15,000	9,242	5,758
Intergovernmental:				
Contracted instructional services between schools	32,277,912	32,327,912	31,083,494	1,244,418
Incremental costs related to Chapter 41	232,000	232,000	224,007	7,993
Payments related to shared services arrangements	30,000	30,000	24,633	5,367
Other intergovernmental charges	183,000	183,000	183,000	-
Total expenditures	<u>80,387,015</u>	<u>79,465,123</u>	<u>77,593,295</u>	<u>1,871,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,191,896)</u>	<u>99,062</u>	<u>840,049</u>	<u>740,987</u>
OTHER FINANCING SOURCES (USES)				
Other sources	-	-	4,175	4,175
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>4,175</u>	<u>4,175</u>
Net change in fund balance	(1,191,896)	99,062	844,224	745,162
Fund balance, beginning	<u>21,792,631</u>	<u>21,792,631</u>	<u>21,792,631</u>	<u>-</u>
Fund balance, ending	<u>\$ 20,600,735</u>	<u>21,891,693</u>	<u>22,636,855</u>	<u>745,162</u>

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statements of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended August 31, 2009

	Business-type Activities- Nonmajor Enterprise Fund	Governmental Activities- Nonmajor Internal Service Fund
Operating revenues-		
Charges for services	\$ 1,125,874	\$ 352,283
Operating expenses:		
Payroll costs	878,507	-
Professional and contracted services	67,768	61,500
Supplies and materials	100,356	-
Other operating	40,467	203,613
Total operating expenses	1,087,098	265,113
Operating income	38,776	87,170
Nonoperating revenues-		
Investment income	-	31,005
Change in net assets	38,776	118,175
Total net assets, beginning	40,792	1,431,989
Total net assets, ending	\$ 79,568	\$ 1,550,164

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

Statements of Cash Flows

Proprietary Funds

Year Ended August 31, 2009

	Business-type Activities- Nonmajor Enterprise Fund	Governmental Activities- Nonmajor Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 1,125,874	\$ 492,283
Payments to employees	(878,507)	-
Payments to suppliers	(208,591)	(176,315)
	38,776	315,968
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	(5,676)
Interest received	-	31,005
	-	25,329
Net cash provided by investing activities	-	25,329
Net increase in cash and cash equivalents	38,776	341,297
Cash and cash equivalents, beginning of the year	40,792	51,367
Cash and cash equivalents, end of the year	\$ 79,568	\$ 392,664
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 38,776	\$ 87,170
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in due from other funds	-	140,000
Increase in accounts payable	-	88,798
Net cash provided by operating activities	\$ 38,776	\$ 315,968

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities
Agency Fund
August 31, 2009

	Agency Fund
ASSETS	
Cash and cash equivalents	<u>\$ 26,972</u>
Total assets	<u><u>\$ 26,972</u></u>
LIABILITIES	
Due to student groups	<u>\$ 26,972</u>
Total liabilities	<u><u>\$ 26,972</u></u>

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

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

This report includes those activities, organizations and functions which are related to the Lake Travis Independent School District (the "District") and which are controlled by or dependent upon the District's governing body, the Board of School Trustees (the "Board"). The Board, a seven member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the Governmental Accounting Standards Board ("GASB"), since Board members are elected by the public and have decision making authority. There are no component units included within the reporting entity.

The accounting policies of the District substantially comply with the rules prescribed by the Texas Education Agency's Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues and interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred revenue.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any fund balances are considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The 2006 Bond Series Fund is a major capital projects fund. Capital Projects Funds include the proceeds from sales of bonds and other revenues to be used for authorized construction and other capital asset acquisitions. The 2006 Bond Series Fund is used to account for the construction, improvement, renovation and equipment of school buildings in the District and the purchase of the sites necessary therefore.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted to, or designated for, specific purposes by a grantor. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds. The District uses project accounting to maintain integrity for the various sources of funds.

Capital Projects Funds include the proceeds from sales of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

The Enterprise Fund is a proprietary fund used to account for the operations of the District's community education program.

The Internal Service Fund is a proprietary fund and is used to account for the District's workers compensation self-insurance fund.

The Agency Fund is an unbudgeted fund and is used to account for activities of student groups. This fund has no equity, assets are equal to liabilities, and it does not include revenues and expenditures for general operations of the District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their proprietary funds, subject to this same limitation. The District has elected to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Information

Budgets are prepared annually for the General Fund, the Debt Service Fund and the Food and Nutrition Services Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by August 7th and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30th day or later than the 10th day before the public hearing. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board of Trustees as needed throughout the year.

Assets, Liabilities, and Net Assets or Equity

Investments - The District is entitled to invest any and all of its funds in obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, fully collateralized repurchase agreements, a securities lending program, banker's acceptances, commercial paper, no-load money market mutual funds and no-load mutual funds, a guaranteed investment contract as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements, and public funds investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, equipment, and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000. Such assets are recorded at historical cost if purchased or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - fifteen to forty years, equipment - three to twenty years, vehicles - seven to ten years.

Ad Valorem Property Taxes - Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles 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.

Accumulated Sick Leave Liability - The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District's policy is not to provide reimbursement upon termination of employment with the District except for certain individuals employed between 1986 and 1989 who accrued sick leave during that period.

The District's liability for accrued compensated absences as of August 31, 2009, was \$316,642 and is included in compensated absences in the government-wide financial statements. This amount includes \$34,065 for accrued sick leave and \$282,577 for accrued vacation leave. A liability is reported as an expenditure in governmental funds only if they matured, for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund.

Rebatable Arbitrage - The interest paid on most debt issued by state and local governments is exempt from federal income tax. As a result, purchasers of state and municipal debt are willing to accept lower interest rates than they would on taxable debt. State and local governments sometimes temporarily reinvest the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. The District's liability for rebatable arbitrage as of August 31, 2009 was \$80,467 which is included in the government-wide financial statements. No recognition is made in governmental funds until rebatable amounts are actually due and payable to the federal government.

Fund Equity - In the fund financial statements, unreserved fund balances for governmental funds indicate available amounts for the budgeting of future operations. Reserved fund balances are that portion of fund equity which are not available for appropriation or which has been legally separated for specific purposes.

Statement of Cash Flows - For purposes of the statement of cash flows of the Proprietary Funds, cash and cash equivalents include demand deposits.

Recently Issued Accounting Pronouncements

In March 2009, the GASB issued GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Management is still evaluating the effects that the full implementation of GASB No. 54 will have on its financial statements for the year ended August 31, 2011, primarily as it relates to fund balance classifications.

2. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent 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 dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore the District is not exposed to custodial credit risk. Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At August 31, 2009, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,806,839 and the bank balance was \$4,328,453. The District's deposits with financial institutions at August 31, 2009 and during the year ended August 31, 2009 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District.

Funds were properly secured at all times throughout the year and the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Name of depository bank: Chase Bank
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$88,912,225.
- c. Largest cash, savings and time deposit combined account balance amounted to \$72,744,622 and occurred during the month of April 2009.
- d. Total amount of FDIC coverage at the time of highest combined balance was \$250,000.

The District maintains a cash pool consisting of demand deposits. The combined pool is available for use by most special revenue funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the General Fund.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board of Trustees.

The primary objectives of the District's investment strategy for operating and agency funds, in order of priority, are safety, investment liquidity and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District's investment strategy for debt service and capital projects funds is sufficient investment liquidity to meet related obligations.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy and the Public Funds Investment Act: obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, fully collateralized repurchase agreements, a securities lending program, banker's acceptances, commercial paper, no-load money market mutual funds and no-load mutual funds, a guaranteed investment contract as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements, and public funds investment pools.

Investments held at August 31, 2009 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local Governmental Investment Pools:			
TexPool	\$ 6,606,123	1	AAAm
MBIA Texas CLASS	2,060,221	1	AAAm
	<u>8,666,343</u>		
Prosperity Bank:			
Certificates of deposits	20,800,000	107	AAA
Money market accounts	17,592,997	1	AAA
	<u>\$ 47,059,341</u>		

The District had investments in two external local governmental investment pools at August 31, 2009, consisting of the Texas Local Governmental Investment Pool (“TexPool”) and MBIA Texas CLASS (“MBIA”).

Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC’s Rule 2a7-of the Investment Company Act of 1940. MBIA is registered with the SEC. Investments are stated at fair value which is the same as the value of the pool shares.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy, which is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller. Federated Investors is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

MBIA is administered by MBIA-Municipal Investors Service Corporation (“MISC) and Wells Fargo Bank Texas. MISC is a subsidiary of MBIA Asset Management Group, one of the nation's largest providers of administrative and portfolio management services for local government investment pools. MBIA is supervised by a Board of Trustees who are elected by participants. The responsibility of the board includes the ability to influence operations, designation of management and accountability for fiscal matters. In addition, MBIA has an Advisory Board which provides input and feedback on the operations and direction of the program. Standard and Poor’s reviews the pool on a weekly basis to ensure the pool’s compliance with its rating requirements. MBIA’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

The District had certificates of deposits and money market accounts with Prosperity Bank at August 31, 2009. These investments are reported by the District at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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 agencies are designed to give an indication of credit risk. At August 31, 2009, investments were included in local governmental investment pools, certificates of deposits, and money market accounts with ratings from Standard & Poor’s in compliance with the District’s investment policy.

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 District, and are held by either the counterparty or the counterparty’s trust department or agent but not in the District’s name. At August 31, 2009, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2009, the District had approximately 44% and 37% of its investments in fully-collateralized certificates of deposits and money market accounts, respectively.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At August 31, 2009, investments were included in local government investment pools which have a weighted average maturity of one day and various fully-collateralized certificates of deposits which have a weighted average maturity of 107 days.

The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy.

3. PROPERTY TAXES

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The Travis Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the District's Board sets the tax rates on property and the Travis County Tax Assessor/Collector provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 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 and penalties and interest that are ultimately imposed. The assessed value at January 1, 2008, upon which the October 2008 levy was based was \$6,122,868,836. The District levied taxes based on a combined tax rate of \$1.3159 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

In May 1993, the Texas Legislature passed Senate Bill 7. Senate Bill 7 significantly changed certain aspects of the school finance system relative to accountability, teacher appraisal, career ladder, funding allotments, district local share, distribution of Foundation School Funds, tax limitations and rollback tax provisions. Funding equalization for school districts is a major component of the bill. Districts with wealth per student in excess of \$374,200 are required to take action to bring their wealth down to the equalized State level. During the year ended August 31, 2009, the District was required to pay \$31,083,494 to purchase attendance credits to equalize its wealth per weighted average daily attendance ("WADA"). This purchase of WADA was made to the Texas Education Agency and was incorporated into the District's budget.

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of August 31, 2009 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 92,002
	Major Capital Projects Fund	<u>2,000,000</u>
Total		<u>\$ 2,092,002</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,791,295	8,110,129	-	17,901,424
Construction in progress	<u>349,368</u>	<u>1,074,764</u>	-	<u>1,424,132</u>
Total capital assets, not being depreciated	<u>10,140,663</u>	<u>9,184,893</u>	-	<u>19,325,556</u>
Capital assets, being depreciated:				
Buildings and improvements	191,579,647	1,368,215	-	192,947,862
Furniture and equipment	9,455,399	395,632	-	9,851,031
Vehicles	<u>4,616,824</u>	<u>89,132</u>	-	<u>4,705,956</u>
Total capital assets being depreciated	<u>205,651,870</u>	<u>1,852,979</u>	-	<u>207,504,849</u>
Less accumulated depreciation for:				
Buildings and improvements	(29,208,799)	(5,034,381)	-	(34,243,180)
Furniture and equipment	(2,673,007)	(762,215)	-	(3,435,222)
Vehicles	<u>(1,990,886)</u>	<u>(425,208)</u>	-	<u>(2,416,094)</u>
Total accumulated depreciation	<u>(33,872,692)</u>	<u>(6,221,804)</u>	-	<u>(40,094,496)</u>
Total capital assets, being depreciated, net	<u>171,779,178</u>	<u>(4,368,825)</u>	-	<u>167,410,353</u>
Governmental activities capital assets, net	<u>\$ 181,919,841</u>	<u>4,816,068</u>	-	<u>186,735,909</u>

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

Governmental activities:

Instruction	\$ 3,448,309
Instructional resources and media services	61,515
Instructional leadership	15,532
School leadership	286,370
Guidance, counseling, and evaluation services	159,459
Health services	46,460
Student transportation	441,243
Food service	234,601
Extracurricular activities	499,044
General administration	43,800
Plant maintenance and operations	805,781
Data processing services	140,174
Community services	39,516
Total depreciation expense - governmental activities	<u>\$ 6,221,804</u>

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended August 31, 2009:

	Beginning Balance	Additions	Retirements	Ending Balance
General obligation bonds	\$ 192,882,304	-	(8,364,955)	184,517,349
Accretion payable	3,237,510	802,448	-	4,039,958
Premiums on bonds	5,095,693	-	(267,779)	4,827,914
Deferred charges on refundings	(840,625)	-	88,634	(751,991)
Rebatable arbitrage	253,258	-	(172,791)	80,467
Compensated absences	281,762	34,880	-	316,642
TOTAL	<u>\$ 200,909,902</u>	<u>837,328</u>	<u>(8,716,891)</u>	<u>193,030,339</u>

Bonded debt consisted of the following at August 31, 2009:

General Obligation						
Bonds Series	Date of Issue	Amounts of Original Issue	Maturity Date	Interest Rate	Outstanding at 8-31-09	Due Within One Year
1998	04-20-98	\$ 46,670,000	2020	3.45-5%	\$ 2,465,000	2,465,000
2001	05-08-01	14,800,000	2011	4.375-4.5%	1,275,000	625,000
2003	08-25-03	3,695,000	2010	2-3.3%	625,000	625,000
2004	01-26-04	35,360,000	2024	2-5%	24,670,000	1,205,000
2005	05-02-05	14,255,000	2017	3-5%	14,180,000	40,000
2006	03-23-06	90,758,257	2036	4.5-5%	87,484,836	2,106,080
2006A	09-14-06	52,311,088	2036	4-5%	50,692,513	435,000
2008	05-29-08	3,155,000	2020	3.5-4%	3,125,000	30,000
		<u>\$ 261,004,345</u>			<u>\$ 184,517,349</u>	<u>7,531,080</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assessed valuation of taxable property within the District. The District currently has a debt service tax rate of \$0.2759.

In prior years, the District defeased certain outstanding general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all the future debt service payments on the old bonds. Accordingly, the trust account assets and the defeased bonds are not included in the District's financial statements. At August 31, 2009, outstanding bonds of \$8,675,000 are considered defeased.

The annual principal installments for each of the outstanding issues vary each year. As of August 31, 2009, the debt service requirements to maturity for general obligation bonds are as follows:

Year Ended August 31,	Governmental Activities		
	Principal	Interest	Total
2010	\$ 7,531,080	7,872,069	15,403,149
2011	6,400,003	7,847,802	14,247,805
2012	6,775,846	8,738,997	15,514,843
2013	7,732,616	7,764,601	15,497,217
2014	7,879,501	7,653,616	15,533,117
2015-2019	41,879,335	35,212,260	77,091,595
2020-2024	35,398,968	22,801,370	58,200,338
2025-2029	24,930,000	14,431,875	39,361,875
2030-2034	31,370,000	7,666,355	39,036,355
2035-2036	14,620,000	733,250	15,353,250
TOTAL	<u>\$ 184,517,349</u>	<u>120,722,195</u>	<u>305,239,544</u>

The outstanding 2006, 2006A and 2008 Series Bonds include Serial and Capital Appreciation Bonds. The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

At August 31, 2009, all general obligation bonds authorized by voters of the District have been issued.

7. DEFERRED REVENUE

At August 31, 2009, deferred revenue in the governmental funds consisted of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Net tax revenue	\$ 1,811,583	475,502	-	2,287,085
Foundation school program	294,293	-	-	294,293
Football season tickets	124,834	-	-	124,834
Federal and state grants	-	-	126,726	126,726
Total	<u>\$ 2,230,710</u>	<u>475,202</u>	<u>126,726</u>	<u>2,832,938</u>

8. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

For the year ended August 31, 2009, revenues from local and intermediate sources in the governmental funds consisted of the following:

	General Fund	Debt Service Fund	Major Capital Projects Fund	Other Governmental Funds	Total
Property taxes	\$ 61,957,020	16,444,479	-	-	78,401,499
Investment earnings	525,256	44,481	573,069	9,332	1,152,138
Penalties, interest, and other tax related income	611,920	158,987	-	-	770,907
Tuition and fees from patrons	72,336	-	-	1,425,311	1,497,647
Food service	-	-	-	2,063,534	2,063,534
Co-curricular student activities	434,720	-	-	-	434,720
Rent	109,782	-	-	-	109,782
Gifts and donations	-	-	-	668,853	668,853
Other	153,789	-	1,960	92,061	247,810
Total	<u>\$ 63,864,823</u>	<u>16,647,947</u>	<u>575,029</u>	<u>4,259,091</u>	<u>85,346,890</u>

9. RETIREMENT PLAN

The District's employees participate in the Teacher Retirement System of Texas ("The System"), a public employee retirement system ("PERS"). It is a cost-sharing multiple employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. During the year ended August 31, 2009, contributions of approximately \$1,850,000 were made by the State. These contributions made by the State on behalf of the District have been reflected in the basic financial statements as both revenue and expenditures. The System's annual financial report and other required disclosures are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.58% of the District's covered payroll. The District's employees' contributions to the System for the years ended August 31, 2009, 2008, and 2007, were approximately \$2,298,000, \$2,046,000, and \$1,843,000, respectively, which were equal to the required contributions for the years. Other contributions made from federal grants and from the District for salaries above the statutory minimum for the years ended August 31, 2009, 2008 and 2007, were approximately \$513,000, \$398,000, and \$251,000, respectively, which were equal to the required contributions for the year.

10. HEALTH CARE COVERAGE

During the year ended August 31, 2009, employees of the District were covered by a health insurance plan (the "Plan"). The District contributed \$420 per month per employee to the Plan, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All contributions were paid to a licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The District recognizes as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to the System on behalf of the District. For the year ended August 31, 2009, reimbursements of \$80,726 were received by the System and allocated to the District.

11. RISK MANAGEMENT

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, and other miscellaneous bonds. During the year ended August 31, 2009, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

12. SELF-INSURANCE FUND

The District has a partially self-insured workers' compensation plan administered by Texas Public School's Workers Compensation Project ("SchoolComp") which is an insurance pool. The District established an Internal Service Fund to account for and finance this partially uninsured risk of loss. The District is obligated to pay its own claims up to \$75,000 per claim. The claim liability below is an estimate of potential loss exposure on workers' compensation claims at year end which includes incurred but not reported ("IBNR") claims and claims reported but not paid. A reconciliation of the estimated claim liability is as follows:

<u>Year Ended August 31,</u>	<u>Beginning Liability</u>	<u>Estimated Current Year Claims</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2007	\$ 182,199	48,903	(43,507)	187,595
2008	\$ 187,595	17,978	(39,020)	166,553
2009	\$ 166,553	126,076	(37,278)	255,351

13. COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal financial assistance programs. Although the District grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through August 31, 2009, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

At August 31, 2009, the District is also committed under construction contracts with a remaining balance of approximately \$26,000.

14. SUBSEQUENT EVENT

In September 2009, the District issued \$3,090,000 of Unlimited Tax Refunding Bonds, Series 2008, maturing in 2011. Proceeds from the bonds will be used to refund a portion of the Series 2004 Unlimited Tax School Building Bonds in order to reduce the annual debt service requirements of the District and to pay for costs of issuing the bonds.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2009

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,135,651	154,743	1,290,394
Temporary investments	-	56,916	56,916
Due from other governments	85,965	-	85,965
Other receivables	2,138	-	2,138
Inventory	25,805	-	25,805
	<u>\$ 1,249,559</u>	<u>211,659</u>	<u>1,461,218</u>
Total assets			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	37,527	37,527
Accrued wages payable	48,694	-	48,694
Due to other governments	1,687	-	1,687
Due to other funds	92,002	-	92,002
Deferred revenue	126,726	-	126,726
Payable from restricted assets	-	113,891	113,891
	<u>269,109</u>	<u>151,418</u>	<u>420,527</u>
Total liabilities			
Fund balances:			
Reserved for:			
Food service	106,410	-	106,410
Authorized construction	-	60,241	60,241
Unreserved, reported in-			
Special revenue funds	874,040	-	874,040
	<u>980,450</u>	<u>60,241</u>	<u>1,040,691</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 1,249,559</u>	<u>211,659</u>	<u>1,461,218</u>

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended August 31, 2009

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
Local and intermediate sources	\$ 4,250,816	8,275	4,259,091
State program revenues	835,297	-	835,297
Federal program revenues	2,264,970	-	2,264,970
Total revenues	<u>7,351,083</u>	<u>8,275</u>	<u>7,359,358</u>
EXPENDITURES			
Current:			
Instruction	3,580,419	-	3,580,419
Curriculum and staff development	179,996	-	179,996
Instructional leadership	13,336	-	13,336
Guidance, counseling and evaluation services	308,768	-	308,768
Health services	1,377	-	1,377
Student transportation	99,700	-	99,700
Food service	2,515,796	-	2,515,796
Extracurricular activities	625,231	-	625,231
General administration	4,741	-	4,741
Plant maintenance and operations	15,333	-	15,333
Security and monitoring services	5,000	-	5,000
Data processing services	3,000	-	3,000
Capital outlay	-	981,714	981,714
Total expenditures	<u>7,352,697</u>	<u>981,714</u>	<u>8,334,411</u>
Deficiency of revenues under expenditures	(1,614)	(973,439)	(975,053)
OTHER FINANCING USES			
Transfers out	(4,175)	-	(4,175)
Total other financing uses	(4,175)	-	(4,175)
Net change in fund balances	(5,789)	(973,439)	(979,228)
Fund balances, beginning	<u>986,239</u>	<u>1,033,680</u>	<u>2,019,919</u>
Fund balances, ending	<u>\$ 980,450</u>	<u>60,241</u>	<u>1,040,691</u>

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Governmental Funds
August 31, 2009

	204	211	224	225	226	240	243	244	255	262	263	269	283	285
	ESEA Title IV Safe and Drug Free Schools	ESEA Title I, A Improving Basic Program	IDEA-B Formula	IDEA-B Preschool	IDEA-B High Risk Pool	Food and Nutrition Services	Tech Prep	Career and Technical Education	ESEA Title II, A Principal Training	Enhancing Education - Technology	Title III - English Language Acquisition	Title V, A Innovative Programs	IDEA-B Stimulus	Title I Stimulus
ASSETS														
Cash and cash equivalents	\$ -	-	-	-	-	259,924	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	2,910	-	-	-	-	41,951	35,673
Other receivables	-	-	-	-	-	2,138	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	25,805	-	-	-	-	-	-	-	-
Deferred expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	-	-	-	-	287,867	-	2,910	-	-	-	-	41,951	35,673
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accrued wages payable	\$ -	-	-	-	-	48,694	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	6,037	-	2,910	-	-	-	-	41,951	35,673
Deferred revenues	-	-	-	-	-	126,726	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	181,457	-	2,910	-	-	-	-	41,951	35,673
Fund balances:														
Reserved for food service	-	-	-	-	-	106,410	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	106,410	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	-	-	-	-	287,867	-	2,910	-	-	-	-	41,951	35,673

(continued)

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Governmental Funds (continued)
August 31, 2009

	392	397	404	411	423	428	461	481	482	483	484
	Non-Educational Community-Based Support	Advanced Placement Initiatives	Student Success Initiative	Technology Allotment	TCEQ Bus Retrofit	High School Allotment	Campus Activity Funds	Engineering Institute	STEPS Academy	Lifestyle Training	Lifestyle Training
ASSETS											
Cash and cash equivalents	\$ 1,123	24,892	-	1,687	-	64,634	613,422	442	166	-	1,500
Due from other governments	-	-	5,431	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Deferred expenditures	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,123</u>	<u>24,892</u>	<u>5,431</u>	<u>1,687</u>	<u>-</u>	<u>64,634</u>	<u>613,422</u>	<u>442</u>	<u>166</u>	<u>-</u>	<u>1,500</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accrued wages payable	\$ -	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	1,687	-	-	-	-	-	-	-
Due to other funds	-	-	5,431	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>5,431</u>	<u>1,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:											
Reserved for food service	-	-	-	-	-	-	-	-	-	-	-
Unreserved	1,123	24,892	-	-	-	64,634	613,422	442	166	-	1,500
Total fund balances	<u>1,123</u>	<u>24,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,634</u>	<u>613,422</u>	<u>442</u>	<u>166</u>	<u>-</u>	<u>1,500</u>
Total liabilities and fund balances	<u>\$ 1,123</u>	<u>24,892</u>	<u>5,431</u>	<u>1,687</u>	<u>-</u>	<u>64,634</u>	<u>613,422</u>	<u>442</u>	<u>166</u>	<u>-</u>	<u>1,500</u>

(continued)

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Governmental Funds (continued)
August 31, 2009

	485	486	487	489	490	491	492	493	496	497	498	499	Total
	Other	Athletic	Band	Other	Local	Parent	Special	E3	Lake Travis	Lake Travis	Lake Travis	Lake Travis	Special
	Donations		Booster	State and	Donations	Groups	Olympics	Alliance	Ed. Foundation	Ed. Foundation	Ed. Foundation	Ed. Foundation	Revenue
				Local		Donations	Donation	Engineering	Mini Grants	Mini Grants	Mini Grants	Mini Grants	Funds
ASSETS													
Cash and cash equivalents	\$ -	47,501	-	1,264	99,860	-	1,723	214	1,896	-	3,398	12,005	1,135,651
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	85,965
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	2,138
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	25,805
Deferred expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>47,501</u>	<u>-</u>	<u>1,264</u>	<u>99,860</u>	<u>-</u>	<u>1,723</u>	<u>214</u>	<u>1,896</u>	<u>-</u>	<u>3,398</u>	<u>12,005</u>	<u>1,249,559</u>
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accrued wages payable	\$ -	-	-	-	-	-	-	-	-	-	-	-	48,694
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	1,687
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	92,002
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	126,726
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,109</u>
Fund balances:													
Reserved for food service	-	-	-	-	-	-	-	-	-	-	-	-	106,410
Unreserved	-	47,501	-	1,264	99,860	-	1,723	214	1,896	-	3,398	12,005	874,040
Total fund balances	<u>-</u>	<u>47,501</u>	<u>-</u>	<u>1,264</u>	<u>99,860</u>	<u>-</u>	<u>1,723</u>	<u>214</u>	<u>1,896</u>	<u>-</u>	<u>3,398</u>	<u>12,005</u>	<u>980,450</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>47,501</u>	<u>-</u>	<u>1,264</u>	<u>99,860</u>	<u>-</u>	<u>1,723</u>	<u>214</u>	<u>1,896</u>	<u>-</u>	<u>3,398</u>	<u>12,005</u>	<u>1,249,559</u>

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Governmental Funds
Year Ended August 31, 2009

	204	211	224	225	226	240	243	244	255	262	263	269	283	285
	ESEA Title IV Safe and Drug Free Schools	ESEA Title I, A Improving Basic Program	IDEA-B Formula	IDEA-B Preschool	IDEA-B High Risk	Food and Nutrition Services	Tech Prep	Career and Technical Education	ESEA Title II, A Principal Training	Enhancing Education - Technology	Title III - English Language Acquisition	Title V, A Innovative Programs	IDEA-B Stimulus	Title I Stimulus
REVENUES														
Local and intermediate sources	\$ -	-	-	-	-	2,064,591	-	-	-	-	-	-	-	-
State program revenues	-	-	-	-	-	9,322	-	-	-	-	-	-	-	-
Federal program revenues	10,287	279,324	640,321	12,579	694,442	417,591	5,301	36,211	60,054	2,641	26,161	2,434	41,951	35,673
Total revenues	10,287	279,324	640,321	12,579	694,442	2,491,504	5,301	36,211	60,054	2,641	26,161	2,434	41,951	35,673
EXPENDITURES														
Current:														
Instruction	5,287	228,020	415,319	12,579	694,442	-	5,301	14,407	-	-	12,269	2,434	2,404	35,673
Curriculum and staff development	-	-	15,427	-	-	-	-	21,804	60,054	2,641	13,892	-	37,486	-
Instructional leadership	-	-	11,275	-	-	-	-	-	-	-	-	-	2,061	-
Guidance, counseling and evaluation services	-	51,304	198,300	-	-	-	-	-	-	-	-	-	-	-
Health services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	2,515,796	-	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance and operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and monitoring services	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Data processing services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	10,287	279,324	640,321	12,579	694,442	2,515,796	5,301	36,211	60,054	2,641	26,161	2,434	41,951	35,673
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	(24,292)	-	-	-	-	-	-	-	-
OTHER FINANCING USES														
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	(24,292)	-	-	-	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-	130,702	-	-	-	-	-	-	-	-
Fund balances, ending	\$ -	-	-	-	-	106,410	-	-	-	-	-	-	-	-

(continued)

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Governmental Funds (continued)
Year Ended August 31, 2009

	392 Non-Educational Community- Based Support	397 Advanced Placement Initiatives	404 Student Success Initiative	411 Technology	423 TCEQ Bus Retrofit	428 High School Allotment	461 Campus Activity Funds	481 Engineering Institute	482 STEPS Academy	483 Lifestyle Training	484 Lifestyle Training
REVENUES											
Local and intermediate sources	\$ -	-	-	-	-	-	1,512,282	17,000	5,090	-	1,500
State program revenues	11,700	39,755	54,305	173,380	99,700	447,135	-	-	-	-	-
Federal program revenues	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>11,700</u>	<u>39,755</u>	<u>54,305</u>	<u>173,380</u>	<u>99,700</u>	<u>447,135</u>	<u>1,512,282</u>	<u>17,000</u>	<u>5,090</u>	<u>-</u>	<u>1,500</u>
EXPENDITURES											
Current:											
Instruction	10,577	2,403	54,305	173,380	-	392,016	1,117,221	8,918	4,924	-	-
Curriculum and staff development	-	15,940	-	-	-	-	-	7,926	-	-	-
Instructional leadership	-	-	-	-	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	-	-	-	55,119	-	-	-	-	-
Health services	-	-	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	99,700	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	350,784	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance and operations	-	-	-	-	-	-	-	-	-	-	-
Security and monitoring services	-	-	-	-	-	-	-	-	-	-	-
Data processing services	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>10,577</u>	<u>18,343</u>	<u>54,305</u>	<u>173,380</u>	<u>99,700</u>	<u>447,135</u>	<u>1,468,005</u>	<u>16,844</u>	<u>4,924</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,123	21,412	-	-	-	-	44,277	156	166	-	1,500
OTHER FINANCING USES											
Transfers out	-	-	-	-	-	-	-	-	-	(4,175)	-
Total other financing sources	-	-	-	-	-	-	-	-	-	(4,175)	-
Net change in fund balances	1,123	21,412	-	-	-	-	44,277	156	166	(4,175)	1,500
Fund balances, beginning	-	3,480	-	-	-	64,634	569,145	286	-	4,175	-
Fund balances, ending	<u>\$ 1,123</u>	<u>24,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,634</u>	<u>613,422</u>	<u>442</u>	<u>166</u>	<u>-</u>	<u>1,500</u>

(continued)

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Governmental Funds (continued)
Year Ended August 31, 2009

	485	486	487	489	490	491	492	493	496	497	498	499	Total
	Other	Athletic	Band	Other	Local	Parent	Special	E3	Lake Travis	Lake Travis	Lake Travis	Lake Travis	Special
	Donations		Booster	State &		Groups	Olympics	Alliance	Ed. Foundation	Ed. Foundation	Ed. Foundation	Ed. Foundation	Revenue
				Local		Donations	Donations	Engineering	Mini Grants	Mini Grants	Mini Grants	Mini Grants	Funds
REVENUES													
Local and intermediate sources	\$ 37,711	153,834	98,109	8,167	174,616	173,416	500	4,000	-	-	-	-	4,250,816
State program revenues	-	-	-	-	-	-	-	-	-	-	-	-	835,297
Federal program revenues	-	-	-	-	-	-	-	-	-	-	-	-	2,264,970
Total revenues	37,711	153,834	98,109	8,167	174,616	173,416	500	4,000	-	-	-	-	7,351,083
EXPENDITURES													
Current:													
Instruction	13,500	-	-	6,933	74,756	149,524	-	3,786	5,659	-	7,810	126,572	3,580,419
Curriculum and staff development	-	-	-	-	-	3,255	-	-	-	1,571	-	-	179,996
Instructional leadership	-	-	-	-	-	-	-	-	-	-	-	-	13,336
Guidance, counseling and evaluation services	-	-	-	-	-	4,045	-	-	-	-	-	-	308,768
Health services	-	-	-	-	-	1,377	-	-	-	-	-	-	1,377
Student transportation	-	-	-	-	-	-	-	-	-	-	-	-	99,700
Food service	-	-	-	-	-	-	-	-	-	-	-	-	2,515,796
Extracurricular activities	14,211	156,770	98,109	2,475	-	2,882	-	-	-	-	-	-	625,231
General administration	4,000	-	-	741	-	-	-	-	-	-	-	-	4,741
Plant maintenance and operations	3,000	-	-	-	-	12,333	-	-	-	-	-	-	15,333
Security and monitoring services	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Data processing services	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000
Total expenditures	37,711	156,770	98,109	10,149	74,756	173,416	-	3,786	5,659	1,571	7,810	126,572	7,352,697
Excess (deficiency) of revenues over (under) expenditures	-	(2,936)	-	(1,982)	99,860	-	500	214	(5,659)	(1,571)	(7,810)	(126,572)	(1,614)
OTHER FINANCING USES													
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(4,175)
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-	-	(4,175)
Net change in fund balances	-	(2,936)	-	(1,982)	99,860	-	500	214	(5,659)	(1,571)	(7,810)	(126,572)	(5,789)
Fund balances, beginning	-	50,437	-	3,246	-	-	1,223	-	7,555	1,571	11,208	138,577	986,239
Fund balances, ending	\$ -	47,501	-	1,264	99,860	-	1,723	214	1,896	-	3,398	12,005	980,450

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LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

Debt Service Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended August 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local and intermediate sources	\$ 16,486,438	16,510,604	16,647,947	137,343
Total revenues	<u>16,486,438</u>	<u>16,510,604</u>	<u>16,647,947</u>	<u>137,343</u>
EXPENDITURES				
Principal on long-term debt	8,364,955	8,364,955	8,364,955	-
Interest on long-term debt	8,121,483	8,121,483	8,106,481	15,002
Other debt service expenditures	-	-	5,876	(5,876)
Total expenditures	<u>16,486,438</u>	<u>16,486,438</u>	<u>16,477,312</u>	<u>9,126</u>
Net change in fund balance	-	24,166	170,635	146,469
Fund balance, beginning	<u>1,803,126</u>	<u>1,803,126</u>	<u>1,803,126</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,803,126</u></u>	<u><u>1,827,292</u></u>	<u><u>1,973,761</u></u>	<u><u>146,469</u></u>

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Food and Nutrition Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended August 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local and intermediate sources	\$ 2,040,784	2,040,784	2,064,591	23,807
State program revenues	9,500	9,500	9,322	(178)
Federal program revenues	335,521	365,521	417,591	52,070
Total revenues	<u>2,385,805</u>	<u>2,415,805</u>	<u>2,491,504</u>	<u>75,699</u>
EXPENDITURES				
Food service	2,320,145	2,523,145	2,515,796	7,349
Plant maintenance and operations	60,000	-	-	-
Total expenditures	<u>2,380,145</u>	<u>2,523,145</u>	<u>2,515,796</u>	<u>7,349</u>
Net change in fund balance	5,660	(107,340)	(24,292)	83,048
Fund balance, beginning	130,702	130,702	130,702	-
Fund balance, ending	<u>\$ 136,362</u>	<u>23,362</u>	<u>106,410</u>	<u>83,048</u>

OTHER SCHEDULES

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Schedule of Delinquent Taxes Receivable
Year Ended August 31, 2009

Last Ten Years Ended August 31	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 8/31/2008	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustment	Ending Balance 8/31/2009
	Maintenance	Debt Service							
2000 and earlier	Various	Various	\$1,622,830,227	\$ 377,256	-	4,828	1,529	(13,205)	357,694
2001	\$ 1.4620	\$ 0.3175	2,058,069,723	46,522	-	1,459	317	(1,031)	43,715
2002	1.5000	0.3302	2,486,656,267	76,340	-	3,160	696	(1,061)	71,423
2003	1.4700	0.3156	2,910,222,781	94,111	-	38,585	6,392	16,531	65,665
2004	1.5000	0.2883	2,926,641,618	72,564	-	23,749	4,564	19,944	64,195
2005	1.5000	0.3025	3,164,947,517	163,313	-	46,677	9,413	18,912	126,135
2006	1.5000	0.3005	3,489,789,729	230,825	-	71,543	14,332	38,771	183,721
2007	1.3700	0.2486	4,444,320,014	429,516	-	53,223	9,658	(75,122)	291,513
2008	1.0400	0.3185	4,793,149,899	1,167,012	-	578,284	179,031	(23,454)	386,243
2009	1.0400	0.2759	6,122,868,836	-	78,978,721	61,135,512	16,218,547	(414,095)	1,210,567
Totals				<u>\$2,657,459</u>	<u>78,978,721</u>	<u>61,957,020</u>	<u>16,444,479</u>	<u>(433,810)</u>	<u>2,800,871</u>

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Schedule of Expenditures for Computation of Indirect Cost
for General and Special Revenue Funds
Year Ended August 31, 2009

FUNCTION 41 AND RELATED FUNCTION 53 AND 99 - GENERAL ADMINISTRATION

Account Number	Account Name	702 A School Board	703 B Tax Collection	701 C Supt's Office	750 D Indirect Cost	720 E Direct	other F Miscellaneous	G Total
611x-6146	Payroll costs	\$ 11,215	-	538,065	1,280,728	534,545	105,923	2,470,476
6149	Fringe benefits (unused leave for separating employees in function 41 and related 53)	-	-	-	-	-	-	-
6149	Fringe benefits (unused leave for separating employees in all functions except function 41 and related 53)	-	-	-	-	-	-	-
6211	Legal services	58,911	-	-	-	-	-	58,911
6212	Audit services	-	-	-	28,000	-	-	28,000
6213	Tax appraisal and collection	-	209,046	-	-	-	-	209,046
621x	Other professional services	-	-	-	-	-	-	-
6220	Tuition and transfer payments	-	-	-	-	-	-	-
6230	Education service centers	2,398	-	-	89,021	-	-	91,419
6240	Contr. maintenance and repairs	-	-	-	-	-	-	-
6250	Utilities	-	-	-	-	49,746	-	49,746
6260	Rentals	-	-	-	4,006	-	-	4,006
6290	Miscellaneous contracted services	-	-	4,473	78,126	46,271	-	128,870
6320	Textbooks and reading	-	-	-	-	-	-	-
6330	Testing materials	-	-	-	-	-	-	-
63xx	Other supplies, materials	1,179	-	2,831	72,013	71,191	-	147,214
6410	Travel, subsistence, stipends	5,258	-	4,279	16,647	5,087	-	31,271
6420	Insurance and bonding costs	29,087	-	-	500	-	-	29,587
6430	Election costs	8,830	-	-	-	-	-	8,830
6490	Miscellaneous operating	27,933	-	5,821	98,254	18,632	-	150,640
6500	Debt service	-	-	-	-	-	-	-
6600	Capital outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 144,811	209,046	555,469	1,667,295	725,472	105,923	3,408,016

Total expenditures/expenses for General and Special Revenue Funds **\$ 84,945,992**

Less: Deductions of Unallowable Costs -

FISCAL YEAR

Total Capital Outlay (6600)	\$ 109,297
Total Debt & Lease (6500)	-
Plant Maintenance (Function 51, 6100-6400)	6,044,726
Food (Function 35, 6341 and 6499)	1,134,676
Stipends (6413)	54,044
Total Indirect Cost	1,667,296
Subtotal	9,010,039

Net Allowed Direct Cost **\$ 75,935,953**

CUMULATIVE

Total Cost of Buildings before Depreciation	\$ 192,947,862
Historical Cost of Buildings over 50 Years Old	\$ -
Amount of Federal Money in Building Cost (Net of Above)	\$ -
Total Cost of Furniture & Equipment before Depreciation	\$ 14,556,987
Historical Cost of Furniture & Equipment Over 16 Years Old	\$ -
Amount of Federal Money in Furniture & Equipment (Net of Above)	\$ -

Note A - \$839,368 in Function 53 expenditures and \$183,000 in Function 99 expenditures are included in this report on administrative costs.

Note B - This schedule is included to satisfy Texas Education Agency reporting requirements.

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
Fund Balance and Cash Flow Calculation Worksheet
General Fund as of August 31, 2009

1. Total General Fund Balance as of 8/31/09		\$22,636,855
2. Total Reserved Fund Balance	\$ -	
3. Total Designated Fund Balance	316,642	
4. Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues) (unaudited)	11,800,000	
5. Estimate of one month's average cash disbursements during the regular school session (9/1/09 - 5/31/10) (unaudited)	6,500,000	
6. Estimate of delayed payments from state sources including August payment delays (unaudited)	2,000,000	
7. Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount (unaudited)	-	
8. Estimate of delayed payments from federal sources (unaudited)	400,000	
9. Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds) (unaudited)	<u>-</u>	
10. Optimum Fund Balance and Cash Flow (unaudited)		<u>21,016,642</u>
11. Excess (Deficit) Net Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10) (unaudited)		<u>\$ 1,620,213</u>

Explanation of need for and/or projected use of net positive Undesignated Unreserved General Fund Fund Balance:

The District expects to maintain three months of operating expenditures plus an additional contingency to address any unforeseen financial circumstances that may arise. Additionally, the District foresees potential future revenue shortfalls as a result of the current school finance legislation.

FEDERAL AWARDS SECTION



**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***

The Board of Trustees of
Lake Travis Independent School District:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake Travis Independent School District (the “District”) as of and for the year ended August 31, 2009, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 8, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maxwell Socha + Ritter LLP

December 8, 2009



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Trustees of
 Lake Travis Independent School District:

Compliance

We have audited the compliance of Lake Travis Independent School District (the “District”) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended August 31, 2009. The District’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the District’s compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended August 31, 2009.

Affiliated Companies
 ML&R PERSONNEL SOLUTIONS LLC
“The Resource for Direct Hire & Project Staffing”
 ML&R WEALTH MANAGEMENT LLC*
“A Registered Investment Advisor”
 * This firm is not a CPA firm

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maxwell Tocha + Ritter LLP

December 8, 2009

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>Passed Through Texas Education Agency:</u>			
ESEA Title I, Part A, Improving Basic Programs	84.010A	09610101227913	\$ 279,324
ESEA Title I, Part A, Improving Basic Programs Recovery Act	84.389		<u>35,673</u>
Total ESEA Title I, Part A			<u>314,997</u>
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367A	09694501227913	60,054
ESEA Title II, Part D, Enhancing Education Through Technology	84.318X	09630001227913	2,641
ESEA Title III, English Language Acquisition	84.365A	09671001227913	26,161
ESEA Title IV, Part A, Safe & Drug-Free Schools and Community	84.186A	09691001227913	10,287
ESEA Title V, Part A, Innovative Education Program	84.298A	09685001227913	2,434
IDEA - Part B, Formula	84.027A	096600012279136600	640,321
IDEA - Part B, High Cost Risk Pool	84.027A	096600062279136680	<u>694,442</u>
Total CFDA Number 84.027A			<u>1,334,763</u>
IDEA - Part B, Pre-School	84.173A	096610012279136610	12,579
IDEA - Part B, Recovery Grant	84.391		41,951
Career and Technical Education	84.048A	0942000622795013	36,211
<u>Passed Through Austin Community College:</u>			
Capital Area College Tech Prep	84.243E	91074	<u>5,301</u>
TOTAL DEPARTMENT OF EDUCATION			<u><u>1,847,379</u></u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed Through Texas Education Agency:</u>			
National School Lunch Program	10.555	71300901	268,011
School Breakfast Program	10.553	71400901	64,034
<u>Passed Through the Texas Department of Human Services:</u>			
Non-cash assistance - Food Distribution Program	10.555	71300901	<u>85,546</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>417,591</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,264,970</u></u>

The accompanying notes are an integral part of this schedule.

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED AUGUST 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General - The accompanying schedule of expenditures of federal awards presents all federal expenditures of the Lake Travis Independent School District (the "District").

Basis of Accounting - The expenditures on the accompanying schedule of expenditures of federal awards are presented using the modified accrual basis of accounting, with the exception of the National School Lunch Program, School Breakfast Program and the Food Distribution Program. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Expenditures in the National School Lunch Program, School Breakfast Program and the Food Distribution Program are not specifically attributable to this revenue source and are shown on the accompanying schedule of expenditures of federal awards in an amount equal to revenue for balancing purposes only.

Relationship to Basic Financial Statements - Expenditures of federal awards are reported in the District's basic financial statements in the special revenue funds.

Relationship to Federal Financial Reports - Amounts reported in the accompanying schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports in all significant respects.

Valuation of Non-Cash Programs - The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2009**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs:

Special Education Cluster Unqualified
Title I Cluster Unqualified

Any audit findings disclosed that are required to be reported with section 510(a) of Circular A-133? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Special Education Cluster:
84.027	IDEA - Part B, Special Education - Grants to States
84.173	IDEA Preschool, Special Education - Preschool Grants
84.391	IDEA - Part B, Recovery Grant
	Title I Cluster:
84.010	Title I, Part A, Improving Basic Programs
84.389	Title I, Part A, Improving Basic Programs Recovery Act

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED AUGUST 31, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings or questioned costs required to be reported in accordance with Government Auditing Standards for the years ended August 31, 2009 and 2008.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133 for the years ended August 31, 2009 and 2008.



AGENDA ITEM ACTION SHEET

SUBJECT	Authorization of the Superintendent or designee to execute contract with FTWOODS Construction for Transportation – Distribution Center Project
RECOMMENDED ACTION	Authorize the Superintendent or his designee to execute a contract with FTWOODS Construction for the Transportation – Distribution Center Project in the total contract amount of \$7,712,261.
RATIONALE	<p>Fourteen competitive sealed proposals were received on November 17, 2009 for the Transportation – Distribution Center Project. These proposals were evaluated on the basis of A) The proposed dollar amount and B) The quality of past work completed; LTISD's previous experience with the proposer; the proposer's project team; the proposer's methodology; and the proposer's subcontractors. Evaluations were based on feedback obtained from references for each proposer's completed projects. Based on this process, the proposal submitted by FTWOODS Construction in the amount of \$7,920,427 was determined to provide the best value to Lake Travis ISD for this project. Negotiations were entered into with this proposer and resulted in a \$208,166 reduction in the proposal amount and a final negotiated proposal amount of \$7,712,261.</p> <p>Based upon our earlier estimates of added scope costs related to the final site purchased for this project and inflation for the period 2006 to 2009, we expected proposals to be in the range of \$8,850,000. The actual proposal amount of \$7,712,261 represents a savings of \$1,137,739. This savings is attributable to the favorable bid climate we are currently operating in.</p> <p>Funding for this project is derived from \$5,813,452 from the current project construction budget, \$303,603 in savings from previous bond projects, \$240,000 from interest revenue, and \$1,355,206 from construction contingency.</p> <p>It is recommended that the Board of Trustees authorize the Superintendent or his designee to execute a contract with FTWOODS Construction for the Transportation – Distribution Center Project in the total contract amount of \$7,712,261.</p>
BUDGET PROVISIONS	2006 Bond Funds
RESOURCE PERSONNEL	Jim Ratcliff, Senior Director Facilities, Construction and Support Services
ATTACHMENTS	None
MEETING DATE	December 17, 2009



AGENDA ITEM ACTION SHEET

SUBJECT	Financial Reports for November 2009
RECOMMENDED ACTION	Approval
RATIONALE	To provide financial updates to the board and community reflecting the current financial position of the school district.
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Johnny W. Hill, Asst. Supt. – Business and Financial Services
ATTACHMENTS	<ol style="list-style-type: none">1. Statement of Revenues/Expenditures-November2. Balance Sheet-November3. Tax Report-November4. Quarterly Investment Report-November
MEETING DATE	December 17, 2009

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND

11/30/09	CURRENT YEAR			PRIOR YEAR		
REVENUES	BUDGET	ACTUAL	BALANCE	PERCENT OF BUDGET	CUMULATIVE ACTUAL	PERCENT OF ACTUAL TOT.
5711 CURRENT YEAR TAX REV.	\$ 64,131,233	\$ 1,911,971	\$ 62,219,262	2.98%	\$ 1,965,725	3.15%
57XX OTHER LOC. REVENUES	2,138,250	909,602	1,228,648	42.54%	788,228	63.20%
5800 STATE PROG. REVENUE	12,512,455	10,140,511	2,371,944	81.04%	10,800,169	67.52%
5900 FEDERAL REVENUE	0	0	0	0.00%	(6,989)	0.00%
	-----	-----	-----	-----	-----	-----
TOTAL REVENUE	\$ 78,781,938	\$ 12,962,084	\$ 65,819,854	16.45%	\$ 13,547,133	17.03%
EXPENDITURES						
11 INSTRUCTION	\$ 29,490,843	\$ 7,172,879	\$ 22,317,964	24.32%	\$ 6,835,044	25.17%
12 INSTR'L RESOURCES	631,889	164,281	467,608	26.00%	152,511	24.42%
13 STAFF DEVELOPMENT	328,932	80,636	248,296	24.51%	109,364	24.57%
21 INSTRUCTIONAL ADM.	205,645	48,030	157,615	23.36%	100,310	29.09%
23 SCHOOL ADMIN.	2,329,756	577,813	1,751,943	24.80%	589,240	25.11%
31 GUID. & COUNSELING	1,769,193	392,977	1,376,216	22.21%	413,002	24.90%
33 HEALTH SERVICE	497,495	123,041	374,454	24.73%	117,281	24.88%
34 TRANSPORTATION	2,016,617	593,811	1,422,806	29.45%	581,548	28.34%
35 FOOD SERVICE	59,400	14,850	44,550	25.00%	12,621	21.04%
36 CO-CURRICULAR ACT.	1,696,325	449,509	1,246,816	26.50%	412,436	24.23%
41 GENERAL ADMIN.	2,427,615	609,761	1,817,854	25.12%	594,350	24.81%
51 PLANT & MAINT OPER.	6,796,476	1,727,612	5,068,864	25.42%	1,612,247	26.33%
52 SECURITY	247,310	63,545	183,765	25.69%	45,096	20.17%
53 NON-INSTR'L D.P.	1,024,121	381,833	642,288	37.28%	312,299	31.89%
61 COMMUNITY SERVICES	79,877	22,750	57,127	28.48%	13,499	17.12%
71 DEBT SERVICE	15,000	1,257	13,743	8.38%	0	0.00%
81 FACILITIES/CONSTRUCTION	16,200	4,050	12,150	25.00%	2,994	19.96%
91 STATE TRANSFERS	30,183,143	0	30,183,143	0.00%	0	0.00%
92 INCREMENTAL COST WADA	250,000	104,551	145,449	41.82%	0	0.00%
93 SPEC. ED TRF-REG. DAY	15,000	0	15,000	0.00%	0	0.00%
95 JJAEP TRANSFER PYMTS	15,000	0	15,000	0.00%	0	0.00%
99 TRAVIS CO. APPRAISAL	200,000	0	200,000	0.00%	93,352	51.01%
	-----	-----	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 80,295,837	\$ 12,533,186	\$ 67,762,651	15.61%	\$ 11,997,194	15.10%
OTHER RESOURCES AND (USES)						
7990 OTHER RESOURCES	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	0.00%
8990 OTHER USES	0	0	0	0.00%	0	0.00%
8911 TRANSFERS-OUT	0	0	0	0.00%	0	0.00%
	-----	-----	-----	-----	-----	-----
TOTAL RESOURCES & USES	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	0.00%
1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,513,899)	\$ 428,898				
3000 BEG. FUND BAL. 9/01	22,636,855					

3000 END. FUND BAL. 8/31	\$ 21,122,956					
	=====					
3111 RESERVED FUND BALANCE	316,642					
3251 UNRESERVED FUND BALANCE	20,806,314					

LAKE TRAVIS ISD
 COMBINED INTERIM BALANCE SHEET - ALL FUND TYPES
 AS OF: NOVEMBER 30, 2009

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	INTERNAL SVC TRUST & AGENCY FUNDS	TOTAL FUNDS
ASSETS						
1101-02 Cash	\$ 1,467,476	\$ 160,570	\$ 38,454	\$ 153,875	\$ 532,044	2,352,419
1103-20 Temporary Investments	22,558,988		2,574,977	20,299,072	1,293,009	46,726,046
Total Cash & Investments	\$ 24,026,464	\$ 160,570	\$ 2,613,431	\$ 20,452,947	\$ 1,825,053	\$ 49,078,465
1210 Property Taxes-Current	63,858,536		16,944,369			80,802,905
1220 Property Taxes-Delinquent	1,823,969		511,459			2,335,428
1230 Allowance-Uncollected Taxes	(410,908)		(102,878)			(513,786)
1240 Due From Federal Agencies	1,190,454					1,190,454
1250 Sundry Receivables	2,827	235				3,062
1260 Due From Funds	82,354				8,125	90,479
1280 Due From Other Funds		46,876			17,667	64,543
1290 Other Receivables	4,200	2,006				6,206
1300 Inventories, At Cost		25,805				25,805
Total Receivables	\$ 66,551,432	\$ 74,922	\$ 17,352,950	\$ -	\$ 25,792	\$ 84,005,096
1400 Other Current Assets	(44,571)	(8,546)		(56)	-	(53,173)
TOTAL ASSETS	\$ 90,533,325	\$ 226,946	\$ 19,966,381	\$ 20,452,891	\$ 1,850,845	\$ 133,030,388
RESOURCES						
5010 Estimated Revenue	\$ 78,657,104	\$ 7,069,015	\$ 16,549,951	\$ 72,853	\$ 395,000	\$ 102,743,923
5030 Less: Realized Revenue	(12,837,252)	(798,620)	(648,154)	(63,508)	(5,289)	(14,352,823)
5000 Revenues to be Received	\$ 65,819,852	\$ 6,270,395	\$ 15,901,797	\$ 9,345	\$ 389,711	\$ 88,391,100
TOTAL ASSETS & RESOURCES	\$ 156,353,177	\$ 6,497,341	\$ 35,868,178	\$ 20,462,236	\$ 2,240,556	\$ 221,421,488
LIABILITIES						
2110 Accounts Payable	\$ 63,764	\$ -	\$ -	\$ -	\$ 1,402	\$ 65,166
2120 Loans and Leases Payable						-
2160 Accrued Wages Payable	1,771,499	48,694				1,820,193
2170 Due To Other Funds	65,215	8,796			82,354	156,365
2180 Due To Other Govt's	1,202	1,687				2,889
2190 Due To Student Groups					26,970	26,970
2140 Interest Payables						-
2150 Payroll Deduct & Withhold					13,239	13,239
Total Current Payables	\$ 1,901,680	\$ 59,177	\$ -	\$ -	\$ 123,965	\$ 2,084,822
2210 Accrued Expenses					255,351	255,351
2300 Deferred Revenue	65,565,890	126,726	17,352,950			83,045,566
2400 Payable From Restricted Assets				139,660		139,660
TOTAL LIABILITIES	\$ 67,467,570	\$ 185,903	\$ 17,352,950	\$ 139,660	\$ 379,316	\$ 85,525,399
FUND EQUITY						
6010 Appropriations	\$ 80,295,837	\$ 7,253,639	\$ 16,549,951	\$ 20,994,766	\$ 385,000	\$ 125,479,193
6050 Less: Expenditures	(12,533,186)	(1,737,424)	(8,483)	(845,715)	(83,924)	(15,208,732)
6030 Encumbrances	(167,303)	(41,073)	-	(215,246)	-	(423,622)
Available Appropriations	\$ 67,595,348	\$ 5,475,142	\$ 16,541,468	\$ 19,933,805	\$ 301,076	\$ 109,846,839
4310 Reserve For Encumbrance	167,303	41,073		215,246		423,622
3600 Unreserved Fund Balance	20,806,314	795,223	1,973,760	173,525	1,560,164	25,308,986
3590 Reserved Fund Balance	316,642					316,642
TOTAL LIAB. & FUND EQUITY	\$ 156,353,177	\$ 6,497,341	\$ 35,868,178	\$ 20,462,236	\$ 2,240,556	\$ 221,421,488

SUMMARY OF TAX COLLECTIONS
AS OF November 30, 2009

2009-10 Original Tax Levy	\$ 84,717,520.44
Delinquent Taxes as of 8/31/09	2,800,871.27
<hr/>	
Total Receivables for 2009-10	\$ 87,518,391.71
Current Year Adjustments	(1,495,420.53)
Prior Year Adjustments	55,134.84
<hr/>	
Adjusted Receivables.....	\$ 86,078,106.02
Total Net Collections To Date	(2,939,773.34)
<hr/>	
Outstanding Receivables as of	\$ 83,138,332.68
11/30/2009	

<u>SUMMARY OF BUDGETED COLLECTIONS</u>	<u>BUDGETED</u>	<u>NET COLLECTED</u>	<u>BUDGETED DIFFERENCE</u>	<u>% OF BUDGET COLLECTED</u>
Maintenance - Current Tax	\$ 64,131,233.00	\$ 1,911,971.34	\$ 62,219,261.66	2.98%
Maintenance - Prior Year Tax	700,000.00	417,881.06	282,118.94	59.70%
Maintenance - Penalties & Interest	450,000.00	99,228.22	350,771.78	22.05%
Sub-total	<u>\$ 65,281,233.00</u>	<u>\$ 2,429,080.62</u>	<u>\$ 62,852,152.38</u>	<u>3.72%</u>
Debt Service - Current Tax	\$ 16,234,951.00	\$ 507,223.93	\$ 15,727,727.07	3.12%
Debt Service - Prior Year Tax	175,000.00	102,697.01	72,302.99	58.68%
Debt Service - Penalties & Interest	100,000.00	23,915.01	76,084.99	23.92%
Sub-total	<u>\$ 16,509,951.00</u>	<u>\$ 633,835.95</u>	<u>\$ 15,876,115.05</u>	<u>3.84%</u>
Total Collections	<u>\$ 81,791,184.00</u>	<u>\$ 3,062,916.57</u>	<u>\$ 78,728,267.43</u>	<u>3.74%</u>

<u>Tax Collection Comparison with 2008-09: Adjusted Tax Roll</u>	<u>2009-10</u>	<u>2008-09</u>
Percent of Current Year Taxes Collected	2.91%	3.15%
Percent of Total Taxes Collected	3.53%	3.61%
Percent of Total Taxes and P & I Collected	3.68%	3.72%

<u>Tax Collection Comparison with 2008-09: Original Tax Roll</u>	<u>2009-10</u>	<u>2008-09</u>
Percent of Current Year Taxes Collected	2.86%	3.15%
Percent of Total Taxes Collected	3.47%	3.61%
Percent of Total Taxes and P & I Collected	3.62%	3.73%

LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT
 QUARTERLY INVESTMENT SCHEDULE
 For the Quarter Ending 11/30/09

INVESTMENTS BY POOLED FUND GROUP

		Beginning Book Value For Period	Increase (Decrease) For Period	Ending Book Value For Period	Beginning Market Value For Period	Increase (Decrease) For Period	Ending Market Value For Period	Accrued Interest - Period	Accrued Interest - FYTD
54,767,093.00	Local Maintenance	20,472,258	(554,412)	19,917,846	10,472,963	9,445,382	19,918,345	61,432	61,432
1,865,005.00	Debt Service	1,872,812	3,159	1,875,971	1,873,093	3,077	1,876,170	3,159	3,159
756,239.00	Capital Projects 2004	56,916	33	56,949	56,939	26	56,966	33	33
31,156,019.00	Capital Projects 2006	22,929,023	(2,686,900)	20,242,123	12,930,549	7,312,654	20,243,203	63,100	63,100
13,857,816.00	Tax Clearing	280,912	2,499,534	2,780,446	281,027	2,500,225	2,781,252	500	500
1,399,533.00	Workers Comp Fund	1,412,851	(119,842)	1,293,009	612,894	680,145	1,293,040	10,507	10,507
103,801,705.00	TOTAL INVESTMENTS	47,024,772	(858,428)	46,166,344	26,227,466	19,941,509	46,168,976	138,731	138,731

CERTIFICATE OF DEPOSITS

Certificate #	Bank	Purchase Date	Maturity Date	Yield (%)	Beginning Book Value For Period	Increase (Decrease) For Period	Ending Book Value For Period	Beginning Market Value For Period	Increase (Decrease) For Period	Ending Market Value For Period	Accrued Interest - Period	Accrued Interest - FYTD
Local Maintenance												
27000396	Prosperity	04/28/09	10/26/09	1.650%	10,000,000	0	10,000,000	0	10,000,000	10,000,000	37,973	37,973
Total Local Maintenance					10,000,000	0	10,000,000	0	10,000,000	10,000,000	37,973	37,973
Capital Projects 2006												
27000397	Prosperity	04/28/09	10/26/09	1.650%	5,000,000	0	5,000,000	0	5,000,000	5,000,000	18,986	18,986
27000398	Prosperity	04/28/09	04/28/10	2.000%	5,000,000	0	5,000,000	0	5,000,000	5,000,000	25,205	25,205
Total Capital Projects 2006					10,000,000	0	10,000,000	0	10,000,000	10,000,000	44,192	44,192
Workers Comp Fund												
27000399	Prosperity	04/28/09	04/28/10	2.000%	800,000	0	800,000	0	800,000	800,000	9,381	9,381
Total Workers Comp Fund					800,000	0	800,000	0	800,000	800,000	9,381	9,381
TOTAL CERTIFICATE OF DEPOSITS					20,800,000	0	20,800,000	0	20,800,000	20,800,000	91,545	91,545

MONEY MARKET ACCOUNTS

	Yield (%)	Beginning Book Value For Period	Increase (Decrease) For Period	Ending Book Value For Period	Beginning Market Value For Period	Increase (Decrease) For Period	Ending Market Value For Period	Accrued Interest - Period	Accrued Interest - FYTD
TexPool									
Local Maintenance	0.220%	1,720,449	1,004	1,721,453	1,721,154	798	1,721,952	1,004	1,004
Debt Service	0.220%	685,680	400	686,080	685,961	318	686,279	400	400
Capital Projects 2004	0.220%	56,916	33	56,949	56,939	26	56,966	33	33
Capital Projects 2006	0.220%	3,721,746	2,172	3,723,918	3,723,272	1,726	3,724,998	2,172	2,172
Tax Clearing	0.220%	280,912	2,499,534	2,780,446	281,027	2,500,225	2,781,252	500	500
Workers Comp Fund	0.220%	105,850	62	105,912	105,893	49	105,943	62	62
Total TexPool		6,571,553	2,503,205	9,074,758	6,574,247	2,503,142	9,077,390	4,172	4,172
MBIA									
Local Maintenance	0.280%	2,060,120	1,554	2,061,674	2,060,120	1,554	2,061,674	1,554	1,554
Capital Projects 2006	0.280%	101	0	101	101	0	101	0	0
Total MBIA		2,060,221	1,554	2,061,775	2,060,221	1,554	2,061,775	1,554	1,554
Prosperity									
Local Maintenance	1.000%	6,691,689	(556,970)	6,134,719	6,691,689	(556,970)	6,134,719	20,901	20,901
Debt Service	1.000%	1,187,132	2,759	1,189,891	1,187,132	2,759	1,189,891	2,759	2,759
Capital Projects 2006	1.000%	9,207,176	(2,689,072)	6,518,104	9,207,176	(2,689,072)	6,518,104	16,737	16,737
Workers Comp Fund	1.000%	507,001	(119,904)	387,097	507,001	(119,904)	387,097	1,064	1,064
Total Prosperity		17,592,998	(3,363,187)	14,229,811	17,592,998	(3,363,187)	14,229,811	41,460	41,460
Total Money Markets		26,224,772	(858,428)	25,366,344	26,227,466	(858,491)	25,368,976	47,186	47,186
TOTAL INVESTMENTS		47,024,772	(858,428)	46,166,344	26,227,466	19,941,509	46,168,976	138,731	138,731

The district's investment strategy for the above funds is as follows:

Operational Funds - Shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Debt Service Fund - Shall have sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents.

Capital Projects Funds - Shall have sufficient investment liquidity to timely meet capital project obligations.

This report is prepared in compliance with Lake Travis ISD Investment Policies CDA(Legal) and CDA(Local) and with the Public Funds Investment Act, TX Govt Code Ch. 2256.

Johnny Hill, Assistant Supt. For Business and Financial Services

Date

Brad Goerke, Director of Budget and Accounting

Date



AGENDA ITEM ACTION SHEET

SUBJECT	Minutes
RECOMMENDED ACTION	Approval
RATIONALE	The minutes of each official Board meeting are reviewed by the Board for accuracy, then approved by the Board prior to becoming public record.
BUDGET PROVISIONS	None
RESOURCE PERSONNEL	Dr. Rocky Kirk, Dr. Diane Frost, Linnea Bennett, Beth Muzny
ATTACHMENTS	<ol style="list-style-type: none">1. November 19, 2009, Board Meeting2. December 10, 2009, Board/Superintendent Conference
MEETING DATE	December 17, 2009

Minutes of Board Meeting

The Board of Trustees Lake Travis Independent School District

A meeting of the Board of Trustees of the Lake Travis Independent School District was held November 19 2009, at the Educational Development Center, Live Oak Room, 607 Ranch Road 620 North, Austin, Texas 78734.

Call To Order

President Susan Tolles called the meeting to order at 6:33 p.m.

Quorum Determination

Trustees Susan Tolles, Jason Buddin, Alan Williams, Mayo Davidson, Fred Goff, and Lisa Johnson were present. Guy Clayton was not in attendance.

Closed Session

Trustees convened into closed session at 6:33 p.m., as permitted by the Texas Government Code Section 551.001 et. seq.

- A. Section 551.071 – Consultation with Attorney**
 1. The Board will discuss and receive legal advice from its attorney on matters which should be confidential under Texas Government Code Section 551.071(2).
- B. Section 551.072 – Deliberation regarding Real Property**
 1. The Board will discuss the purchase, exchange, lease, or value of real property. (This may involve consultation with attorney as permitted under Section 551.071.)
- C. Section 551.074 – Personnel Matters**
 1. The Board will discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of public employees or officials. (This may involve consultation with attorney as permitted under Section 551.071.)

Trustee Clayton arrived at 6:34 p.m.

Closed session adjourned at 7:00 p.m. and the open session resumed at 7:03 p.m.

Pledge of Allegiance and Moment of Silence

Trustee Goff led the Pledge of Allegiance. A moment of silence was observed.

Audience Comments

There were no requests to address the trustees.

Discussion and/or Action

Finance and Support Services

Bond Program Update – Jim Ratcliff, Senior Director of Facilities, Construction and Support Services, provided an update on the bond program construction. There are currently fourteen bids being evaluated for the construction of the transportation and warehouse complex. A recommendation for that project will be presented at the December 17, 2009 Board meeting.

Competitive Sealed Proposals – EDC Improvements 2009 - Mr. Ratcliff provided an overview of the competitive sealed proposals received on October 20, 2009 for the EDC Improvements 2009 project. All proposals were evaluated on the basis of proposed dollar amount and the quality of past work completed. A discussion ensued and the following action was taken.

A MOTION was made by Trustee Buddin, seconded by Trustee Goff, to authorize the superintendent or designee to execute a contract with CL Carson, Inc. for the EDC Improvements 2009 project in the total contract amount of \$457,369. All Trustees voted in favor (7-0).

Energy Consumption Reduction Resolution – Mr. Jack Stevens, Facility Resources, Compliance, and Construction Manager, provided an update on the new version of Section 44.902, Texas Education Code. The Texas Education Code has been amended so that the District must meet different energy consumption reduction standards. The District adopted Energy Consumption Reduction Resolution 082808-3 on August 28, 2008 based on the previous requirements in Texas Education Code Section 44.902.

A MOTION was made by Trustee Buddin seconded by Trustee Williams, to approve Energy Consumption Reduction Resolution 111909-1, which establishes the District's long-range energy conservation plan to reduce annual electrical consumption by five percent beginning with the 2008 state fiscal year and to consume electricity in subsequent fiscal years in accordance with the District's energy plan. All Trustees voted in favor (7-0).

Energy Conservation Plan Report – Mr. Jack Stevens provided an overview of the District's updated energy conservation plan. A discussion ensued. This item was for information only and no action was taken.

2009-2010 Budget Amendments - Mr. Johnny Hill, Assistant Superintendent of Business and Financial Services, presented proposed amendments and justifications of those amendments for the 2009-2010 budget. The amendments reflect economic activity related to the finances of the school district. A discussion ensued and the following action was taken.

A MOTION was made by Trustee Williams, seconded by Trustee Clayton, to approve 2009-2010 Budget Amendments as presented. All Trustees voted in favor (7-0).

Curriculum and Instructional Services

Advanced Placement Report – Dr. Jill Siler, Executive Director for Academic and Organizational Development, provided an overview of the AP Program as well as participation and performance data for Lake Travis High School.

Achievement Test Results – Myra Pettit, Assistant Superintendent of Curriculum and Instructional Services, provided performance data information on achievement tests administered to students in the 2nd, 5th, and 8th grades in October 2009. A discussion ensued.

Consent Agenda

1. Revisions, Deletions, and/or Additions to Board Policies
 - a. DBB (Local) Employment Requirements and Restrictions: Medical Examinations and Communicable Diseases
 - b. DCE (Local) Employment Practices - Other Types of Contracts
 - c. EIA (Local) Academic Achievement - Grading/Progress Reports to Parents
2. Textbook Selection Committee
3. Modified Schedule/TAKS Testing Days Waiver
4. October 2009 Financials – Statement of Revenues & Expenditures, Balance Sheet, Summary of Tax Collections
5. Minutes – October 22, 2009 Regular Board Meeting; November 5, 2009 Board Workshop; November 10, 2009 Special Called Meeting; November 13, 2009 Canvass Tax Ratification Election

Trustee Tolles asked to pull item 1a *DBB (local)* from the consent agenda for further discussion of changes made to the policy. A discussion ensued and the following action was taken.

A MOTION was made by Trustee Davidson seconded by Trustee Goff, to approve the consent agenda items including changes to DBB (local) as presented. All Trustees voted in favor (7-0).

President Tolles announced the following future meetings of the LTISD Board of Trustees:

- December 10, 2009, 6:00 p.m., Board/Superintendent Conference, EDC
- December 17, 2009, 7:00 p.m. Regular Board Meeting, EDC
- January 14, 2010, 7:00 p.m., Regular Board Meeting, EDC

Open Session adjourned at 8:17 p.m.

Closed Session

Trustees convened into closed session at 6:33 p.m., as permitted by the Texas Government Code Section 551.001 et. seq.

A. Section 551.071 – Consultation with Attorney

2. The Board will discuss and receive legal advice from its attorney on matters which should be confidential under Texas Government Code Section 551.071(2).

B. Section 551.074 – Personnel Matters

1. The Board will discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of public employees or officials. (This may involve consultation with attorney as permitted under Section 551.071.)

Closed session adjourned at 9:17 p.m. No action was taken based on discussion occurring in closed session.

Adjournment

There being no further action, the November 19 2009 Board of Trustees' meeting adjourned at 9:17 p.m.

Susan Tolles, President

Alan Williams, Secretary

Minutes of Special Called Board Meeting

The Board of Trustees Lake Travis Independent School District

A meeting of the Board of Trustees of the Lake Travis Independent School District was held on December 10, 2009, at the Educational Development Center, Live Oak Room, 607 Ranch Road 620 North, Austin, Texas 78734.

Call To Order

President Susan Tolles called the meeting to order at 6:43 p.m.

Quorum Determination

Trustees Susan Tolles, Jason Buddin, Alan Williams, Guy Clayton, Fred Goff, and Lisa Johnson were present. Mayo Davidson was not in attendance

Closed Session

Trustees convened into closed session at 6:45 p.m., as permitted by the Texas Government Code Section 551.001 et. seq.

- A. Section 551.071 – Consultation with Attorney**
 - 1. The Board will discuss and receive legal advice from its attorney on matters which should be confidential under Texas Government Code Section 551.071(2).
- B. Section 551.072 – Deliberation regarding Real Property**
 - 1. The Board will discuss the purchase, exchange, lease, or value of real property. (This may involve consultation with attorney as permitted under Section 551.071.)

Closed session concluded at 6:50 p.m. and open session resumed at 6:50 p.m.

Discussion and/or Action

Governance and Legal Services

Resolution authorizing Superintendent or designee to execute all documents related to the closing of the acquisition of approximately 88.98 acres of land located in the A.G. Compton survey No. 601, abstract No. 184 in Travis County, Texas, generally located on Highway 71 at Bee Creek Road

A MOTION was made by Trustee Clayton seconded by Trustee Goff, to approve resolution authorizing Superintendent or designee to execute all documents related to the closing of the acquisition of approximately 88.98 acres of land located in the A.G. Compton survey No. 601, abstract No. 184 in Travis County, Texas, generally located on Highway 71 at Bee Creek Road. All Trustees present voted in favor (6-0).

Board Training

Legislative update in order to familiarize board members with major changes in the code and other relevant legal developments to school governance.

Closed Session

Trustees convened into closed session at 7:37 p.m., as permitted by the Texas Government Code Section 551.001 et. seq.

A. Section 551.074 – Personnel Matters

The Board will consider the Summative Performance Evaluation of the Superintendent of Schools.

Closed session concluded at 10:45 p.m. and open session resumed at 10:45 p.m. The following action was taken based on discussion in closed session.

Superintendent's Contract

A MOTION was made by Trustee Buddin, seconded by Trustee Goff, to authorize the Board President to make revisions to the Superintendent's contract as discussed in Closed Session and to sign and execute the new contract, effective January 1, 2010., to include the following provisions:

1. For the 2010 contract year, the Superintendent requests and the Board agrees that the Superintendent shall not receive the four percent guaranteed increase in his base salary as provided in the current contract.
2. The base salary of the Superintendent shall include a reclassification of certain benefits previously paid directly by the District on behalf of the Superintendent. Specifically, the total premium amounts for health, major medical, vision and dental insurance, previously paid by the District on behalf of the Superintendent, shall, beginning January 1, 2010, be paid directly to the Superintendent in the form of regular salary. Beginning January 1, 2010, the Superintendent shall assume responsibility for paying the premiums for these benefits. The result of this revision to the Superintendent's contract is fiscally neutral to the District.
3. The District shall also include a revision to the Superintendent's contract that specifies that the Superintendent shall be reimbursed for the cost of long-term disability and supplemental life insurance premiums, selected by and available to the Superintendent through the District's group benefit plans. All Trustees present voted in favor (6-0).

Adjournment

There being no further action, the December 10, 2009 Board of Trustees' meeting adjourned at 10:48 p.m.

Susan Tolles, President

Alan Williams, Secretary