



**Agenda of Regular Meeting
The Board of Trustees
Lago Vista ISD**

A Regular Meeting of the Board of Trustees of Lago Vista ISD will be held October 20, 2008, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645.

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

1. Invocation
2. Welcome visitors/Recognition/Public participation
3. Facilities Upgrade and Improvement
4. Discussion of Vision Statement
5. Program Report-Professional Learning Cadres
6. Community/Staff surveys
7. Consider and take possible action on possible sale of approximately 3.5 acres out of the 35 acre tract described as part of ABS 189 SUR 98 Campbell MF Acre 41.211 by the Travis County Appraisal District and further described as Tract 1 in the Warranty Deed reciting the following: the 35.00 tract of land in the Mary Campbell Survey No. 98, Travis County, Texas, being part of a 450.309 acre tract of land conveyed to F. Leland Stanford by deed recorded in Volume 10034, Page 21, Deed Records of Travis County, Texas. The 3.5 acres considered are located across Travis Street from Lago Vista Elementary School.
8. Superintendent report - LVISD activities
9. Minutes of previous meetings
10. Monthly Financial Report
11. Adjourn

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551: 551.071-Consultation with attorney, 551.074-Personnel matters, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Barbara Qualls, Ph.D.
Superintendent

Date



“LVISD equips students for the rigors of the 21st Century by preparing them for a global based digital economy. LVISD will be recognized as a leader in educational innovation through: technology, facilities, curriculum, volunteerism, and instruction.”

Our Students:

1. Are inquisitive, self-motivated, intellectual risk-takers capable of setting and meeting goals.
2. Are self-confident, responsible decision-makers who are accountable for their actions.
3. Have an understanding of personal strengths and weaknesses and make healthy lifestyle choices.
4. Transform their learning experience with technological, cultural, and global perspectives.
5. Are multilingual.
6. Are academically challenged to reach new heights and embrace lifelong learning.
7. Graduate prepared to meet the challenges of post-high school education and/or the workforce.

Our Learning Environment:

1. Provides quality instruction in a stimulating environment that meets the needs of diverse student populations.
2. Welcomes and encourages active communication and participation between and among campuses, parents, and students.
3. Stimulates effective collaboration among professional staff, parents, and students where all take responsibility for student learning.
4. Is positive, supportive, and safe for all students.
5. Provides high performing highly skilled staff qualified above minimum requirements that is dedicated to furthering their professional growth to meet a changing classroom demographic.
6. Effectively and seamlessly incorporates technology into student learning.
7. Consists of facilities that meet the needs of all students and provide the best opportunities to thrive and achieve their greatest potential.
8. Offers the most rigorous academic programs.

Our Community and District:

1. Inspire an increase in volunteerism, mentoring, and general participation in the school system by persons and businesses in the community with expertise in various areas.
2. Encourage LVISD students to be involved in and act as responsible members of the community.
3. Maintain consistent, open communication in a respectful manner with all stakeholders.
4. Effectively communicate to taxpayers and citizens so that they may understand and financially support the needs and goals of the district.
5. Maintain the continued financial stability of the district.

Legal Requirements of Real Estate Sales and Purchases

WALSH ANDERSON BROWN SCHULZE & ALDRIDGE, P.C.

I. PURCHASE OF REAL PROPERTY

A. **Overview.** The steps in a typical real estate purchase are:

1. identify the property,
2. negotiate the purchase price and other terms and conditions of the purchase,
3. enter a written sales contract (sometimes called an earnest money contract),
4. investigate the property and the title, and
5. close (pay the purchase price and receive the deed).

B. **Notice.**

1. Unlike most purchases of goods and services, real estate purchases do not require a school district to advertise and formally request bids or proposals. This is because every tract of real property; that is, land and improvements affixed to the land, is considered unique and therefore falls under the "sole source" exception to procurement requirements.

2. However, after entering the sales contract, some real estate purchases may require publication of notice under Local Government Code Chapter 271.

(a) Section 271.004 requires publication of notice in a newspaper of general circulation in the district. If within 60 days of the date of publication, a written petition is signed by at least five percent of the registered voters of the district, the district must call an election to approve the purchase.

(b) This requirement does not apply to purchases from the district's fund balance. It does apply to purchases financed through a Public Property Finance Corporation. There is no authority on whether it applies to purchases made with bond funds.

C. **Real Estate Brokers.** School districts are permitted to employ, retain, contract with, or compensate a licensed real estate broker or salesperson for assistance in the acquisition or sale of real property, but are not required to do so.

1. A broker may be helpful in identifying property for purchase and in negotiating the purchase price, but will have to be paid for their services.

2. Brokers charge a commission or fee which is generally a percentage of the sale price of the property. The fee may be paid by the seller, buyer, or shared between seller and buyer.

3. A school district employing a broker should have a written contract for broker services setting out the broker's commission and who pays the commissions

D. Appraisals. School districts are not required to obtain appraisals of the value of real property they purchase. In many school districts the administration and Board members are familiar with the value of land and appraisals are an unnecessary expense.

1. However, a school district should consider obtaining an appraisal prepared by a state licensed appraiser when:

- (a) the district is not familiar with real estate values,
- (b) the area is undergoing change in use, such as from agricultural to residential,
- (c) the purchase is controversial in the school district, or
- (d) there is an actual or apparent conflict of interest by a Board member.

2. School districts should not rely on the value set by the county appraisal district to establish the actual fair market value of real property. Actual sale prices of property are not required to be reported in Texas, and appraisal districts simply don't have the resources necessary to accurately establish values for purposes of a sale.

E. Purchase Price. Often, school districts are at a disadvantage in negotiating the purchase price of property because sellers know the district has to purchase within a limited geographic area.

1. **Example:** Seller advertises land for sale at a certain price and then raised the price when he found out a school district wanted to buy it.

2. **Donations.** On the other hand, many residential developers want elementary schools in their subdivisions and will make land available at a reasonable price or even donate land to the school district.

3. **Developed vs. "Raw" Land.** Land served by utilities (streets, drainage, sewer, water, electricity and natural gas) will be more expensive than land without access and utilities. However, when the school district's costs for providing utilities is added to the cost of land, sometimes the developed land is a better value.

4. When buying land in a subdivision under construction, school districts should seek to have the seller/developer agree to provide utilities to the property at no cost to the school district.

5. Shared Cost. In some cases, developers will condition a sale or donation on the buyer sharing in the cost of streets and utilities.

- (a) If a school district agrees to pay a share of development costs, the terms should be clearly set out in the Sales Contract.
- (b) The district should have its engineer evaluate the shared cost proposed by the developer to make sure the cost is fairly calculated.
- (c) The district's share should be stated in the Sales Contract as a "not to exceed" amount.
- (d) Generally, the school district should not pay the developer prior to completion of the work unless the developer provides a form of financial security, such as a performance bond or irrevocable letter of credit. If necessary, the school district should consider placing the funds in an escrow account held by the title company.
- (e) If bond funds are used, the district should consider whether any form of escrow conflicts with bond requirements.

F. Conflicts of Interest.

- 1. If a district board member has a substantial interest in property, the board member must file an affidavit of conflict and refrain from participating in the consideration of a matter involving the property when it is reasonably foreseeable that an action on the matter would have a special economic effect on the value of the property, distinguishable from the effect on the public. A person has a substantial interest in property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.
- 2. A board member is considered to have a substantial interest if a person related to the board member in the first degree by consanguinity or affinity has a substantial interest. This means the board member's spouse, parents, children, or spouse's parents or children.
- 3. It is a Class A misdemeanor to knowingly violate the statute.
- 4. In addition, if a board member with a conflict does vote on a contract, and if the contract would not have been approved without that vote, the contract is voidable by a court.

G. Negotiating the Purchase Price.

- 1. **School Board Approval.** In order for the school district to enter a real estate sales contract, the Board has to take action approving the purchase price.
- 2. Boards are permitted to discuss the purchase, exchange, lease or value of real property in closed session when deliberation in open session would have a detrimental effect on the position of the school district in negotiation with a third person.

3. Negotiating the purchase price will often take a number of offers and counter-offers. If the Board has to approve every offer or counter-offer, each step in the negotiation has to wait for a Board meeting.

4. To make the negotiations move more quickly, the Board may take action to authorize a purchase price up to a certain limit with the understanding that initial offers will be at a lower price. For example, the Board may authorize a purchase price of up to \$10,000 per acre but direct the Superintendent to make a first offer of \$6,000. If the Superintendent can negotiate a price of \$10,000 or less, the district can enter a sales contract without further Board action.

H. Real Estate Sales Contracts. A Sales Contract (sometimes called an "Earnest Money" contract) is an agreement between the buyer and seller to convey the property at a future date. The purpose of the Sales Contract is to "tie up" the property; that is, obligate the seller to sell the property to the buyer, for a specific period of time while the buyer investigates the property and title. During this period of time, the seller cannot sell the property to another buyer just because the seller gets a better offer.

1. **Earnest Money.** The buyer will deposit earnest money with the title company. The amount of earnest money is negotiated between the buyer and seller; the buyer will always want it to be as little as possible. If the buyer "defaults", wrongfully refuses to close, the seller gets the earnest money.

2. In the Sales Contract, both the seller and buyer have certain rights to terminate the Contract without penalty. For the buyer, the most important right is to terminate if its investigation reveals something objectionable about the property such as environmental hazards.

3. The Sales Contract should also permit the buyer to terminate the contract if there is a "cloud" on the title, that is, the seller cannot deliver "marketable" title. Common problems with titles are liens filed against the property, easements, and encroachments of adjacent property owners' fences.

4. Sales Contracts may contain special terms requiring one or both parties to perform certain duties either before or after closing. For example, if the property is not served by streets or utilities, the Sales Contract may require the seller to construct them before closing or within a specific time after closing. If the buyer agrees to pay some of the cost of the streets and utilities, it should be set out in the Sales Contract.

5. **Form Contracts.** The Texas Association of Realtors (TAR) and Texas Real Estate Commission (TREC) promulgate standard Sales Contract forms for various types of real estate transactions for use by real estate professionals. These forms include numerous options which are selected by checking boxes or filling in blanks. If a school district uses one of these standard forms, typically prepared by

the seller's broker, it should have it reviewed by the school district's attorney before signing it.

6. In most cases, the school district should have its own attorney draft the Sale Contract.

7. After the Sales Contract is signed by both parties, it is delivered to the title insurance company along with a check for the earnest money made out to the title insurance company.

I. Investigation of the Property

1. **Title Insurance.** Always obtain title insurance on property purchased by the school district. Title insurance insures the buyer against loss resulting from certain risks including liens or other encumbrances on the property, mechanic's liens arising before the closing date, lack of access, and lack of good and indefeasible title ("clouds" on the title).

(a) Based on its examination of recorded documents affecting the title and a survey of the property if one is provided, the title company will issue a Commitment for Title Insurance which will contain both standard exceptions, and exclusions and exceptions specific to the property.

(b) The buyer and its attorney should review the title commitment carefully and immediately upon receipt because the Sales Contract will require notice of any objections within a specific period of time; otherwise the objections are waived.

(c) The buyer should demand that all liens be paid off before or on closing.

(d) Review the type and location of all easements to make sure they do not affect the use of the property.

2. **Survey.** A deed conveying real property must have a sufficient legal description. Platted property may be described by reference to lot, block, and addition or subdivision. However, unplatted property requires a survey. A survey is a process by which a parcel of land is measured and its boundaries determined. It will result in a plat or map of the property and a "metes and bounds" description. The metes and bounds description will be the legal description of the property included in the deed or attached as an exhibit. There are various types of surveys for different purposes, but for conveyance of property, the buyer should obtain a Category 1-A title survey. Even when property has been platted it is desirable to have a survey in order to determine the location of easements and encroachments on the property.

3. **Easements.** The most common exceptions in title commitments are easements. An easement is the right of another to use land for a specific purpose not inconsistent with the use of the owner. However, easements can significantly limit the property owner's use of the land.

- (a) Most easements are for utilities: electric, telephone (overhead), water, sewer, natural gas or petroleum products pipelines (underground). In many cases, the title commitment identifies easements which affect the larger tract out of which the property being purchased ("Property") is being taken.
- (b) The survey should show any easements which affect the Property and identify by notes those easements which do not. Based in the survey, the title company should update the title commitment to delete the easements which do not affect the Property.
- (c) In most cases the buyer should object to "blanket" easements, which permit the easement owner to construct utilities anywhere on the property. If the utilities are already constructed, usually the seller can "cure" the objection by getting the easement owner to agree to amend the blanket easement to an easement over a specific area.
- (d) On developed or platted land, utility easements will usually be adjacent to a property boundary. On undeveloped land or land purchased out of a larger tract, an easement may be anywhere on the land.
- (e) Although easement language varies, most easements provide that the property owner may use the land within the easement for any purpose which does not interfere with the easement use. In most cases, overhead easements will not significantly affect the intended use of the Property. However, a property owner may not construct buildings in easements because the easement owner has the right of access to the easement for maintenance of the utility. For example, an electrical utility will have the right of access to repair or replace electrical lines and trim trees away from the lines. Typically, the land owner would not be prohibited from building a street or driveway across an overhead easement for access to the Property.
- (f) Underground utilities; water, sewer, and particularly petroleum pipelines may cause problems depending on the location and depth of the pipeline.
- (g) Petroleum pipeline companies have the right to require property owners, at the property owner's expense, to protect the pipeline from damage caused by the owner's construction. Accordingly, the school district should evaluate each easement to make sure it will not interfere with the intended use of the Property.
- (h) Petroleum pipeline companies will also claim they have the right to prohibit trees within the easement and to trim tree branches which extend into the easement. This is because pipeline companies inspect the pipelines by aerial surveillance. This easement requirement may conflict with a city landscape ordinance which requires planting of trees. A school district should always deliver a copy of surveys and easements to the architect designing school facilities to make sure there are no conflicts.

4. Mineral Interests. Two forms of mineral (oil and gas) interests are commonly seen in title commitment exceptions. One is a reservation of mineral interests from a prior conveyance. That is, in an earlier conveyance of the property, an owner reserved all or a portion of the minerals. This cannot be cured by the seller and is not necessarily objectionable. A potential problem, however, is that the owner of the mineral interests has the right to use the surface for exploration and production. If the seller in the sale to the district is reserving mineral interests, the district should request a waiver of surface rights so the seller cannot use the surface. The second form of mineral interest is prior or current leases. Leases are generally for a specific term, but provide for an automatic extension of the term if production occurs. In many cases, these exceptions in the title policy can be removed with an affidavit of non-production, or a report based on production and pooling records maintained by the Texas Railroad Commission.

5. Environmental Site Assessments. The most important investigation a school district should consider is a Phase I Environmental Site Assessment ("Phase I ESA"). This is an investigation of the land to identify potential environmental hazards. In addition to a physical investigation of the land, the environmental consultant preparing the ESA will interview people familiar with the land, research public records, and review maps and aerial photographs of the site.

- (a) The most common hazards are:
 - (1) soil contaminated by petroleum related products, usually from leaking storage tanks,
 - (2) landfills or dump sites on the land which may contain asbestos or other toxic material, and
 - (3) landfills close to the site which may generate methane gas on the land
- (b) If there are environmental hazards on the land, in most cases, after the sale the buyer will be responsible for any clean up of the site required by state or federal law.
- (c) Environmental hazards may also prevent or significantly increase the cost of building on the land.
- (d) If the seller of land has a recent Phase I ESA the school district should request a copy for review. The seller's ESA may satisfy the district that there are no environmental hazards on the property.
- (e) Otherwise, school districts should generally perform a Phase I ESA for any significant land purchase.

6. Endangered Species, Wetlands and Archeological/Historical Investigations. Endangered species, wetlands and historical/archeological investigations can be performed as a part of a Phase I ESA if the school district specifically asks for them to be included.

- (a) The federal Endangered Species Act may limit the development of property that includes the habitat of endangered species. Land on which

all natural habitat has been previously removed by development or agriculture should not require an endangered species assessment, but even small natural areas could be habitat for species such as the Black-capped Vireo or Golden-cheeked Warbler. The Texas Parks and Wildlife Department will do habitat assessments for school districts at no cost to the district.

(b) The federal Clean Water Act prohibits dredging and filling of wetlands. "Wetlands" means areas that are inundated or saturated by water sufficient to support vegetation adapted for life in saturated soils. Most wetlands lack both standing water and waterlogged soils during some part of the growing season; so even "dry" creeks and washes may be "wetlands". School districts should examine land for potential wetlands and make sure they can develop the property without filling these areas

(c) The Antiquities Code of Texas requires owners of state or local public land to notify the State Historical Commission of planned construction before breaking ground. The Commission will determine whether a historically significant archeological site is likely to be present at the location.

(d) In addition, if a public owner encounters an archeological site during construction, it is required to abate activity and notify the Commission. Although rare, such conditions do occur; one community college district lost a week of construction time when a tombstone was discovered excavating for a parking lot.

7. Geotechnical Reports. A Geotechnical Report, often called a soils report, is an investigation to determine the nature of the soils on the property for purposes of designing building foundations and paving. Soil conditions can have a significant impact on construction costs. In some areas of the State, soil conditions are relatively consistent and well known and a geotechnical report will not be necessary. However, in other areas, soil conditions vary widely over small areas. In these areas, it may be desirable to have a soils report to determine whether the soil conditions are favorable for construction.

8. Zoning and Platting. Land within a municipality or in its extraterritorial jurisdiction ("ETJ") may be subject to platting, zoning, building codes and other land use restrictions. Although school district property is exempt from some aspects of municipal zoning, the district is usually subject to building codes and platting requirements. School districts should understand what land use regulations apply to land they are considering purchasing and the costs of complying with the regulations.

(a) Landscaping or "tree" ordinances have been particularly controversial in some cities. Because they are generally written for commercial development (i.e. shopping malls) where 80 to 100% of the land would otherwise be covered by buildings or parking lots, they can be particularly burdensome to school districts where 50% or more of the land is play fields or lawns.

(b) Many cities have storm water detention and/or filtration ordinances. These may require the school district to build detention or filtration "ponds" which are costly and can occupy significant portions of the land.

9. Development Costs. Cities and utilities require developers of land to pay certain costs or to construct infrastructure needed for development of land. School districts are considered "developers" for purposes of development and are subject to these costs. Before a school district closes on any property, it should have a clear understanding of all costs of development of the land.

(a) **Impact Fees.** Cities and utilities, especially water and sanitary sewer (waste water) utilities, may charge "Impact Fees" for development of property. These are fees charged to land developers to pay for the cost of infrastructure to provide water and sewage treatment services. They are usually measured on the basis of an "Equivalent Dwelling Unit" (EDU), that is, the amount of water or sewer capacity needed to serve a typical residence. Based on the water used, and the time of peak use, non-residential buildings, including schools, are assigned a number of EDU's and charged an impact fee per EDU.

(b) **Infrastructure Costs.** If water or sewer infrastructure (i.e., underground pipe) is not adjacent to the property, cities and utilities generally will require developers to construct extensions of water or sewer piping, from a location where service is available to the land. The cost of this infrastructure can be significant. Sewer lines may require expensive lift stations if there is not enough slope for adequate gravity drainage.

(c) **Access Costs.** A City, County or the Texas Department of Transportation has authority to require improvement to streets, roads or highways impacted by the additional traffic generated by a school facility. As a condition of granting a permit to a public street, the authority may require a school district to construct or pay for widening streets, and installing turn or deceleration lanes and traffic signals.

(d) **Other Development Costs.** Some jurisdictions charge developers impact fees for other costs such as "parkland" fees. This is a fee charged to a developer, per developed lot or acre, to fund City acquisition and construction of public parks.

10. Off Site Development. House Bill 1826 in the 2005 Legislative Session adds new section 11.168 ("§ 11.168") to the Texas Education Code as follows:

"USE OF DISTRICT RESOURCES PROHIBITED FOR CERTAIN PURPOSES. The board of trustees of a school district may not enter into an agreement authorizing the use of school district employees, property, or resources for the provision of materials or labor for the design, construction, or renovation of improvements to real property not owned or leased by the district."

There are many cases in which a school district is required to construct, or pay for the construction of, off-site improvements. For example, the Texas Department of Transportation may require a school district to pay for the construction of state roads or highways as a condition of approval to access the road. Municipalities or utility companies may require school districts to construct utility infrastructure for service to school sites.

School districts should consider this prohibition when acquiring new sites for school facilities. School districts with requirements for off-site construction should consult with their legal counsel.

11. Subdivision Restrictions. The use of land within subdivisions may be subject to limitations set out in a "Declaration of Covenants, Conditions, and Restrictions" or similar document; usually this document will be identified as an exception in the title commitment. For example, land in the subdivision may be limited to "residential" uses and property owners may have to pay monthly fees to a homeowners' association. A school district should evaluate the Declarations document to determine whether it will affect the use of the property.

12. Other Seller Conditions. When real estate is within a new residential subdivision, the developer may want assurance that the school facility is compatible with surrounding residential or commercial construction. Some developers will want to place restrictions on exterior materials or colors, or make the school district's design subject to review by an architectural control committee. These restrictions should be avoided. Such restrictions could unnecessarily increase facility cost and cause delays in design and construction. If necessary, agree on acceptable limitations before closing on the property and include the agreement in the Sales Contract.

J. Closing. Closing is when the buyer pays the purchase price and other closing costs and the seller delivers an executed deed conveying the property.

1. Resolution. Before closing on the property, the Board of Trustees of the school district should adopt a written resolution approving the purchase, identifying the property by legal description, and designating the person who is authorized to sign closing documents on behalf of the district. Although the Board has authorized the sale before entering the sales contract, title companies will generally require a Resolution as a condition of closing.

2. Date. The closing date is set out in the Sales Contract, usually either a date certain or a specific number of days after the "effective date" of the Sale Contract. If the closing date needs to be extended, which is not uncommon because of delays in receipt of a survey or time required to cure title objections, the parties should execute an Amendment to the Sales Contract to extend the date.

3. **Title Objections.** If the school district has objected to any of the exceptions included in the title commitment, the district should make sure that the exceptions have been "cured" and the title commitment has been updated to delete the exceptions, or that the exceptions are acceptable.

4. **Settlement Statement.** A few days before the closing date, the title company should issue a "settlement statement". This calculates the sale price, allocates the closing costs between the buyer and seller and sets out the amount the buyer will pay at closing. The settlement statement should be reviewed to make sure it accurately reflects the agreement set out in the Sales Contract.

5. **"Good Funds".** Title companies require the payment in "good funds", either a certified check or wire transfer. The school district should make sure it has the settlement statement in time to arrange for payment.

6. **Other Closing Documents.** Prior to closing, have the title company submit for the school district's review any other documents the title company will require the school district to sign. Most title companies require signatures on one or more documents acknowledging receipt of the settlement statement and certain disclosures regarding the transaction.

7. **Deed.** Prior to closing have the title company submit a copy of the proposed deed conveying the property for review by the school district's attorney to make sure it complies with the requirements of the Sales Contract and the title commitment.

8. **Execution of Documents.** Because school district purchases are usually cash sales, the actual closing is fairly simple. The school district representative will sign the settlement statement and other documents prepared by the title company and pay the amount set out on the settlement statement. The seller will sign the deed, the title company will file the executed deed in the county records, and a few weeks later deliver the file-stamped deed and the policy of title insurance to the school district.

9. **The original file-stamped deed and title policy should be filed in the district's permanent records.**

10. **"Roll Back" Taxes.** School districts are not liable for "roll back" taxes on property which was previously subject to an agricultural exemption. OP. TEX. ATT'Y GEN. No. DM-448 (1997).

II CONDEMNATION

A. Eminent Domain is the right of the state to condemn private property for public use upon payment of the owner adequate compensation. It is an inherent right of the state attributable to sovereignty.

1. The right is limited by the Federal and State Constitutions. The first limitation is that the property owner is entitled to just compensation (US Const. Amend. 5, Texas Const. Art. 1, § 17). The second is that the property owner is entitled to due process of law, that is, a fair procedure. (US Const. Amend. 14, Texas Const. Art. 1, §19).

2. School districts have the right of eminent domain pursuant to Texas Education Code §11.155

3. The procedure for taking property by eminent domain is set out in Texas Property Chapter 21.

4. Condemnation is a form of lawsuit filed by the public entity against the property owner, and any owners of interests in the property (lien holders, taxing entities, etc.).

B. Procedure.

1. **Board Resolution to purchase property, or motion to purchase-or-condemn.** The Resolution should include the authority to contract for appraisal and title search (to identify owners and other interested parties).

2. **Obtain appraisal.** The appraisal is of the fair market value of the property. If not all of an owner's property is taken, the appraisal should include the "just value" of the owners remaining property, that is, identify the damage to remainder.

3. **Obtain title information.** Identify all owners, lienholders, and other holders of an interest in the property (including any federal liens). If the district is going to purchase title insurance, this information should be included in the original title commitment ordered by the title company.

4. **Attempt to negotiate in good faith for purchase of property.** The district must have proof that an offer was officially made and refused by landowner. Typically this will be a letter from the school district to the property owner. The school district must disclose at the time of the offer any and all existing appraisal reports. The property owner must disclose any appraisal reports to the school district. Disclosure must be within 10 days of receipt of appraisal reports and no later than 10 days prior to the special commissioner's hearing. Negotiation is not required when it will be futile. A property owner's silence is considered a rejection of an offer and no further negotiation is required.

5. **Board Resolution to Condemn.** If the Board's first resolution did not include an order to condemn, a second Resolution must declare necessity and public convenience for taking. I.e., "The Board has deemed necessary the acquisition of the property for the construction of school facilities..."

6. File Petition in Condemnation.

- (a) Identify court having jurisdiction (district court or county court at law)
- (b) Determine whether any defendants will waive service of notice or enter appearance.
- (c) Determine if government and property owner can agree on special commissioners
- (d) File in proper court. With judge if only one district court or county court at law or with court clerk if more than one.

C. Hearing

1. Judge appoints three special commissioners.
2. Commissioners sworn.
3. Commissioners set date.
4. Written notice served on parties no later than 11th day before the day of the hearing.
5. Commissioners decide only damages.
6. Commissioners issue written statement of decision stating damages
7. File Commissioners' decision that day or next business day.
8. Judge informs clerk of decision and clerk must send notice by certified mail the next business day.
9. If there is no objection by either party by the first Monday following the 20th day after the decision is filed with the judge, the decision is recorded in the minutes of the court and the court will issue process to enforce.

D. Costs.

1. If (1) the commissioners award more than the government offered to pay before the proceedings commenced, or (2) after protest the court awards more damages than the commissioners; government pays all costs.
2. If the commissioners award less than or equal to the government's offer before the proceeding began, the property owner pays all costs.
3. If property owner is displaced from a dwelling or place of business, property owner may recover moving expenses, up to 50 miles, but not in excess of the market value of the property being removed

E. Possession.

1. Government may take possession any time after award of commissioners if it pays the award (into the registry of the court) and posts bond, and
2. Government gets a writ of possession

F. Appeal of Commissioner's Decision.

1. Either party may appeal by filing an objection by the first Monday following the 20th day after the commissioners file their findings with the court.
2. Court cites other party and tries appeal as a civil case.

G. Trial.

1. Commissioners' award is not admissible
2. Burden of proof is on the government
3. Government has to prove:
 - (a) Public necessity for taking,
 - (b) Public use of property, and
 - (c) Payment of adequate compensation (fair market value)

H. Partial Taking If the property taken is only part of the owner's property, the damages are the fair market value of the property taken, plus the value of damage, if any, to the property owner's remaining property.

I. Taking Public Property. One governmental entity can condemn property belonging to another governmental entity, but the taking is subject to the "prior public use doctrine." A governmental entity seeking to condemn property already devoted to public use may not do so if the effect would be to practically destroy its existing use unless it shows that its intended use is of paramount public importance and that its purpose cannot be otherwise accomplished.

III. SALE OF REAL PROPERTY

A. Preliminary Considerations.

1. **Why Sell?** Many sales of school district property arise from a request from a potential buyer or a request from another governmental entity or utility for a right-of-way or easement. Most sales to private entities require the notice and sealed bid procedure described below. There is no reason a school district could or should not initiate that procedure if it wants to sell the property and believes there are one or more interested buyers. Conveyances to other governmental entities are addressed in section E below.

2. **Restrictions on Sales.** Before considering a sale, the school district should obtain and review the deeds or other documents which conveyed the property to the district. In some cases, the deeds will limit or restrict the property to "school purposes". Depending on the specific language of the deed, this restriction may be a "conditional limitation" or a "condition subsequent" If the restriction is enforceable, the title to the property may revert to the original grantor's heirs, successors or assigns. As a practical matter, what this means is that a title company may not insure the title and a buyer may not be willing to purchase the property.

3. **Chain of Title.** Title to property is established by documents recorded in county records. If a title company cannot determine that the recorded chain of title establishes school district ownership of property, it will not insure the title. In some cases, parties fail to file deeds in the county records or the deeds are lost. Before considering a sale of property, the school district should insure that it has a

recorded chain of title to the property. In some cases, there are ways to cure defects in a chain of title. If a defect in a chain of title cannot be cured, the school district may consider conveying the property in a Deed Without Warranty.

B. Legal Requirements.

1. **Resolution.** Any sale or exchange of school district property must comply with Texas Education Code §§ 11.151 and 11.154. These sections require a resolution be approved by the school district Board of Trustees authorizing the sale of the property. When the property is sold, the President of the Board of Trustees must execute the deed to the purchaser of the property reciting a resolution of the Board of Trustees authorizing the sale.

2. **Notice.** A sale or exchange of real property must also comply with Chapter 272 of the Texas Local Government Code. Subject to the exceptions described below, this requires that before land owned by the school district may be sold or exchanged for other land, notice to the general public of the offer of the land for sale or exchange must be published in a newspaper of general circulation in the county in which the land is located.

3. **Civil Action 5281.** A sale or exchange of real property must comply with Civil Action 5281, *United States v. State of Texas*, Civil Action No. 5281 (E.D. Tex). This requires that the deed conveying the school district property contain certain language contained in the Order of the Court.

(a) There are two versions of the required language. The "original" language will not be acceptable to any lender involved in the purchase. The "alternate" language is acceptable to lenders.

(b) Civil Action 5281 also requires that a copy of the Deed be submitted to the Texas Education Agency, Office of General Counsel, for review before it is signed. After signing, a copy of the signed Deed must be filed with the Commissioner.

(c) It takes two to three weeks for the TEA to approve the "original" language. It takes nine to ten weeks for the TEA to approve the "alternate" language.

4. **"Gift" Prohibited.** A sale or exchange is governed by Article III, §§ 51 and 52 of the Texas Constitution. These provisions, which prohibit a "gift" of public property, require that the school district receive fair market value for any property sold. In order to insure the district is receiving fair market value for the property it is conveying, the district should consider having an appraisal performed on the property. Appraisals will also help the district evaluate whether a bid provides fair market value.

5. **Appraisal of Value.** Section 272.001(a) does not expressly require an appraisal of property sold by sealed bid. However, at least one reported decision by a Texas Court of Appeals found appraisals an "implied" requirement of the status

6. **Revenue Bonds.** School districts are permitted to sell real property and issue revenue bonds from the proceeds of the sale. TEX. EDUC. CODE, Chapter 45, Subchapter D. This subchapter requires an election by the voters to approve the sale of property and publication of notice of the property sale. Because school districts usually issue general revenue bonds to fund purchases of property and improvements, it appears that this statute is rarely used.

C. **Procedure for Sealed Bids.**

1. **Board Approval.** The first step is for the Board to approve the sale and authorize the administration to advertise the sale pursuant to Chapter 272.

2. **Bid Package.** Although not required by statute, the district should prepare a request for bids ("Bid Package") setting out requirements. The Bid Package should include:

- (a) instructions to bidders,
- (b) the bid form,
- (c) a sales contract to be signed by the successful bidder,
- (d) the form of deed,
- (e) a requirement the bidders submit earnest money with the bid in a specified amount,
- (f) Civil Action 5281 requirements,
- (g) certain disclosures required by federal and state law and regulation, and
- (h) all known defects in the title or property, especially asbestos or other environmental hazards.

3. **Publish Notice.** Notice must be published in a newspaper of general circulation in the county in which the land is located on two separate dates and the sale or exchange may not take place until after the 14th day after the date of the second publication. The notice must include a description of the land including its location, and the procedure by which sealed bids may be submitted. The notice should set out the date and time sealed bids are due to the district.

4. **Receive and Open Bids.** Bids are generally opened in public on the date and time they are required to be submitted.

5. **Board Action on Bids.** The Board should take action in open meeting accepting a bid or rejecting all bids. If the Board accepts a Bid, normally the district and bidder will enter a Sales Contract.

D. Procedure for Sale.

1. **Sales Contract.** A sales contract between the district and bidder is not required by statute, but should be a requirement of the Bid Package except for very small or low-value parcels of land.

2. **Earnest Money.** When both parties have signed the Sales Contract, it should be submitted to the title company along with the earnest money the bidder submitted with the bid. The district should notify the other bidders of the award to the successful bidder and return their earnest money in a letter mailed certified mail, return receipt requested.

3. **Title Insurance.** The Sales Contract (included with the Bid Package) should require the buyer to obtain title insurance. This protects the buyer, but also protects the district by identifying defects in or "clouds" on the title. If there is a defect in the title which is not discovered before closing, the buyer may bring a claim against the district years later.

Example. District sells property to a buyer who does not obtain title insurance. Later, when the buyer seeks a loan to build on the property, the lender requires title insurance. The title insurance company identifies two defects: (1) the district did not have recorded title to a portion of the Property and (2) an adjoining property owner's fence encroached on the property and she claimed the fenced portion by adverse possession. Result: a claim against the district.

4. **Civil Action 5281.** Although the Civil Action 5281 language should be in the Bid Package, often buyers do not understand that a lender may object to the "original" language. The district should submit a copy of the proposed deed to the buyer with notice that the buyer should have it reviewed by legal counsel and any lender. As soon as a form of deed has been agreed upon, the district should submit it to the TEA for review. The district cannot sign the deed conveying the property until it has received written approval from the TEA.

5. **Closing Date.** The closing date should allow sufficient time for the deed to be submitted to the TEA for review and approval.

6. **Title Defects.** Typically, Sales Contracts permit a buyer to require the seller to "cure" title defects and if the seller is unwilling or unable to do so, permits the buyer to terminate the transaction. Some common defects are curable. For example, if there is a blanket utility easement on the property, but the utilities are installed, the easement holder (utility company) normally will agree to amend the easement to state the specific area the easement covers.

7. **Closing.** The deed conveying the property must be signed by the President of the Board of Trustees; this signature cannot be delegated to the Superintendent.

E. Exceptions to Sealed Bid Sales. There are a few exceptions to the requirement for sale by sealed bids.

1. Local Government Code section 272.001(b). For a school district, the most common exception is for land sold to another governmental entity or a utility with the power of eminent domain. This exception applies to both sales of land (conveyance of fee simple interests) and conveyance of rights-of-way for streets and roads and easements for utilities. These interests may not be conveyed by the school district for less than the fair market value of the interest conveyed. The fair market value is determined by an appraisal obtained by the school district.

2. Institution of Higher Education. A governmental entity may convey property to an institution of higher education for less than fair market value. LOC GOV'T CODE sec. 272.001(j).

3. Historic School Sites. A school district may donate certain property and improvements to a city, county, state agency, or a 501(c)(3) nonprofit organization for less than fair market value. TEX. EDUC. CODE sec. 11.1541.

(a) The school district must publish notice of a public hearing and hold a public hearing on the proposed donation.

(b) The Board must determine that:

(1) the improvements on the site have historical value,

(2) the conveyance will further improve the preservation of the improvements,

(3) at the time of the conveyance, the district does not need the property for educational purposes, and

(4) the entity to whom the transfer is made has shown that it intends to continue the use of the property for a public purpose.

(c) The deed conveying the property must provide that ownership of the property will revert to the district if the donee discontinues the use of the property for a public purpose or attempts to sell the property.

4. Tax Foreclosure. Property acquired by the school district in a tax foreclosure sale is not subject to the sealed bid procedures and may be sold in a private sale. TEX. TAX CODE §§ 34.01, 34.05.

**Minutes of Regular Meeting
September 15, 2008
The Board of Trustees
Lago Vista ISD**

A Regular meeting of the Board of Trustees of Lago Vista ISD was held September 15, 2008, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645.

Members Present David Scott, President
 Tami Hood, Secretary
 Tom Rugel
 Jerrell Roque

Members Absent: Laura Vincent
 David Baker, Vice-President
 Mike Wells

Also Present: Barbara Qualls, Superintendent
 Sandy Apperley, Assistant Superintendent
 Robert Zingelmann, Director of Finance
 Donna Larkin, High School Principal
 Paul Bixler, Middle School Principal
 Beth Mohler, Intermediate Elementary School Principal
 Heather Stoner, Primary Elementary School Principal
 Steve Elder, Secondary Assistant Principal

1. Invocation: Mr. Scott called the meeting to order at 7:03 PM, and led the Pledge of Allegiance, the Pledge to the Texas flag and a moment of silence.

2. Welcome visitors/Recognition/Public participation: No visitors were recognized. Two citizens addressed the board.

3. Facilities Upgrade and Improvement: The superintendent provided an update on the construction of the permanent restroom and concession stand. The project is on target for completion by the estimated timeline. Questions and discussion followed.

4. Program Report – Technology: The assistant superintendent, director of technology and director of instructional technology provided an update on recent technology purchases and technology staff development in the district.

5. Superintendent report: The Superintendent provided an update on district events. The Superintendent notified the board that she is teaching a graduate level course at Concordia University during the fall semester.

6. Minutes of previous meetings: Ms. Hood moved to accept the minutes of the August 18, 2008 regular meeting, the August 12, 13, 14, and 25 special meetings, and the Aug. 18 public hearing on the budget. Mr. Roque seconded the motion. The motion was adopted 4-0.
7. Monthly Financial report: The Director of Finance presented the district's monthly financial summary. Questions and discussion followed. Mr. Roque moved to accept the financial report. The motion was seconded by Mr. Rugel. The motion was adopted 4-0.
8. Budget amendment: The Director of Finance presented the proposed budget amendments. Mr. Roque moved to accept the amendments as presented. Ms. Hood seconded the motion. Motion passed 4-0.
9. Option 3 Agreement: The Superintendent presented the Option 3 agreement for the direct purchase of attendance credits from the state of Texas. Ms. Hood moved to accept the Option 3 agreement. Mr. Rugel seconded the motion. Motion passed 4-0.
10. Consider Parent/Student Level III appeals. At 8:51 PM, Mr. Scott announced that the board would go into closed session pursuant to Texas Government Code, Sections 551.074
11. Possible action regarding closed session matters: The board reconvened in open session at 9:24 PM. The board took no action as a result of discussions in closed session.
12. Closed session discussion with Superintendent regarding employment and issues related to Parent/Student Level III appeals: At 9:25 PM, Mr. Scott announced that the board would go into closed session pursuant to Texas Government Code section 551.074
13. Possible action on closed session matters: The board reconvened in open session at 10:30 PM. The board took no action as a result of discussions in closed session.
14. Adjourn: Ms. Hood moved to adjourn the meeting. Mr. Roque seconded the motion. Motion passed 4-0. There being no further business, Mr. Scott adjourned the meeting at 10:31.

David Scott, President

Sandy Apperley

Lago Vista ISD

Statement of Revenues and Expenditures - General Fund

As of September 30, 2008

8.3% Of Fiscal Year

| | CURRENT YEAR | | | % OF BUDGET | PRIOR YEAR | | % OF ACTUAL TOTAL |
|---|----------------------|---------------------|----------------------|--------------|---------------------|--|-------------------|
| | BUDGET | ACTUAL | BALANCE | | CUMULATIVE ACTUAL | | |
| REVENUES | | | | | | | |
| 5710 LOCAL TAX REVENUES | \$ 12,851,525 | \$ 57,744 | \$ 12,793,781 | 0.45% | \$ 104,759 | | 0.90% |
| 57XX OTHER LOCAL REVENUES | \$ 382,000 | \$ 18,525 | \$ 363,475 | 4.85% | \$ 39,346 | | 12.03% |
| 58XX STATE PROG. REVENUES | \$ 4,058,556 | \$ 1,589,443 | \$ 2,469,113 | 39.16% | \$ 1,294,742 | | 39.10% |
| 59XX FED PROG. REVENUES | | \$ - | \$ - | | \$ - | | |
| TOTAL REVENUE | \$ 17,292,081 | \$ 1,665,712 | \$ 15,626,369 | 9.63% | \$ 1,438,847 | | 9.45% |
| EXPENDITURES | | | | | | | |
| 11 INSTRUCTION | \$ 7,102,535 | \$ 601,674 | \$ 6,500,861 | 8.47% | \$ 267,369 | | 4.12% |
| 12 LIBRARY | \$ 179,673 | \$ 11,643 | \$ 168,030 | 6.48% | \$ 8,967 | | 5.06% |
| 13 STAFF DEVELOPMENT | \$ 127,544 | \$ 8,484 | \$ 119,060 | 6.65% | \$ - | | 0.00% |
| 21 INST ADMINISTRATION | \$ 89,192 | \$ 7,532 | \$ 81,660 | 8.44% | \$ 6,923 | | 7.78% |
| 23 SCHOOL ADMINISTRATION | \$ 661,273 | \$ 55,846 | \$ 605,427 | 8.45% | \$ 52,509 | | 8.01% |
| 31 GUID AND COUNSELING | \$ 324,544 | \$ 26,877 | \$ 297,667 | 8.28% | \$ 9,387 | | 2.96% |
| 33 HEALTH SERVICES | \$ 106,180 | \$ 9,167 | \$ 97,013 | 8.63% | \$ 3,722 | | 3.45% |
| 34 PUPIL TRANSP - REGULAR | \$ 452,577 | \$ - | \$ 452,577 | 0.00% | \$ 10,124 | | 2.40% |
| 36 CO-CURRICULAR ACT | \$ 420,574 | \$ 61,399 | \$ 359,175 | 14.60% | \$ 48,641 | | 13.23% |
| 41 GEN ADMINISTRATION | \$ 568,648 | \$ 70,764 | \$ 497,884 | 12.44% | \$ 62,315 | | 10.73% |
| 51 PLANT MAINT & OPERATION | \$ 1,221,511 | \$ 118,564 | \$ 1,102,947 | 9.71% | \$ 92,799 | | 7.42% |
| 52 SECURITY | \$ 39,200 | \$ - | \$ 39,200 | 0.00% | \$ - | | 0.00% |
| 53 DATA PROCESSING | \$ 19,750 | \$ - | \$ 19,750 | 0.00% | \$ - | | 0.00% |
| 61 COMMUNITY SERVICE | \$ 13,345 | \$ 4,618 | \$ 8,727 | 34.60% | \$ 9,062 | | |
| 81 CONSTRUCTION | \$ 448,312 | \$ 6,828 | \$ 441,484 | 1.52% | \$ - | | 0.00% |
| 91 STUDENT ATTENDANCE CR | \$ 5,890,533 | \$ - | \$ 5,890,533 | 0.00% | \$ - | | 0.00% |
| 99 TRAVIS COUNTY APP | \$ 75,000 | \$ - | \$ 75,000 | 0.00% | \$ - | | 0.00% |
| 0 TRANSFER OUT | \$ - | \$ - | \$ - | 0.00% | \$ - | | 0.00% |
| TOTAL EXPENDITURES | \$ 17,740,391 | \$ 983,396 | \$ 16,756,995 | 5.54% | \$ 571,818 | | 3.61% |
| | | | | | | | |
| 1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008 | \$ 682,316 | | | | | EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008 | \$ 157,206 |
| | | | | | | | |
| 3000 BEG FUND BAL 9/1/07 | \$ 5,019,387 | | | | | BEG FUND BAL 9/1/07 | \$ 4,862,181 |
| | | | | | | | |
| 3000 END FUND BAL 8/31/08 | \$ 5,701,703 | | | | | END FUND BAL 8/31/08 | \$ 5,019,387 |
| | | | | | | | |
| 3510 RESERVED FUND BAL | \$ 338,056 | | | | | RESERVED FUND BAL - FY 2006-2007 | \$ 338,056 |
| 3600 UNRESERVED FUND BAL | \$ 5,363,647 | | | | | UNRESERVED FUND BAL - FY 2006-2007 | \$ 4,681,331 |

PR Amend
Budget

\$ 11,593,005
\$ 327,120
\$ 3,311,566

\$ 15,231,691

\$ 6,491,255
\$ 177,097
\$ 123,305
\$ 89,008
\$ 655,457
\$ 316,587
\$ 107,828
\$ 422,000
\$ 367,549
\$ 580,518
\$ 1,251,259
\$ 30,500
\$ 90,142
\$ -
\$ 448,312
\$ 4,565,000
\$ 70,610
\$ 37,968

\$15,824,395

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
TAX COLLECTIONS REPORT
AS OF September 30, 2008**

| | |
|---|-------------------------|
| 2007-2008 Original Tax Levy | \$ 13,221,822.05 |
| Delinquent Taxes as of 8/31/2007 | 1,722,552.29 |
| Total Receivables for 2007-08 | \$ 14,944,374.34 |
| Current Year Adjustments | (227,426.84) |
| Prior Year Adjustments | (44,003.42) |
| Adjusted Receivables | \$ 14,672,944.08 |
| Total Net Collections To Date (Less P&I) | \$ 13,039,787.40 |
| Outstanding Receivables as of: 09/30/2008 | \$ 1,633,156.68 |

| | |
|-----------------------------|-------------------------|
| 2007-2008 Original Tax Levy | \$ 13,221,822.05 |
| Current Year Adjustments | (227,426.84) |
| Net Levy | \$ 12,994,395.21 |

| | |
|----------------------------------|-------------------------|
| Taxes Collected: | |
| Maintenance-Current Tax | \$ 10,979,765.31 |
| Debt Service-Current Tax | 1,689,194.66 |
| Total Current Tax Levy Collected | \$ 12,668,959.97 |

Percentage of Current Tax Levy Collected 95.82%

| SUMMARY OF BUDGETED COLLECTIONS | BUDGETED | NET COLLECTED | BUDGETED VARIANCE | 2008 - 2009 % OF BUDGET COLLECTED | 2007 - 2008 | Amended Budget |
|---------------------------------------|-------------------------|---------------------|-------------------------|---|--------------|-------------------------|
| | | | | | | |
| M & O - Current Tax | \$ 12,219,684.00 | \$ 31,137.58 | \$ 12,188,546.42 | 0.25% | 0.21% | \$ 10,966,338.00 |
| M & O - Prior Year Tax | \$ 348,993.00 | \$ 10,125.70 | \$ 338,867.30 | 2.90% | 10.71% | \$ 346,667.00 |
| M & O - P & I | \$ 262,848.00 | \$ 12,023.85 | \$ 250,824.15 | 4.57% | 14.35% | \$ 260,000.00 |
| Sub-total | \$ 12,831,525.00 | \$ 53,287.13 | \$ 12,778,237.87 | 0.42% | 0.84% | \$ 11,573,005.00 |
| I & S - Current Tax | \$ 1,645,848.00 | \$ 4,191.31 | \$ 1,641,656.69 | 0.25% | 0.20% | \$ 1,687,129.00 |
| I & S - Prior Year Tax | \$ 47,458.00 | \$ 1,363.08 | \$ 46,094.92 | 2.87% | 9.91% | \$ 53,333.00 |
| I & S - P & I | \$ 35,593.00 | \$ 1,618.59 | \$ 33,974.41 | 4.55% | 13.28% | \$ 40,000.00 |
| Sub Total | \$ 1,728,899.00 | \$ 7,172.98 | \$ 1,721,726.02 | 0.41% | 0.78% | \$ 1,780,462.00 |
| Total Collections | \$ 14,560,424.00 | \$ 60,460.11 | \$ 14,499,963.89 | 0.42% | 0.84% | \$ 13,353,467.00 |

Collected

\$ 23,211.19

\$ 37,141.76

\$ 37,318.29

\$ 97,671.24

\$ 3,303.64

\$ 5,286.61

\$ 5,311.73

\$ 13,901.98

\$ 111,573.22

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
INVESTMENT SCHEDULE
AS OF September 30, 2008**

MONEY MARKET ACCOUNTS

| TEXPOOL | Balance | Interest Earned for the Month | APY | Aug 08 APY |
|----------------|----------------|--|------------|-------------------|
| General Fund | \$ 91,415.43 | \$ 180.50 | 2.41% | 2.29% |
| I&S | \$ 186.67 | \$ 0.34 | 2.41% | 2.29% |

LONESTAR INVESTMENT POOL

| | | | | |
|--|-----------------|--------------|-------|-------|
| General Fund - Liquidity Fund | \$ 1,032.87 | \$ 2.05 | 2.42% | 2.45% |
| General Fund - Liquidity Corp Fund | \$ 5,846,415.63 | \$ 10,371.10 | 2.43% | 2.45% |
| I&S - Liquidity Corporate Fund | \$ 656,018.25 | \$ 1,299.64 | 2.43% | 2.45% |
| Capital Projects - Liquidity Corp Fund | \$ 198,094.93 | \$ 394.13 | 2.43% | 2.45% |

CASH

| | | | | |
|----------------------|---------------------|-----------|-------|-------|
| Sweep Account | \$271,276.24 | \$ 476.12 | 1.90% | 1.90% |
| General Fund | \$ 52,416.33 | \$ 23.08 | 0.60% | 0.60% |
| Capital Projects | \$ 1.00 | \$ - | 0.60% | 0.60% |
| CP Sweep | \$ 49,520.25 | \$ 82.52 | 1.90% | 1.90% |
| Interest and Sinking | \$ 233.54 | \$ 0.10 | 0.60% | 0.60% |
| Total Cash in Bank | <u>\$373,447.36</u> | | | |

Total Investment Balance

| | |
|------------------|-----------------|
| General Fund | \$ 6,262,556.50 |
| I&S | \$ 656,438.46 |
| Capital Projects | \$ 247,616.18 |
| Total | \$ 7,166,611.14 |

| Interest Earned | LSIP | TexPool | Bank | Total |
|------------------------|--------------|----------------|-------------|----------------------------|
| General Fund | \$ 10,373.15 | \$ 180.50 | \$ 499.20 | \$ 11,052.85 |
| I&S | \$ 1,299.64 | \$ 0.34 | \$ 0.10 | \$ 1,300.08 |
| Capital Projects | \$ 7,944.66 | | \$ 82.52 | \$ 8,027.18 |
| Total | | | | <u><u>\$ 20,380.11</u></u> |

Board Report
 Comparison of Revenue to Budget
 Lago Vista ISD
 As of September

| | Estimated Revenue (Budget) | Revenue Realized Current | Revenue Realized To Date | Revenue Balance | Percent Realized |
|---|----------------------------------|--------------------------------|-----------------------------|----------------------|---------------------|
| 5000 - RECEIPTS | | | | | |
| 5700 - REVENUE-LOCAL & INTERMED | | | | | |
| 5710 - LOCAL REAL-PROPERTY TAXES | 12,851,525.00 | -57,743.58 | -57,743.58 | 12,793,781.42 | .45% |
| 5730 - TUITION FEES FROM PATRONS | 3,000.00 | .00 | .00 | 3,000.00 | .00% |
| 5740 - INTEREST, RENT, MISC REVENUE | 357,500.00 | -13,810.50 | -13,810.50 | 343,689.50 | 3.86% |
| 5750 - ATHLETIC ACTIIVTY REVENUE | 21,000.00 | -4,715.04 | -4,715.04 | 16,284.96 | 22.45% |
| 5760 - OTHER REV FM LOCAL SOURCE | 500.00 | .00 | .00 | 500.00 | .00% |
| Total REVENUE-LOCAL & INTERMED | 13,233,525.00 | -76,269.12 | -76,269.12 | 13,157,255.88 | .58% |
| 5800 - STATE PROGRAM REVENUES | | | | | |
| 5810 - PER CAPITA-FOUNDATION REV | 3,631,900.00 | -1,553,762.24 | -1,553,762.24 | 2,078,137.76 | 42.78% |
| 5830 - TRS ON-BEHALF | 426,656.00 | -35,680.92 | -35,680.92 | 390,975.08 | 8.36% |
| Total STATE PROGRAM REVENUES | 4,058,556.00 | -1,589,443.16 | -1,589,443.16 | 2,469,112.84 | 39.16% |
| Total Revenue Local-State-Federal | 17,292,081.00 | -1,665,712.28 | -1,665,712.28 | 15,626,368.72 | 9.63% |

Board Report
 Comparison of Expenditures and Encumbrances to Budget
 Lago Vista ISD
 As of September

| | Budget | Encumbrance YTD | Expenditure YTD | Current Expenditure | Balance | Percent Expended |
|---|----------------------|------------------|-------------------|---------------------|----------------------|------------------|
| 6000 - EXPENDITURES | | | | | | |
| 11 - INSTRUCTION | | | | | | |
| 6100 - PAYROLL COSTS | -6,441,769.34 | .00 | 549,386.82 | 549,386.82 | -5,892,382.52 | 8.53% |
| 6200 - PURCHASE CONTRACTED SVS | -145,184.00 | 3,412.75 | 31,504.88 | 31,504.88 | -110,266.37 | 21.70% |
| 6300 - SUPPLIES AND MATERIALS | -449,060.00 | 48,435.79 | 19,679.90 | 19,679.90 | -380,944.31 | 4.38% |
| 6400 - OTHER OPERATING EXPENSES | -42,747.00 | 324.95 | 1,102.85 | 1,102.85 | -41,319.20 | 2.58% |
| 6600 - CPTL OUTLY LAND BLDG EQUIP | -23,775.00 | 1,145.45 | .00 | .00 | -22,629.55 | .00% |
| Total Function 11 INSTRUCTION | -7,102,535.34 | 53,318.94 | 601,674.45 | 601,674.45 | -6,447,541.95 | 8.47% |
| 12 - LIBRARY | | | | | | |
| 6100 - PAYROLL COSTS | -138,911.00 | .00 | 11,643.35 | 11,643.35 | -127,267.65 | 8.38% |
| 6200 - PURCHASE CONTRACTED SVS | -6,912.00 | .00 | .00 | .00 | -6,912.00 | .00% |
| 6300 - SUPPLIES AND MATERIALS | -32,900.00 | .00 | .00 | .00 | -32,900.00 | .00% |
| 6400 - OTHER OPERATING EXPENSES | -950.00 | .00 | .00 | .00 | -950.00 | .00% |
| Total Function 12 LIBRARY | -179,673.00 | .00 | 11,643.35 | 11,643.35 | -168,029.65 | 6.48% |
| 13 - CURRICULUM | | | | | | |
| 6100 - PAYROLL COSTS | -80,580.00 | .00 | 5,965.00 | 5,965.00 | -74,615.00 | 7.40% |
| 6200 - PURCHASE CONTRACTED SVS | -9,000.00 | 2,745.00 | .00 | .00 | -6,255.00 | .00% |
| 6300 - SUPPLIES AND MATERIALS | -3,000.00 | 457.13 | 1,465.41 | 1,465.41 | -1,077.46 | 48.85% |
| 6400 - OTHER OPERATING EXPENSES | -34,964.00 | 2,651.62 | 1,054.00 | 1,054.00 | -31,258.38 | 3.01% |
| Total Function 13 CURRICULUM | -127,544.00 | 5,853.75 | 8,484.41 | 8,484.41 | -113,205.84 | 6.65% |
| 21 - INSTRUCTIONAL ADMINISTRATION | | | | | | |
| 6100 - PAYROLL COSTS | -84,992.00 | .00 | 7,089.54 | 7,089.54 | -77,902.46 | 8.34% |
| 6200 - PURCHASE CONTRACTED SVS | -1,500.00 | .00 | 442.80 | 442.80 | -1,057.20 | 29.52% |
| 6300 - SUPPLIES AND MATERIALS | -1,500.00 | 116.54 | .00 | .00 | -1,383.46 | .00% |
| 6400 - OTHER OPERATING EXPENSES | -1,200.00 | .00 | .00 | .00 | -1,200.00 | .00% |
| Total Function 21 INSTRUCTIONAL ADMINISTR. | -89,192.00 | 116.54 | 7,532.34 | 7,532.34 | -81,543.12 | 8.45% |
| 23 - CAMPUS ADMINISTRATION | | | | | | |
| 6100 - PAYROLL COSTS | -643,373.00 | .00 | 55,248.09 | 55,248.09 | -588,124.91 | 8.59% |
| 6200 - PURCHASE CONTRACTED SVS | -1,000.00 | .00 | .00 | .00 | -1,000.00 | .00% |
| 6300 - SUPPLIES AND MATERIALS | -11,900.00 | 1,199.34 | 185.52 | 185.52 | -10,515.14 | 1.56% |
| 6400 - OTHER OPERATING EXPENSES | -5,000.00 | 50.00 | 412.95 | 412.95 | -4,537.05 | 8.26% |
| Total Function 23 CAMPUS ADMINISTRATION | -661,273.00 | 1,249.34 | 55,846.56 | 55,846.56 | -604,177.10 | 8.45% |
| 31 - GUIDANCE AND COUNSELING SVS | | | | | | |
| 6100 - PAYROLL COSTS | -305,699.00 | .00 | 24,002.80 | 24,002.80 | -281,696.20 | 7.85% |
| 6200 - PURCHASE CONTRACTED SVS | -1,450.00 | .00 | 1,750.00 | 1,750.00 | 300.00 | 120.69% |
| 6300 - SUPPLIES AND MATERIALS | -9,245.00 | 1,296.84 | 1,125.00 | 1,125.00 | -6,823.16 | 12.17% |
| 6400 - OTHER OPERATING EXPENSES | -8,150.00 | .00 | .00 | .00 | -8,150.00 | .00% |
| Total Function 31 GUIDANCE AND COUNSELIN | -324,544.00 | 1,296.84 | 26,877.80 | 26,877.80 | -296,369.36 | 8.28% |
| 33 - HEALTH SERVICES | | | | | | |
| 6100 - PAYROLL COSTS | -103,880.00 | .00 | 9,167.07 | 9,167.07 | -94,712.93 | 8.82% |
| 6300 - SUPPLIES AND MATERIALS | -2,300.00 | .00 | .00 | .00 | -2,300.00 | .00% |
| Total Function 33 HEALTH SERVICES | -106,180.00 | .00 | 9,167.07 | 9,167.07 | -97,012.93 | 8.63% |
| 34 - PUPIL TRANSPORTATION-REGULAR | | | | | | |
| 6200 - PURCHASE CONTRACTED SVS | -452,577.66 | .00 | .00 | .00 | -452,577.66 | .00% |
| Total Function 34 PUPIL TRANSPORTATION-RE | -452,577.66 | .00 | .00 | .00 | -452,577.66 | .00% |
| 36 - CO-CURRICULAR ACTIVITIES | | | | | | |
| 6100 - PAYROLL COSTS | -157,759.00 | .00 | 15,769.12 | 15,769.12 | -141,989.88 | 10.00% |
| 6200 - PURCHASE CONTRACTED SVS | -66,841.00 | 1,059.35 | 7,825.58 | 7,825.58 | -57,956.07 | 11.71% |
| 6300 - SUPPLIES AND MATERIALS | -83,800.00 | 5,502.19 | 28,785.77 | 28,785.77 | -49,512.04 | 34.35% |
| 6400 - OTHER OPERATING EXPENSES | -95,174.00 | 2,168.40 | 9,019.00 | 9,019.00 | -83,986.60 | 9.48% |
| 6600 - CPTL OUTLY LAND BLDG EQUIP | -17,000.00 | 7,100.00 | .00 | .00 | -9,900.00 | .00% |
| Total Function 36 CO-CURRICULAR ACTIVITIES | -420,574.00 | 15,829.94 | 61,399.47 | 61,399.47 | -343,344.59 | 14.60% |
| 41 - GENERAL ADMINISTRATION | | | | | | |

Board Report
 Comparison of Expenditures and Encumbrances to Budget
 Lago Vista ISD
 As of September

| | Budget | Encumbrance YTD | Expenditure YTD | Current Expenditure | Balance | Percent Expended |
|--|-----------------------|--------------------|--------------------|------------------------|-----------------------|---------------------|
| 6000 - EXPENDITURES | | | | | | |
| 41 - GENERAL ADMINISTRATION | | | | | | |
| 6100 - PAYROLL COSTS | -348,298.49 | .00 | 30,723.77 | 30,723.77 | -317,574.72 | 8.82% |
| 6200 - PURCHASE .CONTRACTED SVS | -185,350.00 | 800.00 | 35,381.02 | 35,381.02 | -149,168.98 | 19.09% |
| 6300 - SUPPLIES AND MATERIALS | -10,500.00 | .00 | 46.38 | 46.38 | -10,453.62 | .44% |
| 6400 - OTHER OPERATING EXPENSES | -24,500.00 | .00 | 4,613.34 | 4,613.34 | -19,886.66 | 18.83% |
| Total Function 41 GENERAL ADMINISTRATION | -568,648.49 | 800.00 | 70,764.51 | 70,764.51 | -497,083.98 | 12.44% |
| 51 - PLANT MAINTENANCE & OPERATION | | | | | | |
| 6100 - PAYROLL COSTS | -192,677.00 | .00 | 15,879.00 | 15,879.00 | -176,798.00 | 8.24% |
| 6200 - PURCHASE .CONTRACTED SVS | -870,034.51 | 33,033.31 | 97,366.78 | 97,366.78 | -739,634.42 | 11.19% |
| 6300 - SUPPLIES AND MATERIALS | -70,000.00 | 6,209.88 | 2,941.35 | 2,941.35 | -60,848.77 | 4.20% |
| 6400 - OTHER OPERATING EXPENSES | -58,800.00 | .00 | 2,377.00 | 2,377.00 | -56,423.00 | 4.04% |
| 6600 - CPTL OUTLY LAND BLDG .EQUIP | -30,000.00 | .00 | .00 | .00 | -30,000.00 | .00% |
| Total Function 51 PLANT MAINTENANCE & OPE | -1,221,511.51 | 39,243.19 | 118,564.13 | 118,564.13 | -1,063,704.19 | 9.71% |
| 52 - SECURITY | | | | | | |
| 6200 - PURCHASE .CONTRACTED SVS | -39,200.00 | .00 | .00 | .00 | -39,200.00 | .00% |
| Total Function 52 SECURITY | -39,200.00 | .00 | .00 | .00 | -39,200.00 | .00% |
| 53 - DATA PROCESSING | | | | | | |
| 6200 - PURCHASE .CONTRACTED SVS | -11,750.00 | .00 | .00 | .00 | -11,750.00 | .00% |
| 6300 - SUPPLIES AND MATERIALS | -5,000.00 | .00 | .00 | .00 | -5,000.00 | .00% |
| 6400 - OTHER OPERATING EXPENSES | -3,000.00 | 35.00 | .00 | .00 | -2,965.00 | .00% |
| Total Function 53 DATA PROCESSING | -19,750.00 | 35.00 | .00 | .00 | -19,715.00 | .00% |
| 61 - COMMUNITY SERVICES | | | | | | |
| 6100 - PAYROLL COSTS | -13,345.00 | .00 | 4,618.82 | 4,618.82 | -8,726.18 | 34.61% |
| Total Function 61 COMMUNITY SERVICES | -13,345.00 | .00 | 4,618.82 | 4,618.82 | -8,726.18 | 34.61% |
| 81 - CAPITAL PROJECTS | | | | | | |
| 6200 - PURCHASE .CONTRACTED SVS | -26,500.00 | .00 | .00 | .00 | -26,500.00 | .00% |
| 6600 - CPTL OUTLY LAND BLDG .EQUIP | -421,812.00 | .00 | 6,828.04 | 6,828.04 | -414,983.96 | 1.62% |
| Total Function 81 CAPITAL PROJECTS | -448,312.00 | .00 | 6,828.04 | 6,828.04 | -441,483.96 | 1.52% |
| 91 - CHAPTER 41 PAYMENT | | | | | | |
| 6200 - PURCHASE .CONTRACTED SVS | -5,890,533.00 | .00 | .00 | .00 | -5,890,533.00 | .00% |
| Total Function 91 CHAPTER 41 PAYMENT | -5,890,533.00 | .00 | .00 | .00 | -5,890,533.00 | .00% |
| 99 - PAYMENT TO OTHER GOVERN ENT | | | | | | |
| 6200 - PURCHASE .CONTRACTED SVS | -75,000.00 | .00 | .00 | .00 | -75,000.00 | .00% |
| Total Function 99 PAYMENT TO OTHER GOVER | -75,000.00 | .00 | .00 | .00 | -75,000.00 | .00% |
| 8000 - OTHER USES | | | | | | |
| 00 - DISTRICT WIDE | | | | | | |
| 8900 - OTHER USES-TRANSFERS OUT | .00 | .00 | .00 | .00 | .00 | .00% |
| Total Function 00 DISTRICT WIDE | .00 | .00 | .00 | .00 | .00 | .00% |
| Total Expenditures | -17,740,393.00 | 117,743.54 | 983,400.95 | 983,400.95 | -16,639,248.51 | 5.54% |

| | Estimated Revenue (Budget) | Revenue Realized Current | Revenue Realized To Date | Revenue Balance | Percent Realized |
|-----------------------------------|----------------------------------|--------------------------------|-----------------------------|--------------------|---------------------|
| 5000 - RECEIPTS | | | | | |
| 5700 - REVENUE-LOCAL & INTERMED | | | | | |
| 5750 - ATHLETIC ACTIIVTY REVENUE | 302,405.00 | -35,156.12 | -35,156.12 | 267,248.88 | 11.63% |
| Total REVENUE-LOCAL & INTERMED | 302,405.00 | -35,156.12 | -35,156.12 | 267,248.88 | 11.63% |
| 5800 - STATE PROGRAM REVENUES | | | | | |
| 5820 - STATE PROGRAM REVENUES | 2,800.00 | .00 | .00 | 2,800.00 | .00% |
| Total STATE PROGRAM REVENUES | 2,800.00 | .00 | .00 | 2,800.00 | .00% |
| 5900 - FEDERAL PROGRAM REVENUES | | | | | |
| 5920 - OBJECT DESCR FOR 5920 | 152,829.00 | .00 | .00 | 152,829.00 | .00% |
| Total FEDERAL PROGRAM REVENUES | 152,829.00 | .00 | .00 | 152,829.00 | .00% |
| Total Revenue Local-State-Federal | 458,034.00 | -35,156.12 | -35,156.12 | 422,877.88 | 7.68% |

| | Budget | Encumbrance YTD | Expenditure YTD | Current Expenditure | Balance | Percent Expended |
|---------------------------------|-------------|--------------------|--------------------|------------------------|-------------|---------------------|
| 6000 - EXPENDITURES | | | | | | |
| 35 - FOOD SERVICES | | | | | | |
| 6100 - PAYROLL COSTS | .00 | .00 | 451.44 | 451.44 | 451.44 | .00% |
| 6200 - PURCHASE CONTRACTED SVS | -212,520.00 | .00 | .00 | .00 | -212,520.00 | .00% |
| 6300 - SUPPLIES AND MATERIALS | -245,514.00 | 131.65 | .00 | .00 | -245,382.35 | .00% |
| Total Function 35 FOOD SERVICES | -458,034.00 | 131.65 | 451.44 | 451.44 | -457,450.91 | .10% |
| Total Expenditures | -458,034.00 | 131.65 | 451.44 | 451.44 | -457,450.91 | .10% |

Board Report
Comparison of Revenue to Budget
Lago Vista ISD
As of September

| | Estimated Revenue (Budget) | Revenue Realized Current | Revenue Realized To Date | Revenue Balance | Percent Realized |
|-------------------------------------|----------------------------------|--------------------------------|-----------------------------|--------------------|---------------------|
| 5000 - RECEIPTS | | | | | |
| 5700 - REVENUE-LOCAL & INTERMED | | | | | |
| 5710 - LOCAL REAL-PROPERTY TAXES | 1,728,899.00 | -7,172.98 | -7,172.98 | 1,721,726.02 | .41% |
| 5740 - INTEREST, RENT, MISC REVENUE | 28,141.76 | -1,300.08 | -1,300.08 | 26,841.68 | 4.62% |
| Total REVENUE-LOCAL & INTERMED | 1,757,040.76 | -8,473.06 | -8,473.06 | 1,748,567.70 | .48% |
| Total Revenue Local-State-Federal | 1,757,040.76 | -8,473.06 | -8,473.06 | 1,748,567.70 | .48% |

Board Report
Comparison of Expenditures and Encumbrances to Budget
Lago Vista ISD
As of September

| | Budget | Encumbrance YTD | Expenditure YTD | Current Expenditure | Balance | Percent Expended |
|---------------------------------|---------------|--------------------|--------------------|------------------------|---------------|---------------------|
| 6000 - EXPENDITURES | | | | | | |
| 71 - DEBT SERVICES | | | | | | |
| 6200 - PURCHASE CONTRACTED SVS | -1,200.00 | .00 | .00 | .00 | -1,200.00 | .00% |
| 6500 - DEBT SERVICE | -1,802,803.76 | .00 | .00 | .00 | -1,802,803.76 | .00% |
| Total Function 71 DEBT SERVICES | -1,804,003.76 | .00 | .00 | .00 | -1,804,003.76 | .00% |
| Total Expenditures | -1,804,003.76 | .00 | .00 | .00 | -1,804,003.76 | .00% |
| End of Report | | | | | | |