

**AGENDA OF SCHOOL DISTRICT REGULAR MEETING
BOARD OF TRUSTEES
RANDOLPH FIELD INDEPENDENT SCHOOL DISTRICT
APRIL 23, 2020**

A Regular Meeting of the Board of Trustees of Randolph Field Independent School District will be held April 23, 2020, beginning at 4:15 PM in the RANDOLPH FIELD ISD PO BOX 2217, Bldg 1100 Randolph AFB Universal City, TX 78148.

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

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

1. Call to Order
2. Quorum
3. Pledge of Allegiance and Invocation
4. Public Comment
5. Public Testimony
6. News and Information from Campus Principals
7. Consent Agenda: Review, Consider and take possible action concerning:
 - A. March 30, 2020 Official School Board Minutes 2
 - B. Instructional Materials Allotment and TEKS Certification 2020-2021 4
 - C. Approval of Waiver of Educator Appraisals for the 2019-2020 School Year 5
 - D. Resolution of the Board Regarding Extension of Leave During Precautionary Exclusion 6
 - E. Consideration for Approval of the Audit Engagement Letter 8
 - F. Consideration of Approval of 3rd Quarter Investments Report as of March 31, 2020 19
 - G. Consideration of Approval of Budget Amendment #5 24
 - H. Consideration of Approval of Resolution of the Board Regarding Pandemic Emergency Procurement Procedures 26
8. Discussion of Audit Governance Letter 27
9. Discussion of Financial Statements 31
10. Superintendent's Report
11. Review of District Events
12. Adjourn
13. Call to Order
14. Quorum
15. Pledge of Allegiance and Invocation
16. Public Comment
17. Public Testimony
18. News and Information from Campus Principals
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 - E. Consideration for Approval of the Audit Engagement Letter 42
 - F. Consideration of Approval of 3rd Quarter Investments Report as of March 31, 2020 53
 - G. Consideration of Approval of Budget Amendment #5 58
 - H. Consideration of Approval of Resolution of the Board Regarding Pandemic Emergency Procurement Procedures 60
20. Discussion of Audit Governance Letter 61
21. Discussion of Financial Statements 65
22. Superintendent's Report
23. Review of District Events
24. Adjourn

OFFICIAL MINUTES
RANDOLPH FIELD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
March 30, 2020

1. Mr. Patrick Luna called the meeting to order at 4:16 p.m.
2. Mr. Luna declared a quorum present. PRESENT: Patrick Luna, Jimmy Cornelius, William Morrison, Peter Duffy, Vanessa Bowden.
3. Public Testimony: **None**
4. Public Comment: **None**
5. Closed Session: For the purpose of consideration of matters for which closed or executive sessions are authorized by the Title 5, Chapter 551, and Texas Govt. Code Section 551.074 Personnel Matters. Discuss Employment of Superintendent
The board will now enter closed session as authorized by Title 5, Chapter 551, Texas Govt Code Section 551.074 Personnel Matters.

The Board moves into closed session at _____ a.m./p.m
The Board returns to open Session at _____ a.m./p.m

This item will allow the board to enter into closed session should the board desire to do so. The board did not need to go into close session.
6. Consideration of Approval to offer the Position and Contract to Dr. Brian Holt as Superintendent **Motioned by** Jimmy Cornelius **Seconded by** William Morrison. 5 – 0 carried the motion.
7. Deliberation and possible action to award construction contract and adopt project budget for the Randolph Elementary School Replacement project. To approve hiring FA Nunnally as general contractor, recommended by Gallegher and to adopt the project budget. We plan to break ground June 1, 2020. **Motioned by** Jimmy Cornelius **Second by** Peter Duffy.
8. Consent agenda: Review, consider and take possible action concerning:
 - A. February 27, 2020 Official School Board Minutes
 - B. March 3, 2020 Official Board Minutes Special Board Meeting
 - C. March 7, 2020 Official Board Minutes Special Board Meeting
 - D. March 19, 2020 Official Board Minutes Special Board Meeting
 - E. Renew Purchasing Contract with State of Texas CO-OP
 - F. Approval of Municipal Advisory Agreement with Live Oak Public Finance LLC**Motioned by** Jimmy Cornelius **Seconded by** Vanessa Bowden. 5-0 Carried the motion.

9. Discussion of Financial Reports: Mrs. Remick was available to answer any questions the board may have.

10. Superintendent's Report: Mrs. Bendele was available to answer any questions the board may have.

11. Adjourn

Time: 5:12 pm

ATTEST APPROVE

William Morrison, Secretary

Patrick Luna, President

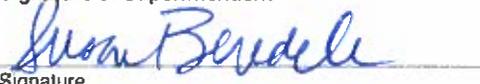
Allotment and TEKS Certification, 2020-21

The district superintendent, along with the president and secretary of the local board of trustees, or the officers of the governing body of the charter school, certify the following:

- 1) This district's technology and instructional materials allotment is used only for expenses allowed by the Texas Education Code (TEC), §31.0211.
- 2) For the current school year, this district has instructional materials that collectively cover all elements of the Texas Essential Knowledge and Skills of the required curriculum identified in the TEC, §28.002, other than physical education, for each subject and grade level (TEC §31.004).
- 3) Upon request, this district will provide to the State Board of Education the title and publication information for any instructional materials requisitioned or purchased by the district with the district's allotment (TEC §31.101).

Certified	Grade Level	Certified	Subject Area
<input checked="" type="checkbox"/>	Kindergarten	<input checked="" type="checkbox"/>	CAREER & TECHNICAL EDUCATION (CTE)
<input checked="" type="checkbox"/>	Grade 1	<input checked="" type="checkbox"/>	ENGLISH LANGUAGE ARTS AND READING
<input checked="" type="checkbox"/>	Grade 2	<input checked="" type="checkbox"/>	ENGLISH LANGUAGE PROFICIENCY STANDARDS
<input checked="" type="checkbox"/>	Grade 3	<input checked="" type="checkbox"/>	FINE ARTS
<input checked="" type="checkbox"/>	Grade 4	<input checked="" type="checkbox"/>	HEALTH
<input checked="" type="checkbox"/>	Grade 5	<input checked="" type="checkbox"/>	LANGUAGES OTHER THAN ENGLISH
<input checked="" type="checkbox"/>	Grade 6	<input checked="" type="checkbox"/>	MATHEMATICS
<input checked="" type="checkbox"/>	Grade 7	<input checked="" type="checkbox"/>	SCIENCE
<input checked="" type="checkbox"/>	Grade 8	<input checked="" type="checkbox"/>	SOCIAL STUDIES
<input checked="" type="checkbox"/>	Grade 9	<input checked="" type="checkbox"/>	TECHNOLOGY APPLICATIONS
<input checked="" type="checkbox"/>	Grade 10		
<input checked="" type="checkbox"/>	Grade 11		
<input checked="" type="checkbox"/>	Grade 12		

4

Signature of Superintendent

Signature

Signatures of Board President and Secretary or Governing Board Officers

Board President

Board Secretary

Scan the signed certification document and attach it to an [Instructional Materials Help Desk](#) ticket with the following subject line: [your district] certification (ex: Anywhere ISD)

Agenda Title: Waiver of Educator Appraisals for 2019-2020 school year

Purpose: Discussion

Action

Background:

The Texas Education Agency (TEA) is allowing school districts to apply for a waiver for staff appraisals/evaluations for the 2019-2020 school year. The waiver gives school districts that are unable to meet the requirements of T-TESS (teacher appraisal), T-PESS (principal/administrator appraisal), and other staff appraisals flexibility as to which aspects of the appraisal process can be completed, and which if any, aspects cannot be completed, and thus would be covered under a waiver due to the operational disruption from the COVID - 19 pandemic. Those portions that may not be able to be completed are formal observations or informal observations that would have taken place after March 16 as well as formative or summative conferences. The Districtwide Improvement Committee has given its approval of this waiver.

Alternatives Considered: An attempt could be made to complete appraisals virtually but is not recommended due to the observational nature of the appraisal process and the burden on staff to complete the process.

Funding: N/A

Recommendations and Impact: It is recommended that the Board of Trustees approve the waiver of educator appraisals for the 2019-2020 school year.

Contact Person: Susan Bendele @ 357 – 2300

Attachments: N/A

Agenda Title: Approval of Board Resolution Regarding Extension of Leave During Precautionary Exclusion

Purpose: [] Discussion
[X] Action

Background:

This resolution extends employee leave during a precautionary exclusion caused by a pandemic. It would allow the district to extend sick leave for employees after the employee has exhausted their regular leave. This encourages employees to remain home when sick without fear of loss of pay. This resolution would extend sick leave pay if needed for up to 15 days if the leave is related to the pandemic. The Board may reconvene and extend the time period at a later date if necessary.

Alternatives Considered:

The Board may choose to forego this resolution and all employee's would be docked pay once they have exhausted their leave.

Funding:

There would be no additional cost of this measure.

Recommendations and Impact:

It is recommended the board approve the resolution.

Contact Person: Susan Bendele @ 357 – 2300

Attachments:

Resolution of the Board Regarding Extension of Leave During Precautionary Exclusion

**Resolution of the Board Regarding Extension of Leave
During Precautionary Exclusion**

WHEREAS, the Board is authorized by Texas Education Code section 45.105 to expend funds of Randolph Field Independent School District for purposes necessary in the conduct of the public schools as determined by the Board;

WHEREAS, the Board acknowledges that during an epidemic, District employees may be instructed not to report for work or decide voluntarily not to report to work;

WHEREAS, the Board finds that a need exists to address additional leave for employees who are instructed not to report for work or decide voluntarily not to report to work and have exhausted all available state and local leave days;

WHEREAS, the Board determines that employees who are instructed not to report to work may suffer a loss of pay if they do not report for work or decide voluntarily not to report to work and have exhausted all available state and local leave days; and

WHEREAS, the Board concludes that providing additional paid leave to all regular employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work due to an epidemic or decide voluntarily not to report to work, serves the public purposes of protecting students and staff, maintaining morale, and reducing turnover;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Randolph Field Independent School District authorizes providing additional paid leave for all regular employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work during an epidemic or decide voluntarily not to report to work and have exhausted all available state and local leave days.

The authority granted by this resolution to provide additional paid leave for all employees instructed not to report for work or who decide voluntarily not to report to work provides additional leave for a maximum duration of 15 days unless the Board takes action to authorize leave for a longer duration.

To ensure an employee’s voluntary exclusion serves the public purpose of protecting students and staff, employees requesting additional leave must show cause for voluntary exclusion from work such as potential exposure to virus or travel in a high-risk area.

Adopted this _____ day of _____, _____, by the Board of Trustees.

Board President _____

Board Secretary _____

AGENDA TITLE: Engagement for Auditing Services

PURPOSE: Discussion
 Action

Description: As required by law, an annual audit must be conducted by an independent audit firm. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements issued by the administration. It also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. The auditor also performs a compliance audit of management controls on investments and adherence to established investment policies.

The District put out a Request for Qualifications for audit services in March 2018 for a period of five year. We received a total of nine responses. Based on the evaluation criteria in the RFQ, we selected our current auditors, RSM US, LLP. Their proposal to conduct the audit for the current fiscal year ended June 30, 2020 is \$44,150.

I. Alternatives Considered: None.

II. Funding Impact: \$44,150 out of the general fund.

III. Contact Person: Lorrie Remick @ 357-2479 with questions or concerns.

IV. Attachments: Arrangement letter from RSM US, LLP



RSM US LLP

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April 9, 2020

To the Board of Trustees
Randolph Field Independent School District
P.O. Box 2217
Universal City, TX 78148-2217

Attention: Susan Bendele, Interim Superintendent

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit Randolph Field Independent School District's (the District) governmental activities, each major fund and aggregate remaining fund information as of and for the year ending June 30, 2020, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

9

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

We will also perform the audit of Randolph Field Independent School District as of June 30, 2020 so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); the provisions of the Single Audit Act; Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the U.S. Office of Management and Budget's (OMB) Compliance Supplement and the requirements of the Texas Agency; and the guidance provided in the audit guide titled *Audits of State and Local Government Units* issued by the American Institute of Certified Public Accountants. Those standards, regulations, supplements or guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the District and that are to be included as part of our audit are listed here:

- General Fund
- Capital Projects Fund
- Nonmajor Governmental Funds

The federal financial assistance programs and awards that you have told us that Randolph Field Independent School District participates in and that are to be included as part of the single audit are listed here:

- Air Force Junior Officer Training Corp (AFJROTC)
- Department of Defense Supplement—Section 572
- DoDEA Grant—Post Secondary Readiness: Ensuring a Future of their Choosing
- DoDEA Grant—MCASP—Formulating our Futures
- DoDEA Grant—MCASP—Reaching the Whole Child
- ESEA Title I, Part A—Improving Basic Programs
- ESEA Title II—Teacher and Principal Training
- Shared Service Arrangement Career and Technical Basic
- ESEA Title III Part A—English Language Acquisition and Language Enhancement—SSA
- Title VII—Basic Payment

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and regulations identified above. Our report(s) on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;

11

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse, or suspected fraud or abuse, affecting the entity received in communications from employees, former employees, analysts, regulators or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Because the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; and (g) submitting the reporting package and data collection form.

12

The Board of Trustees is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the entity.

Our association with an official statement is a matter for which separate arrangements will be necessary. Randolph Field Independent School District agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when Randolph Field Independent School District seeks such consent, we will be under no obligation to grant such consent or approval.

Randolph Field Independent School District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Randolph Field Independent School District agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering.

Records and Assistance

If circumstances arise relating to the condition of the District's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by District personnel is described in the previously provided client participation list, which outlines the specific schedules and analyses that should be completed by District personnel, including the dates when the information should be available to us. The participation list has been discussed with and agreed to by Ms. Lorrie Remick, CPA, CFO. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including some assistance with the preparation of the financial statements. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to Randolph Field Independent School District, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. Randolph Field Independent School District has agreed that Ms. Lorrie Remick, CPA, CFO possesses suitable skill, knowledge or experience and that the individual understands the services to be performed, if any, sufficiently to oversee them. Accordingly, management of Randolph Field Independent School District agrees to the following:

1. Randolph Field Independent School District has designated Ms. Lorrie Remick, CPA, CFO as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Ms. Lorrie Remick, CPA, CFO will assume all management responsibilities for subject matter and scope of the assistance with the preparation of the financial statements;
3. Randolph Field Independent School District will evaluate the adequacy and results of the services performed; and
4. Randolph Field Independent School District accepts responsibility for the results and ultimate use of the services.

13

GAS further requires that we establish an understanding with Randolph Field Independent School District's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this letter documents that understanding.

Other Relevant Information

RSM US LLP may mention the District's name and provide a general description of the engagement in RSM US LLP's client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In addition, we may utilize financial information you have provided to us in connection with this engagement for purposes of creating benchmarking data to be used by RSM US LLP's professionals and other clients. This benchmarking data is aggregated with data from a minimum of five other entities so that users of the data are unable to associate the data with any single entity in the database.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

Fees, Costs and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from District personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

The fee also includes the testing and reporting associated with one major federal program. If additional federal or state programs must be tested, we will discuss additional, time, effort, and related fees with management prior to commencing.

14

The fees for the services described in this letter also include the continued review and support for the GASB Statement No. 34 financial reporting conversion, review of the District's Management's Discussion and Analysis Letter to the Board of Trustees, and other related GASB Statement No. 34 requirements. Our fee is \$40,800, unless the scope of the engagement is changed, the assistance which the District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you. In addition to the above fee, we estimate the reporting and assembly of the GASB Statement No. 34 compliant report to be \$3,350 for the year ending June 30, 2020.

The above fee includes the continued requirement of the reporting of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. This includes among other things, review of an actuarial report by an internal actuarial specialist, participant data testing, update of GASB Statement No. 68 and GASB Statement No. 75 footnote disclosures, and other required supplemental information.

During the term of our contract, new audit and accounting pronouncements may be issued and or non-routine transactions could occur that are not contemplated at this time. These events could affect the District's financial reporting. We will discuss with the District any new audit and accounting pronouncements and/or non-routine transactions that may apply to the District and determine applicability and effect on the District. Time and effort and any additional fees for the implementation of any new audit and accounting pronouncements and/or efforts to account for non-routine transactions will be discussed and billed separately.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The evaluation and the initial first year implementation, including additional testing and the addition of Special Revenue Funds and Custodian Fund Statements, of GASB Statement No. 84 is included in the above fee arrangement.

The District has mentioned the possibility of issuing debt in fiscal year 2020. The fee proposed above does not include any additional work efforts to assess the financing and related reporting requirements in the financial statements, including footnote disclosures. We will discuss any efforts and related fees with the District upon issuance of the debt.

15

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. We will submit our bill for these services promptly upon rendering the report. Billings are due upon submission.

In the event you terminate this engagement, you will pay RSM US LLP for all services rendered (including deliverables and products delivered), expenses incurred and commitments made by RSM US LLP through the effective date of termination.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, RSM US LLP may, at its sole discretion, terminate this arrangement letter without further obligation to Randolph Field Independent School District. Resumption of audit work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for RSM US LLP to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the District agrees it will compensate RSM US LLP for any additional costs incurred as a result of the District's employment of a partner or professional employee of RSM US LLP.

The audit documentation for this engagement is the property of RSM US LLP and constitutes confidential information.

Review of audit documentation by a successor auditor or as part of due diligence will be agreed to, accounted for and billed separately.

In the event we are requested or authorized by Randolph Field Independent School District or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Randolph Field Independent School District, Randolph Field Independent School District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

To the Board of Trustees
Randolph Field Independent School District
April 9, 2020
Page 8

The documentation for this engagement is the property of RSM US LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RSM US LLP audit personnel and at a location designated by our firm.

Indemnification and Claim Resolution

Because RSM US LLP will rely on Randolph Field Independent School District and its management and Board of Trustees to discharge the foregoing responsibilities, Randolph Field Independent School District holds harmless and releases RSM US LLP and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of Randolph Field Independent School District's management that has caused, in any respect, RSM US LLP's breach of contract or negligence.

16

Randolph Field Independent School District and RSM US LLP agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the audit report issued by RSM US LLP or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM US LLP's liability for all claims, damages and costs of Randolph Field Independent School District arising from this engagement is limited to the amount of fees paid by Randolph Field Independent School District to RSM US LLP for the services rendered under this arrangement letter.

These provisions shall survive the termination of this arrangement for services.

Information Security—Miscellaneous Terms

RSM US LLP is committed to the safe and confidential treatment of Randolph Field Independent School District's proprietary information. RSM US LLP is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Randolph Field Independent School District agrees that it will not provide RSM US LLP with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Randolph Field Independent School District's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM US LLP may terminate this relationship immediately in its sole discretion if RSM US LLP determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or RSM US LLP's client acceptance or retention standards, or if Randolph Field Independent School District is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, Randolph Field Independent School District or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of Randolph Field Independent School District's financial statements. Our report will be addressed to the Board of Trustees of Randolph Field Independent School District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on Randolph Field Independent School District's financial statements, we will also issue the following types of reports:

1. A report on the fairness of the presentation of Randolph Field Independent School District's schedule of expenditures of federal awards for the year ending June 30, 2020;
2. Reports on internal control related to the financial statements and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal control;
3. Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a material effect, as defined by Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on each major program;
4. An accompanying schedule of findings and questioned costs.

17

This letter constitutes the complete and exclusive statement of agreement between RSM US LLP and Randolph Field Independent School District, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

To the Board of Trustees
Randolph Field Independent School District
April 9, 2020
Page 10

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

RSM US LLP



Santos Fraga, Partner

Confirmed on behalf of Randolph Field Independent School District:

Susan Bendele, Interim Superintendent

Date

Lorrie Remick, Chief Financial Officer

Date

Agenda Title: 3rd Quarter FY 2020 Investment Reports

Purpose: [X] Discussion
[X] Action

Description: As is required by school board policy CDA, a quarterly investment report is presented to the Randolph Field ISD Board of Trustees for review and approval. This report serves as the third quarterly report for fiscal year 2020, as required by law. Interest earnings for the third quarter ended March 31, 2020 totaled \$23,708.40. The market value for all investments at the end of the quarter was at 100.00% of book value. All Investments met the District's investment strategies and policies, with the district's primary goal being safety of investments and purchased to be held until maturity.

Recommendations: We recommend the Board approve the first quarter investment report as presented as part of the consent agenda.

I. Alternatives Considered: None

II. Funding Impact: \$23,708.40 interest earned for the quarter ended March 31, 2020. Investment earnings are accounted for in the General Fund.

III. Contact Person: Lorrie Remick @ 357– 2479 with questions or concerns.

IV. Attachments: 3rd Quarter Investment Report

Lorrie Remick, Chief Financial Officer

Linda Mills, Director of Human Resources

**RANDOLPH FIELD ISD
INVESTMENT SCHEDULE
March 31, 2020**

<u>Description</u>	<u>Current Market Value</u>	<u>QTRLY INTEREST</u>	<u>YEAR-TO-DATE INTEREST</u>	<u>Current Book Value</u>
Texas Class	\$ 1,897,313.42	\$ 7,988.49	\$ 32,825.84	\$ 1,897,313.42
Lone Star Corporate	1,771,578.37	8,013.39	32,054.65	1,771,578.37
Lone Star Govt	104,023.26	365.24	1,392.74	104,023.26
TexPool	99,885.08	345.61	1,338.17	99,885.08
LOGIC	1,613,297.73	6,656.67	27,941.49	1,613,297.73
Chase High Yield Fund	346,854.16	339.00	1,440.43	346,854.16
TOTAL ALL FUNDS	\$ 5,832,952.02	\$ 23,708.40	\$ 96,993.32	\$ 5,832,952.02

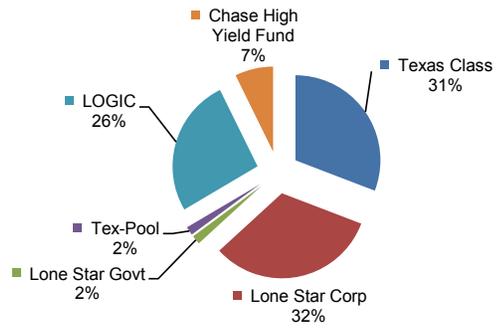
<u>Description</u>	<u>Monthly Interest for the Year</u>												<u>Total</u>
	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	
Texas Class	\$ 4,850.87	\$ 4,595.01	\$ 4,305.66	\$ 4,220.67	\$ 3,797.84	\$ 3,067.30	\$ 2,975.73	\$ 2,657.12	\$ 2,355.64	\$ -	\$ -	\$ -	\$ 32,825.84
Lone Star Corporate	6,185.63	4,729.00	3,605.10	3,438.68	3,031.43	3,051.42	3,005.48	2,721.19	2,286.72	-	-	-	32,054.65
Lone Star Govt	206.69	189.00	177.49	166.33	145.51	142.48	139.04	128.79	97.41	-	-	-	1,392.74
TexPool	199.85	182.12	175.89	160.88	136.85	136.97	134.62	125.96	85.03	-	-	-	1,338.17
LOGIC	4,243.81	4,040.25	3,772.22	3,578.38	3,106.65	2,543.51	2,453.02	2,252.25	1,951.40	-	-	-	27,941.49
Chase High Yield	245.78	196.73	190.47	170.35	146.58	151.52	151.57	141.84	45.59	-	-	-	1,440.43
	\$ 15,932.63	\$ 13,932.11	\$ 12,226.83	\$ 11,735.29	\$ 10,364.86	\$ 9,093.20	\$ 8,859.46	\$ 8,027.15	\$ 6,821.79	\$ -	\$ -	\$ -	\$ 96,993.32

RANDOLPH FIELD ISD INVESTMENT REPORT

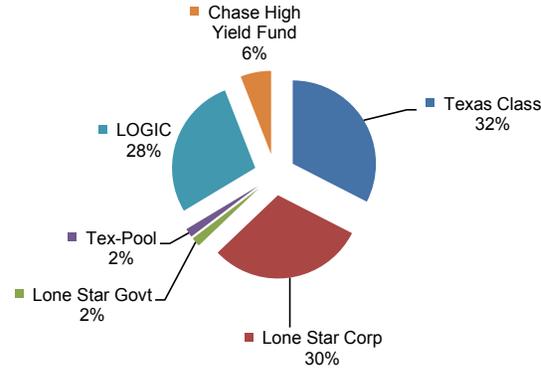
March 31, 2020

INVESTMENTS BY TYPE

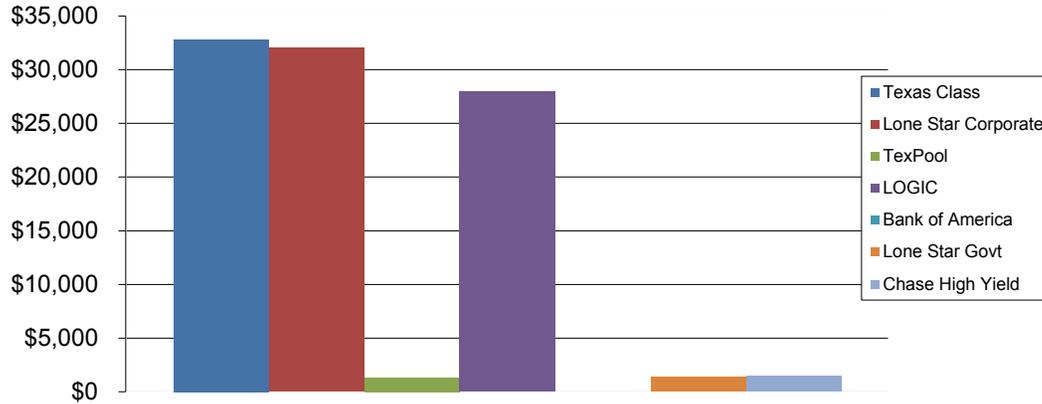
START OF QUARTER



END OF QUARTER



QUARTERLY INVESTMENT INCOME BY TYPE



Total Investment Income

QTRLY
\$ 23,708.40

YTD
\$ 96,993.32

**RANDOLPH FIELD ISD
INVESTMENT REPORT**
March 31, 2020

**Investment Pool
Monthly Averages**

Month	Year	Lone Star	Lone Star				Chase	90 Day	Fed
		Govt	Corp	Tex-Pool	Texas Class	LOGIC	High Yield	T-Bill	Funds
March	2020	1.11%	1.50%	1.34%	1.47%	1.43%	0.12%	0.29%	0.65%
February	2020	1.57%	1.73%	1.59%	1.77%	1.76%	0.40%	1.52%	1.58%
January	2020	1.58%	1.79%	1.59%	1.86%	1.80%	0.40%	1.52%	1.55%
December	2019	1.62%	1.81%	1.62%	1.88%	1.82%	0.40%	1.54%	1.55%
November	2019	1.71%	1.86%	1.68%	1.94%	1.84%	0.40%	1.54%	1.55%
October	2019	1.90%	2.05%	1.91%	2.09%	2.06%	0.45%	1.65%	1.83%
September	2019	2.24%	2.10%	2.16%	2.20%	2.25%	0.52%	2.10%	2.04%
August	2019	2.30%	2.16%	2.17%	2.28%	2.33%	0.52%	1.95%	2.13%
July	2019	2.44%	2.37%	2.39%	2.41%	2.46%	0.65%	2.10%	2.40%
June	2019	2.38%	2.53%	2.38%	2.50%	2.49%	0.65%	1.95%	2.17%
May	2019	2.40%	2.57%	2.40%	2.56%	2.54%	0.65%	1.89%	2.35%
April	2019	2.42%	2.60%	2.43%	2.58%	2.58%	0.65%	2.42%	2.38%
March	2019	2.60%	2.41%	2.42%	2.61%	2.60%	0.65%	2.40%	2.41%
February	2019	2.59%	2.39%	2.40%	2.63%	2.59%	0.65%	2.39%	2.40%
January	2019	2.59%	2.41%	2.39%	2.62%	2.48%	0.55%	2.37%	2.40%
December	2018	2.28%	2.48%	2.29%	2.50%	2.48%	0.55%	2.37%	2.27%
November	2018	2.20%	2.39%	2.20%	2.42%	2.41%	0.55%	2.33%	2.20%
October	2018	2.14%	2.31%	2.14%	2.34%	2.33%	0.55%	2.25%	2.19%
September	2018	1.97%	2.21%	2.00%	2.26%	2.21%	0.43%	2.17%	1.95%
August	2018	1.92%	2.20%	1.92%	2.24%	2.18%	0.43%	2.07%	1.91%
July	2018	1.91%	2.17%	1.89%	2.24%	2.18%	0.38%	1.99%	1.91%
March	2018	1.50%	1.69%	1.52%	1.75%	1.72%	0.28%	1.70%	1.51%
February	2018	1.57%	1.59%	1.34%	1.62%	1.59%	0.28%	1.57%	1.42%
January	2018	1.29%	1.52%	1.30%	1.56%	1.52%	0.18%	1.41%	1.41%
December	2017	1.17%	1.38%	1.18%	1.41%	1.38%	0.18%	1.34%	1.30%
November	2017	1.04%	1.26%	1.05%	1.30%	1.29%	0.18%	1.25%	1.16%
October	2017	1.02%	1.25%	1.03%	1.27%	1.28%	0.18%	1.09%	1.16%
September	2017	1.02%	1.25%	1.02%	1.25%	1.28%	0.18%	1.03%	1.15%
August	2017	0.99%	1.21%	1.00%	1.23%	1.27%	0.18%	1.01%	1.16%
July	2017	0.95%	1.18%	0.97%	1.18%	1.24%	0.18%	1.07%	1.15%
June	2017	0.83%	1.07%	0.88%	1.13%	1.13%	0.18%	0.98%	1.04%
May	2017	0.73%	1.00%	0.77%	1.09%	1.08%	0.13%	0.89%	0.91%
April	2017	0.69%	0.98%	0.71%	1.06%	1.07%	0.13%	0.80%	0.90%
March	2017	0.59%	0.92%	0.62%	1.00%	1.01%	0.13%	0.77%	0.91%
February	2017	0.53%	0.86%	0.56%	0.97%	0.97%	0.08%	0.52%	0.66%
January	2017	0.52%	0.83%	0.54%	0.96%	0.96%	0.08%	0.51%	0.65%
December	2016	0.46%	0.77%	0.46%	0.89%	0.88%	0.08%	0.51%	0.54%
November	2016	0.40%	0.71%	0.40%	0.90%	0.84%	0.08%	0.45%	0.41%
October	2016	0.40%	0.70%	0.37%	0.83%	0.81%	0.08%	0.33%	0.40%
September	2016	0.40%	0.65%	0.38%	0.77%	0.72%	0.08%	0.29%	0.40%
August	2016	0.39%	0.58%	0.37%	0.70%	0.62%	0.08%	0.30%	0.40%
July	2016	0.37%	0.56%	0.37%	0.64%	0.57%	0.08%	0.30%	0.39%

Agenda Title: Budget Amendment #5

Purpose: [X] Discussion
[X] Action

Description: In order to make sure that all expenditures for FY 2020 are properly budgeted, this budget amendment is for the following:

Add an additional \$500,000 to Federal revenue for funds received from Impact Aid. This will be used to increase the budgets in the following functions: \$100,700 to function 11 (Instruction), \$24,000 to function 13 (Curriculum Development) \$41,000 to function 21 (Instructional Leadership), \$1,000 to function 23 (School Leadership) \$23,000 to function 34 (Student Transportation), \$87,000 to function 36 (Co-curricular Activities), \$220,000 to function 53 (Data Processing Services), and \$3,300 to function 71 (Long-term Debt). There is no effect to the overall budget with these changes.

Recommendations: We recommend the Board approve this budget amendment as stated.

I. Alternatives Considered: None

II. Funding Impact: No impact.

III. Contact Person: Lorrie Remick @ 357 – 2479 with questions or concerns.

IV. Attachments: Budget Amendment #5

Randolph Field ISD
 Budget Amendment #1
 For the Year Ended June 30, 2016

Data Control Codes	General Fund			Fund 428 - Special Revenue Fund - TCEQ Grant			Fund 698 - Capital Projects Fund		
	Original Budget	Budget AJE	Amended Budget	Original Budget	Budget AJE	Amended Budget	Original Budget	Budget AJE	Amended Budget
Revenues									
5700	Local and intermediate sources	\$ 809,141	\$ -	\$ 809,141	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	12,789,923	-	12,789,923	442,800	-	442,800	-	-
5900	Federal program revenues	6,666,338	500,000	7,166,338	-	-	-	5,775	5,775
5020	Total revenues	20,265,402	500,000	20,765,402	442,800	-	442,800	5,775	5,775
Expenditures									
Current:									
0011	Instruction	\$ 9,899,577	\$ 100,700	\$ 10,000,277	\$ -	\$ -	\$ -	\$ -	\$ -
0012	Instructional resources and media services	262,512	-	262,512	-	-	-	-	-
0013	Curriculum development and instruc staff dev	242,018	24,000	266,018	-	-	-	-	-
0021	Instructional leadership	84,955	41,000	125,955	-	-	-	-	-
0023	School leadership	1,059,281	1,000	1,060,281	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	607,718	-	607,718	-	-	-	-	-
0033	Health services	170,195	-	170,195	-	-	-	-	-
0034	Student (pupil) transportation	539,710	23,000	562,710	1,092,800	-	1,092,800	-	-
0035	Food services	629,063	-	629,063	-	-	-	-	-
0036	Cocurricular/extracurricular activities	1,006,964	87,000	1,093,964	-	-	-	-	-
0041	General administration	948,506	-	948,506	-	-	-	-	-
0051	Plant maintenance and operations	2,337,998	-	2,337,998	-	-	-	-	-
0053	Data processing services	730,183	220,000	950,183	-	-	-	-	-
0071	Long-term debt - copier/printer lease	113,269	3,300	116,569	-	-	-	-	-
0081	Facilities acquisition and construction	463,000	-	463,000	-	-	-	3,661,791	3,661,791
0093	Payments related to shared services	500,000	-	500,000	-	-	-	-	-
6030	Total expenditures	19,594,949	500,000	20,094,949	1,092,800	-	1,092,800	3,661,791	3,661,791
1100	Excess of revenues over expenditures	670,453	-	670,453	(650,000)	-	(650,000)	(3,656,016)	(3,656,016)
Other Financing Sources (Uses)									
	Lease Purchase Proceeds	463,000	-	-	-	-	-	-	-
	Operating transfers in/(out)	(3,783,453)	-	(3,783,453)	-	-	-	3,133,453	3,133,453
7080	Total other financing sources (uses)	(3,320,453)	-	(3,783,453)	650,000	-	650,000	3,133,453	3,133,453
1200	Net change in fund balance	(2,650,000)	-	(3,113,000)	-	-	-	(522,563)	(522,563)
0100	Fund balance at beginning of year	10,803,604	10,803,604	-	-	-	-	522,563	522,563
3000	Fund balance at end of year	\$ 8,153,604	\$ 10,803,604	\$ (3,113,000)	\$ -	\$ -	\$ -	\$ 522,563	\$ -

Resolution of the Board Regarding Pandemic Emergency Procurement Procedures

WHEREAS, the Board acknowledges that that the district experienced an emergency school closing from March 13, 2020 to May 1, 2020 in response to health and safety concerns during an epidemic.

WHEREAS, the Board finds that a need exists to continue to close the district for normal business operations In light of the Governor's Executive Orders mandating school closures and prohibiting gatherings of groups of 10 or more, TASB and TASBO have received confirmation that TEA considers the COVID-19 pandemic to be an unforeseen "operational failure" suffered by educational institutions and their physical facilities, as contemplated under Texas Education Code Section 44.031(h).

Accordingly, and only for the duration of the Declaration of Disaster and resulting Executive Orders of the Governor, a board of trustees may determine that the delay posed by the methods provided for in Texas Education Code Section 44.031(a) would prevent or substantially impair the conduct of classes or other essential school activities.

Such a determination would permit contracts for goods and services needed to replace traditional classroom facilities and instructional equipment with alternative goods and services to be made by methods other than those required by Section 44.031(a), including but not limited to the acquisition of resources necessary to implement remote operations and instruction in compliance with the Governor's Executive Orders. The board's determination would also extend to contracts for goods and services necessary to maintain the health and safety of facilities and equipment, including but not limited to, resources necessary for cleaning, disinfection, air quality measures, and testing. To the extent possible, the term of contracts awarded pursuant to Section 44.031(h) shall not extend longer than reasonably necessary to respond to the Declaration of Disaster and comply with Executive Orders of the Governor. Districts should also adhere to the requirements of any Board policies adopted pursuant to Texas Education Code Section 44.0312(c) requiring emergency contracts to be presented to the board of trustees for ratification at a future board meeting.

Adopted this 23rd day of April, 2020, by the Board of Trustees.

Board President

Board Secretary

AGENDA TITLE: Auditors Communication with the Board

PURPOSE: [X] Discussion
[] Action

Description: The enclosed letter is in response to Statement on Auditing Standards (SAS) No. 114, *The Auditor's Communication with Those Charged with Governance*, which is effective for the June 30, 2020 audit of the financial statements of the District. SAS No. 114 provides a framework for the auditor's communication with those charged with governance and to identify some specific matters to be communicated. SAS No. 114 requires the auditors to communicate matters related to the financial statement audit that are, in their professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

- I. **Alternatives Considered:** Not applicable
- II. **Funding Impact:** Not applicable
- III. **Contact Person:** Lorrie Remick @ 357-2479 with questions or concerns.
- IV. **Attachments:** Audit Governance Letter from RSM US, LLP



RSM US LLP

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Suite 400
San Antonio, TX 78259

T +1 210 828 6281

www.rsmus.com

April 9, 2020

To the Board of Trustees
Randolph Field Independent School District
Universal City, Texas

Attention: Susan Bendele, Interim Superintendent

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Randolph Field Independent School District's financial statements and compliance as of and for the year ending June 30, 2020.

28

Communication

Effective two-way communication between our firm and the Board of Trustees is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding Randolph Field Independent School District and its environment, identifying appropriate sources of audit evidence and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other known or likely fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements or abuse that are likely to have a material effect on the financial statements. We will also communicate illegal acts, instances of noncompliance, fraud or abuse that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of RSM US LLP is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by RSM US LLP and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your entity functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks and performance.

As part of obtaining an understanding of your organization and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement and noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement and noncompliance. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or to instances of noncompliance, including abuse.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit, evaluating the effect of identified misstatements or noncompliance on the audit and the effect of uncorrected misstatements, if any, on the financial statements, forming the opinion in our report on the financial statements, and determining or reporting in accordance with *Government Auditing Standards* and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial and compliance informational needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

29

Significant Risks of Material Misstatement

Our audit of the financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration. As part of our risk assessment procedures, we identified management override of controls, fraudulent revenue recognition, and the state revenue allotment receivable as significant risks. Additional significant risks may be identified as we perform additional audit procedures.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements, including compliance, will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of the entity's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal control. Our reports on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing

Susan Bendele, Interim Superintendent
Randolph Field Independent School District
April 9, 2020
Page 3

tests of internal control consistent with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act, and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance).

We will issue reports on compliance with laws, statutes, regulations, and the terms and conditions of federal awards. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a direct and material effect on each major program. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Timing of the Audit

We have scheduled preliminary audit work in July 2020, with final field work commencing in August 2020, including reporting thereon. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

30

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Randolph Field Independent School District.

This communication is intended solely for the information and use of the Board of Trustees and is not intended to be, and should not be, used by anyone other than this specified party.

RSM US LLP

RSM US LLP

Agenda Title: Review Monthly Financial Statements

Purpose: Discussion
 Action

Description: Financial data of the General Fund, Food Service Fund and Debt Service Fund for the period end March 31, 2020 is presented for review by the Board of Trustees in an effort to keep them informed on the financial condition of the District.

Recommendations: We recommend the Board review this financial statement as presented.

I. Alternatives Considered: None

II. Funding Impact: \$0

III. Contact Person: Lorrie Remick @ 357-2479

IV. Attachments: March 31, 2020 Unaudited Financial Statement

Randolph Field Independent School District
 General, Food Service, & Debt Service Funds
 Combined Balance Sheet
 As of March 31, 2020
 (Unaudited)

Cash and Investments

Cash in bank	\$ 2,215,745	
Investments	5,486,098	
Total cash and investments		\$ 7,701,843

Other Current Assets

Inventory	\$ 4,370	
Due from State	-	
Due from Special Revenue Funds	-	
Due from Other	-	
Pre-paid items	21,812	
Total current assets		26,182

Total Assets

\$ 7,728,025

Liabilities

Accounts payable	\$ 17,241	
Payroll deductions and withholdings	7,116	
Accrued wages payable	1,190,921	
Accrued expenses	96,838	
Encumbrances	43,528	
Total liabilities		\$ 1,355,644

Fund Balances

Unassigned fund balance	\$ 846,199	
Total unassigned fund balance		\$ 846,199
Nonspendable fund balance	\$ 26,182	
Total nonspendable fund balance		26,182
Assigned fund balances		
Impact Aid contingency	\$ 4,000,000	
Construction	1,200,000	
Capital equipment	300,000	
Total designated fund balances		5,500,000
Total fund balances		6,372,381

Total Liabilities and Fund Balances

\$ 7,728,025

Randolph Field Independent School District
 General, Food Service, & Debt Service Funds
 Budget to Actual Report
 For the Period Ended March 31, 2020
 (Unaudited)

Revenues:	Budget	Actual	Unrealized	Percent of Budget
General Fund				
5700 Local Sources	\$ 245,300	\$ 197,180	\$ 48,120	80.38%
5800 State Sources	12,771,709	\$ 8,956,948	3,814,761	70.13%
5900 Federal Sources	6,666,338	\$ 4,211,002	2,455,336	63.17%
	<u>19,683,347</u>	<u>13,365,130</u>	<u>6,318,217</u>	67.90%
Food Service Fund				
5700 Local Sources	563,841	411,755	152,086	73.03%
5800 State Sources	18,214	-	18,214	0.00%
5900 Federal Sources	-	-	-	0.00%
	<u>582,055</u>	<u>411,755</u>	<u>170,300</u>	70.74%
Total	<u>\$ 20,265,402</u>	<u>\$ 13,776,885</u>	<u>\$ 6,488,517</u>	67.98%

Appropriations by Function:

11 Instructional	\$ 9,899,577	\$ 7,462,099	\$ 2,437,478	75.38%
12 Instructional Resc.	262,512	169,280	93,232	64.48%
13 Curr. & Personnel	242,018	177,681	64,337	73.42%
21 Instructional Serv.	84,955	94,823	(9,868)	111.62%
23 School Administration	1,059,281	800,844	258,437	75.60%
31 Guidance & Counseling	607,718	447,015	160,703	73.56%
32 Social Services	-	-	-	
33 Health Services	170,195	126,267	43,928	74.19%
34 Pupil Transportation	539,710	424,049	115,661	78.57%
35 Food Services	629,063	505,987	123,076	80.44%
36 Co-Curricular	1,006,964	835,681	171,283	82.99%
41 General Administration	948,506	710,922	237,584	74.95%
51 Plant Maintenance	2,337,998	1,765,730	572,268	75.52%
52 Security & Monitoring	-	-	-	
53 Data Processing	730,183	530,350	199,833	72.63%
61 Community Services	-	-	-	
71 Debt Services	113,269	87,659	25,610	0.00%
81 Constr. & Acquis.	463,000	462,176	824	
93 Shared Svc Arrangement	500,000	286,268	213,732	57.25%
95 JJAEP Tuition Fees	-	-	-	
Total	<u>\$ 19,594,949</u>	<u>\$ 14,886,831</u>	<u>\$ 4,708,118</u>	75.97%

Net Income Before Transfers	\$ 670,453	\$ (1,109,946)	\$ 1,780,399
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Other Resources & (Uses):

Other Resources	\$ (463,000)	\$ 462,176	\$ (824)
Transfers to Other Funds	3,783,453	(3,783,453)	-
Total	<u>\$ 3,320,453</u>	<u>\$ (3,321,277)</u>	<u>\$ (824)</u>

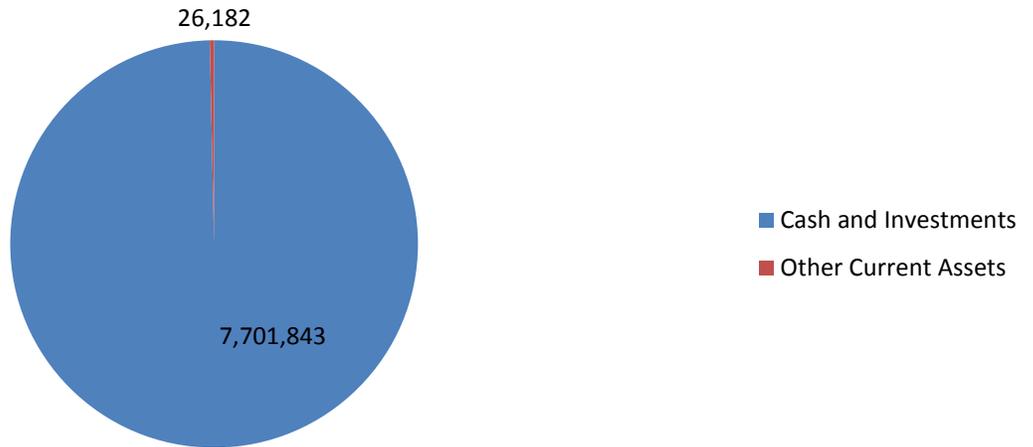
Net change in fund balances	\$ (2,650,000)	\$ (4,431,223)	\$ 1,779,575
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11,103,749 PY Audited Fund Balance

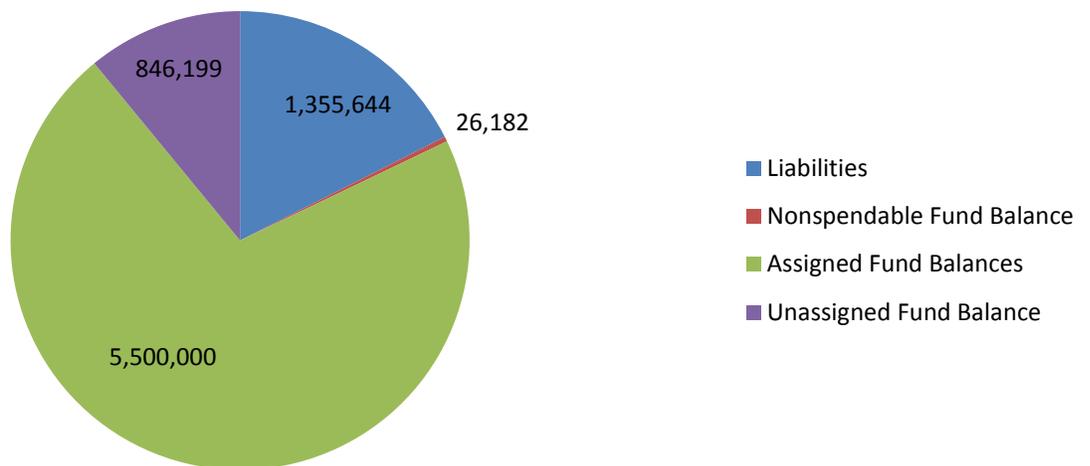
\$ 6,672,526 Ending Fund Balance

Randolph Field Independent School District
 Combined Balance Sheet - General, Food & Debt Service Funds
 As of March 31, 2020
 (Unaudited)

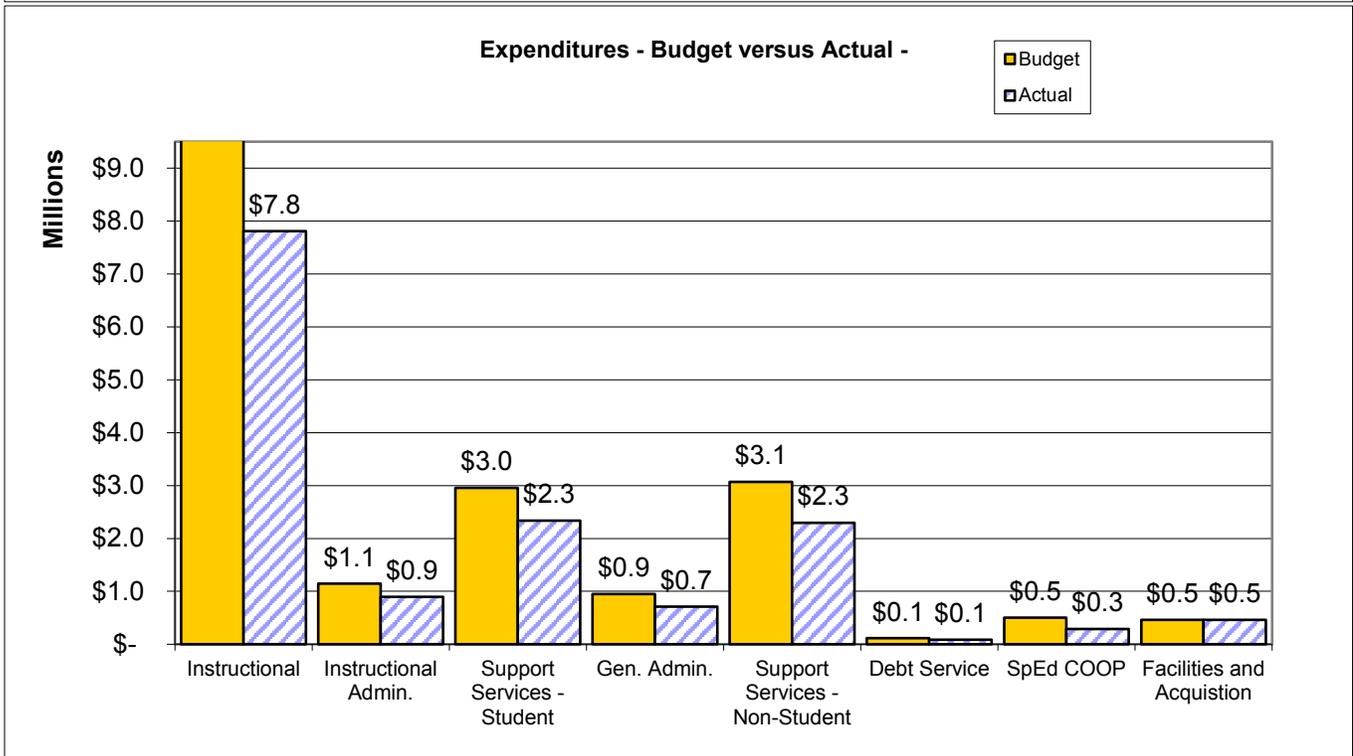
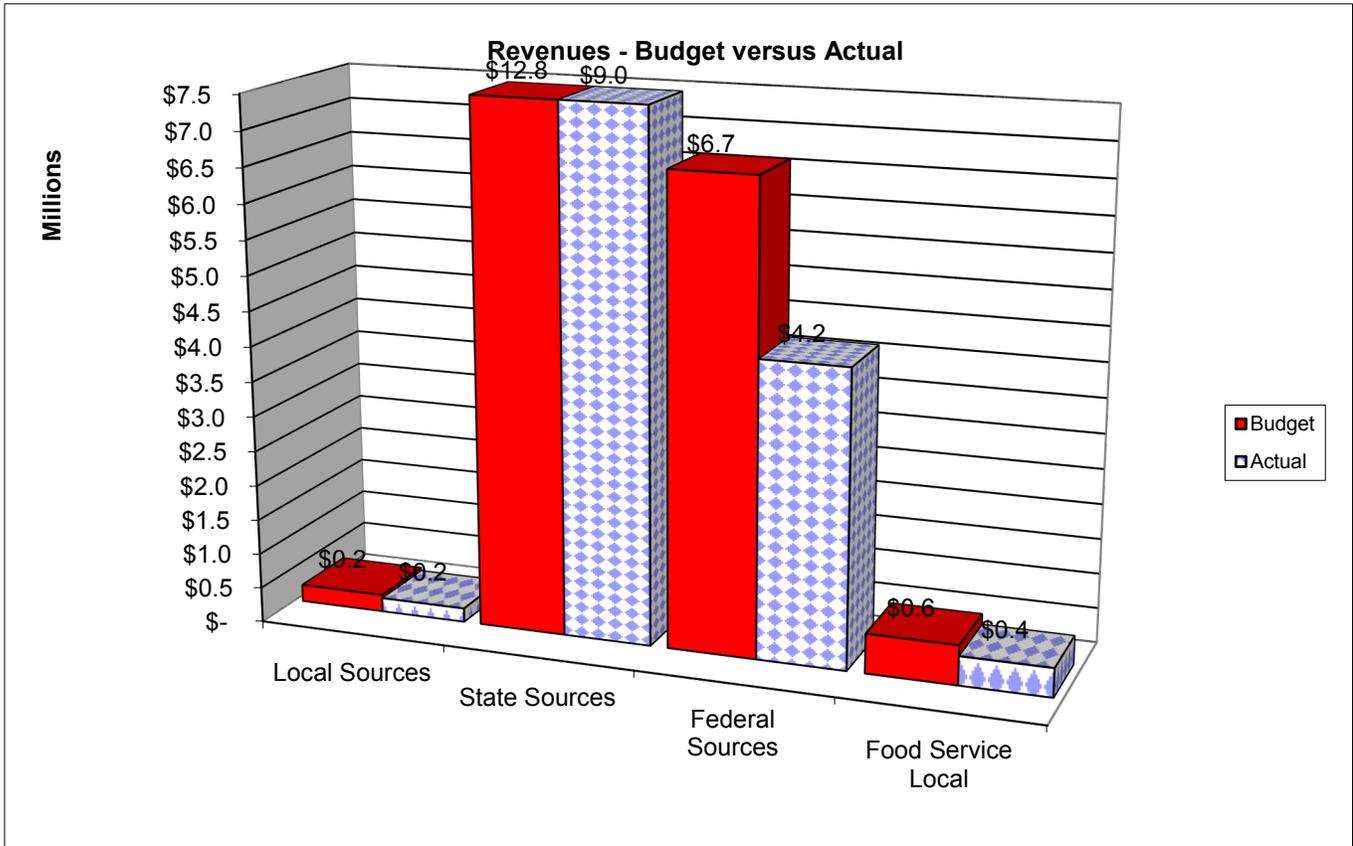
Assets



Liabilities and Fund Balances



Randolph Field Independent School District
Budget to Actual Report - General, Food & Debt Service Funds
For the Period Ended March 31, 2020
(Unaudited)



OFFICIAL MINUTES
RANDOLPH FIELD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
March 30, 2020

1. Mr. Patrick Luna called the meeting to order at 4:16 p.m.
2. Mr. Luna declared a quorum present. PRESENT: Patrick Luna, Jimmy Cornelius, William Morrison, Peter Duffy, Vanessa Bowden.
3. Public Testimony: **None**
4. Public Comment: **None**
5. Closed Session: For the purpose of consideration of matters for which closed or executive sessions are authorized by the Title 5, Chapter 551, and Texas Govt. Code Section 551.074 Personnel Matters. Discuss Employment of Superintendent
The board will now enter closed session as authorized by Title 5, Chapter 551, Texas Govt Code Section 551.074 Personnel Matters.

The Board moves into closed session at _____ a.m./p.m
The Board returns to open Session at _____ a.m./p.m

This item will allow the board to enter into closed session should the board desire to do so. The board did not need to go into close session.
6. Consideration of Approval to offer the Position and Contract to Dr. Brian Holt as Superintendent **Motioned by** Jimmy Cornelius **Seconded by** William Morrison. 5 – 0 carried the motion.
7. Deliberation and possible action to award construction contract and adopt project budget for the Randolph Elementary School Replacement project. To approve hiring FA Nunnally as general contractor, recommended by Gallagher and to adopt the project budget. We plan to break ground June 1, 2020. **Motioned by** Jimmy Cornelius **Second by** Peter Duffy.
8. Consent agenda: Review, consider and take possible action concerning:
 - A. February 27, 2020 Official School Board Minutes
 - B. March 3, 2020 Official Board Minutes Special Board Meeting
 - C. March 7, 2020 Official Board Minutes Special Board Meeting
 - D. March 19, 2020 Official Board Minutes Special Board Meeting
 - E. Renew Purchasing Contract with State of Texas CO-OP
 - F. Approval of Municipal Advisory Agreement with Live Oak Public Finance LLC**Motioned by** Jimmy Cornelius **Seconded by** Vanessa Bowden. 5-0 Carried the motion.

9. Discussion of Financial Reports: Mrs. Remick was available to answer any questions the board may have.

10. Superintendent's Report: Mrs. Bendele was available to answer any questions the board may have.

11. Adjourn

Time: 5:12 pm

ATTEST APPROVE

William Morrison, Secretary

Patrick Luna, President

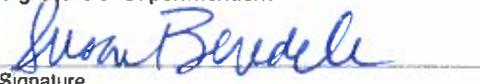
Allotment and TEKS Certification, 2020-21

The district superintendent, along with the president and secretary of the local board of trustees, or the officers of the governing body of the charter school, certify the following:

- 1) This district's technology and instructional materials allotment is used only for expenses allowed by the Texas Education Code (TEC), §31.0211.
- 2) For the current school year, this district has instructional materials that collectively cover all elements of the Texas Essential Knowledge and Skills of the required curriculum identified in the TEC, §28.002, other than physical education, for each subject and grade level (TEC §31.004).
- 3) Upon request, this district will provide to the State Board of Education the title and publication information for any instructional materials requisitioned or purchased by the district with the district's allotment (TEC §31.101).

Certified	Grade Level	Certified	Subject Area
<input checked="" type="checkbox"/>	Kindergarten	<input checked="" type="checkbox"/>	CAREER & TECHNICAL EDUCATION (CTE)
<input checked="" type="checkbox"/>	Grade 1	<input checked="" type="checkbox"/>	ENGLISH LANGUAGE ARTS AND READING
<input checked="" type="checkbox"/>	Grade 2	<input checked="" type="checkbox"/>	ENGLISH LANGUAGE PROFICIENCY STANDARDS
<input checked="" type="checkbox"/>	Grade 3	<input checked="" type="checkbox"/>	FINE ARTS
<input checked="" type="checkbox"/>	Grade 4	<input checked="" type="checkbox"/>	HEALTH
<input checked="" type="checkbox"/>	Grade 5	<input checked="" type="checkbox"/>	LANGUAGES OTHER THAN ENGLISH
<input checked="" type="checkbox"/>	Grade 6	<input checked="" type="checkbox"/>	MATHEMATICS
<input checked="" type="checkbox"/>	Grade 7	<input checked="" type="checkbox"/>	SCIENCE
<input checked="" type="checkbox"/>	Grade 8	<input checked="" type="checkbox"/>	SOCIAL STUDIES
<input checked="" type="checkbox"/>	Grade 9	<input checked="" type="checkbox"/>	TECHNOLOGY APPLICATIONS
<input checked="" type="checkbox"/>	Grade 10		
<input checked="" type="checkbox"/>	Grade 11		
<input checked="" type="checkbox"/>	Grade 12		

38

Signature of Superintendent

Signature

Signatures of Board President and Secretary or Governing Board Officers

Board President

Board Secretary

Scan the signed certification document and attach it to an [Instructional Materials Help Desk](#) ticket with the following subject line: [your district] certification (ex: Anywhere ISD)

Agenda Title: Waiver of Educator Appraisals for 2019-2020 school year

Purpose: Discussion

Action

Background:

The Texas Education Agency (TEA) is allowing school districts to apply for a waiver for staff appraisals/evaluations for the 2019-2020 school year. The waiver gives school districts that are unable to meet the requirements of T-TESS (teacher appraisal), T-PESS (principal/administrator appraisal), and other staff appraisals flexibility as to which aspects of the appraisal process can be completed, and which if any, aspects cannot be completed, and thus would be covered under a waiver due to the operational disruption from the COVID - 19 pandemic. Those portions that may not be able to be completed are formal observations or informal observations that would have taken place after March 16 as well as formative or summative conferences. The Districtwide Improvement Committee has given its approval of this waiver.

Alternatives Considered: An attempt could be made to complete appraisals virtually but is not recommended due to the observational nature of the appraisal process and the burden on staff to complete the process.

Funding: N/A

Recommendations and Impact: It is recommended that the Board of Trustees approve the waiver of educator appraisals for the 2019-2020 school year.

Contact Person: Susan Bendele @ 357 – 2300

Attachments: N/A

Agenda Title: Approval of Board Resolution Regarding Extension of Leave During Precautionary Exclusion

Purpose: [] Discussion
[X] Action

Background:

This resolution extends employee leave during a precautionary exclusion caused by a pandemic. It would allow the district to extend sick leave for employees after the employee has exhausted their regular leave. This encourages employees to remain home when sick without fear of loss of pay. This resolution would extend sick leave pay if needed for up to 15 days if the leave is related to the pandemic. The Board may reconvene and extend the time period at a later date if necessary.

Alternatives Considered:

The Board may choose to forego this resolution and all employee's would be docked pay once they have exhausted their leave.

Funding:

There would be no additional cost of this measure.

Recommendations and Impact:

It is recommended the board approve the resolution.

Contact Person: Susan Bendele @ 357 – 2300

Attachments:

Resolution of the Board Regarding Extension of Leave During Precautionary Exclusion

**Resolution of the Board Regarding Extension of Leave
During Precautionary Exclusion**

WHEREAS, the Board is authorized by Texas Education Code section 45.105 to expend funds of Randolph Field Independent School District for purposes necessary in the conduct of the public schools as determined by the Board;

WHEREAS, the Board acknowledges that during an epidemic, District employees may be instructed not to report for work or decide voluntarily not to report to work;

WHEREAS, the Board finds that a need exists to address additional leave for employees who are instructed not to report for work or decide voluntarily not to report to work and have exhausted all available state and local leave days;

WHEREAS, the Board determines that employees who are instructed not to report to work may suffer a loss of pay if they do not report for work or decide voluntarily not to report to work and have exhausted all available state and local leave days; and

WHEREAS, the Board concludes that providing additional paid leave to all regular employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work due to an epidemic or decide voluntarily not to report to work, serves the public purposes of protecting students and staff, maintaining morale, and reducing turnover;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Randolph Field Independent School District authorizes providing additional paid leave for all regular employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work during an epidemic or decide voluntarily not to report to work and have exhausted all available state and local leave days.

The authority granted by this resolution to provide additional paid leave for all employees instructed not to report for work or who decide voluntarily not to report to work provides additional leave for a maximum duration of 15 days unless the Board takes action to authorize leave for a longer duration.

To ensure an employee’s voluntary exclusion serves the public purpose of protecting students and staff, employees requesting additional leave must show cause for voluntary exclusion from work such as potential exposure to virus or travel in a high-risk area.

Adopted this _____ day of _____, _____, by the Board of Trustees.

Board President _____

Board Secretary _____

AGENDA TITLE: Engagement for Auditing Services

PURPOSE: Discussion
 Action

Description: As required by law, an annual audit must be conducted by an independent audit firm. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements issued by the administration. It also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. The auditor also performs a compliance audit of management controls on investments and adherence to established investment policies.

The District put out a Request for Qualifications for audit services in March 2018 for a period of five year. We received a total of nine responses. Based on the evaluation criteria in the RFQ, we selected our current auditors, RSM US, LLP. Their proposal to conduct the audit for the current fiscal year ended June 30, 2020 is \$44,150.

I. Alternatives Considered: None.

II. Funding Impact: \$44,150 out of the general fund.

III. Contact Person: Lorrie Remick @ 357-2479 with questions or concerns.

IV. Attachments: Arrangement letter from RSM US, LLP



RSM US LLP

13026 Ridgewood Pkwy
Suite 400
San Antonio, TX 78259

T +1 210 828 6281

www.rsmus.com

April 9, 2020

To the Board of Trustees
Randolph Field Independent School District
P.O. Box 2217
Universal City, TX 78148-2217

Attention: Susan Bendele, Interim Superintendent

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit Randolph Field Independent School District's (the District) governmental activities, each major fund and aggregate remaining fund information as of and for the year ending June 30, 2020, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

43

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

We will also perform the audit of Randolph Field Independent School District as of June 30, 2020 so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); the provisions of the Single Audit Act; Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the U.S. Office of Management and Budget's (OMB) Compliance Supplement and the requirements of the Texas Agency; and the guidance provided in the audit guide titled *Audits of State and Local Government Units* issued by the American Institute of Certified Public Accountants. Those standards, regulations, supplements or guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the District and that are to be included as part of our audit are listed here:

- General Fund
- Capital Projects Fund
- Nonmajor Governmental Funds

The federal financial assistance programs and awards that you have told us that Randolph Field Independent School District participates in and that are to be included as part of the single audit are listed here:

- Air Force Junior Officer Training Corp (AFJROTC)
- Department of Defense Supplement—Section 572
- DoDEA Grant—Post Secondary Readiness: Ensuring a Future of their Choosing
- DoDEA Grant—MCASP—Formulating our Futures
- DoDEA Grant—MCASP—Reaching the Whole Child
- ESEA Title I, Part A—Improving Basic Programs
- ESEA Title II—Teacher and Principal Training
- Shared Service Arrangement Career and Technical Basic
- ESEA Title III Part A—English Language Acquisition and Language Enhancement—SSA
- Title VII—Basic Payment

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and regulations identified above. Our report(s) on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;

45

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse, or suspected fraud or abuse, affecting the entity received in communications from employees, former employees, analysts, regulators or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Because the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; and (g) submitting the reporting package and data collection form.

46

The Board of Trustees is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the entity.

Our association with an official statement is a matter for which separate arrangements will be necessary. Randolph Field Independent School District agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when Randolph Field Independent School District seeks such consent, we will be under no obligation to grant such consent or approval.

Randolph Field Independent School District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Randolph Field Independent School District agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering.

Records and Assistance

If circumstances arise relating to the condition of the District's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by District personnel is described in the previously provided client participation list, which outlines the specific schedules and analyses that should be completed by District personnel, including the dates when the information should be available to us. The participation list has been discussed with and agreed to by Ms. Lorrie Remick, CPA, CFO. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including some assistance with the preparation of the financial statements. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to Randolph Field Independent School District, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. Randolph Field Independent School District has agreed that Ms. Lorrie Remick, CPA, CFO possesses suitable skill, knowledge or experience and that the individual understands the services to be performed, if any, sufficiently to oversee them. Accordingly, management of Randolph Field Independent School District agrees to the following:

1. Randolph Field Independent School District has designated Ms. Lorrie Remick, CPA, CFO as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Ms. Lorrie Remick, CPA, CFO will assume all management responsibilities for subject matter and scope of the assistance with the preparation of the financial statements;
3. Randolph Field Independent School District will evaluate the adequacy and results of the services performed; and
4. Randolph Field Independent School District accepts responsibility for the results and ultimate use of the services.

47

GAS further requires that we establish an understanding with Randolph Field Independent School District's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this letter documents that understanding.

Other Relevant Information

RSM US LLP may mention the District's name and provide a general description of the engagement in RSM US LLP's client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In addition, we may utilize financial information you have provided to us in connection with this engagement for purposes of creating benchmarking data to be used by RSM US LLP's professionals and other clients. This benchmarking data is aggregated with data from a minimum of five other entities so that users of the data are unable to associate the data with any single entity in the database.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

Fees, Costs and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from District personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

The fee also includes the testing and reporting associated with one major federal program. If additional federal or state programs must be tested, we will discuss additional, time, effort, and related fees with management prior to commencing.

48

The fees for the services described in this letter also include the continued review and support for the GASB Statement No. 34 financial reporting conversion, review of the District's Management's Discussion and Analysis Letter to the Board of Trustees, and other related GASB Statement No. 34 requirements. Our fee is \$40,800, unless the scope of the engagement is changed, the assistance which the District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you. In addition to the above fee, we estimate the reporting and assembly of the GASB Statement No. 34 compliant report to be \$3,350 for the year ending June 30, 2020.

The above fee includes the continued requirement of the reporting of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. This includes among other things, review of an actuarial report by an internal actuarial specialist, participant data testing, update of GASB Statement No. 68 and GASB Statement No. 75 footnote disclosures, and other required supplemental information.

During the term of our contract, new audit and accounting pronouncements may be issued and or non-routine transactions could occur that are not contemplated at this time. These events could affect the District's financial reporting. We will discuss with the District any new audit and accounting pronouncements and/or non-routine transactions that may apply to the District and determine applicability and effect on the District. Time and effort and any additional fees for the implementation of any new audit and accounting pronouncements and/or efforts to account for non-routine transactions will be discussed and billed separately.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

To the Board of Trustees
Randolph Field Independent School District
April 9, 2020
Page 7

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The evaluation and the initial first year implementation, including additional testing and the addition of Special Revenue Funds and Custodian Fund Statements, of GASB Statement No. 84 is included in the above fee arrangement.

The District has mentioned the possibility of issuing debt in fiscal year 2020. The fee proposed above does not include any additional work efforts to assess the financing and related reporting requirements in the financial statements, including footnote disclosures. We will discuss any efforts and related fees with the District upon issuance of the debt.

49

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. We will submit our bill for these services promptly upon rendering the report. Billings are due upon submission.

In the event you terminate this engagement, you will pay RSM US LLP for all services rendered (including deliverables and products delivered), expenses incurred and commitments made by RSM US LLP through the effective date of termination.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, RSM US LLP may, at its sole discretion, terminate this arrangement letter without further obligation to Randolph Field Independent School District. Resumption of audit work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for RSM US LLP to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the District agrees it will compensate RSM US LLP for any additional costs incurred as a result of the District's employment of a partner or professional employee of RSM US LLP.

The audit documentation for this engagement is the property of RSM US LLP and constitutes confidential information.

Review of audit documentation by a successor auditor or as part of due diligence will be agreed to, accounted for and billed separately.

In the event we are requested or authorized by Randolph Field Independent School District or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Randolph Field Independent School District, Randolph Field Independent School District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

To the Board of Trustees
Randolph Field Independent School District
April 9, 2020
Page 8

The documentation for this engagement is the property of RSM US LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RSM US LLP audit personnel and at a location designated by our firm.

Indemnification and Claim Resolution

Because RSM US LLP will rely on Randolph Field Independent School District and its management and Board of Trustees to discharge the foregoing responsibilities, Randolph Field Independent School District holds harmless and releases RSM US LLP and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of Randolph Field Independent School District's management that has caused, in any respect, RSM US LLP's breach of contract or negligence.

50

Randolph Field Independent School District and RSM US LLP agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the audit report issued by RSM US LLP or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM US LLP's liability for all claims, damages and costs of Randolph Field Independent School District arising from this engagement is limited to the amount of fees paid by Randolph Field Independent School District to RSM US LLP for the services rendered under this arrangement letter.

These provisions shall survive the termination of this arrangement for services.

Information Security—Miscellaneous Terms

RSM US LLP is committed to the safe and confidential treatment of Randolph Field Independent School District's proprietary information. RSM US LLP is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Randolph Field Independent School District agrees that it will not provide RSM US LLP with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Randolph Field Independent School District's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM US LLP may terminate this relationship immediately in its sole discretion if RSM US LLP determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or RSM US LLP's client acceptance or retention standards, or if Randolph Field Independent School District is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, Randolph Field Independent School District or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of Randolph Field Independent School District's financial statements. Our report will be addressed to the Board of Trustees of Randolph Field Independent School District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on Randolph Field Independent School District's financial statements, we will also issue the following types of reports:

1. A report on the fairness of the presentation of Randolph Field Independent School District's schedule of expenditures of federal awards for the year ending June 30, 2020;
2. Reports on internal control related to the financial statements and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal control;
3. Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a material effect, as defined by Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on each major program;
4. An accompanying schedule of findings and questioned costs.

51

This letter constitutes the complete and exclusive statement of agreement between RSM US LLP and Randolph Field Independent School District, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

To the Board of Trustees
Randolph Field Independent School District
April 9, 2020
Page 10

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

RSM US LLP



Santos Fraga, Partner

Confirmed on behalf of Randolph Field Independent School District:

Susan Bendele, Interim Superintendent

Date

Lorrie Remick, Chief Financial Officer

Date

Agenda Title: 3rd Quarter FY 2020 Investment Reports

Purpose: [X] Discussion
[X] Action

Description: As is required by school board policy CDA, a quarterly investment report is presented to the Randolph Field ISD Board of Trustees for review and approval. This report serves as the third quarterly report for fiscal year 2020, as required by law. Interest earnings for the third quarter ended March 31, 2020 totaled \$23,708.40. The market value for all investments at the end of the quarter was at 100.00% of book value. All Investments met the District's investment strategies and policies, with the district's primary goal being safety of investments and purchased to be held until maturity.

Recommendations: We recommend the Board approve the first quarter investment report as presented as part of the consent agenda.

I. Alternatives Considered: None

II. Funding Impact: \$23,708.40 interest earned for the quarter ended March 31, 2020. Investment earnings are accounted for in the General Fund.

III. Contact Person: Lorrie Remick @ 357– 2479 with questions or concerns.

IV. Attachments: 3rd Quarter Investment Report

Lorrie Remick, Chief Financial Officer

Linda Mills, Director of Human Resources

**RANDOLPH FIELD ISD
INVESTMENT SCHEDULE
March 31, 2020**

<u>Description</u>	<u>Current Market Value</u>	<u>QTRLY INTEREST</u>	<u>YEAR-TO-DATE INTEREST</u>	<u>Current Book Value</u>
Texas Class	\$ 1,897,313.42	\$ 7,988.49	\$ 32,825.84	\$ 1,897,313.42
Lone Star Corporate	1,771,578.37	8,013.39	32,054.65	1,771,578.37
Lone Star Govt	104,023.26	365.24	1,392.74	104,023.26
TexPool	99,885.08	345.61	1,338.17	99,885.08
LOGIC	1,613,297.73	6,656.67	27,941.49	1,613,297.73
Chase High Yield Fund	346,854.16	339.00	1,440.43	346,854.16
TOTAL ALL FUNDS	\$ 5,832,952.02	\$ 23,708.40	\$ 96,993.32	\$ 5,832,952.02

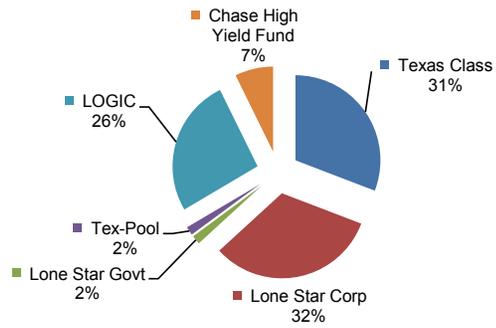
<u>Description</u>	<u>Monthly Interest for the Year</u>												<u>Total</u>
	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	
Texas Class	\$ 4,850.87	\$ 4,595.01	\$ 4,305.66	\$ 4,220.67	\$ 3,797.84	\$ 3,067.30	\$ 2,975.73	\$ 2,657.12	\$ 2,355.64	\$ -	\$ -	\$ -	\$ 32,825.84
Lone Star Corporate	6,185.63	4,729.00	3,605.10	3,438.68	3,031.43	3,051.42	3,005.48	2,721.19	2,286.72	-	-	-	32,054.65
Lone Star Govt	206.69	189.00	177.49	166.33	145.51	142.48	139.04	128.79	97.41	-	-	-	1,392.74
TexPool	199.85	182.12	175.89	160.88	136.85	136.97	134.62	125.96	85.03	-	-	-	1,338.17
LOGIC	4,243.81	4,040.25	3,772.22	3,578.38	3,106.65	2,543.51	2,453.02	2,252.25	1,951.40	-	-	-	27,941.49
Chase High Yield	245.78	196.73	190.47	170.35	146.58	151.52	151.57	141.84	45.59	-	-	-	1,440.43
	\$ 15,932.63	\$ 13,932.11	\$ 12,226.83	\$ 11,735.29	\$ 10,364.86	\$ 9,093.20	\$ 8,859.46	\$ 8,027.15	\$ 6,821.79	\$ -	\$ -	\$ -	\$ 96,993.32

RANDOLPH FIELD ISD INVESTMENT REPORT

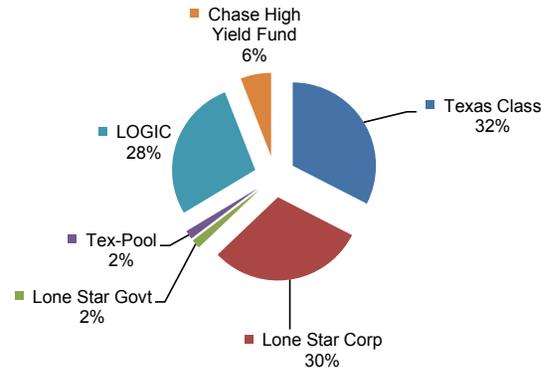
March 31, 2020

INVESTMENTS BY TYPE

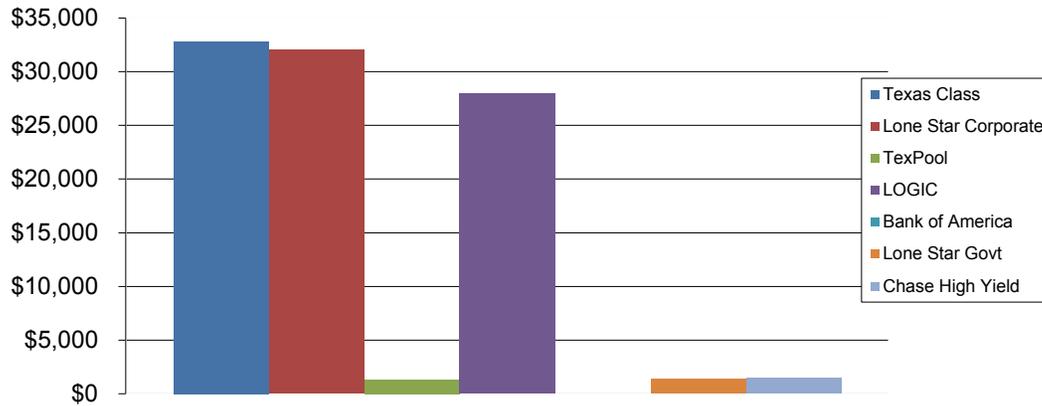
START OF QUARTER



END OF QUARTER



QUARTERLY INVESTMENT INCOME BY TYPE



Total Investment Income

QTRLY
\$ 23,708.40

YTD
\$ 96,993.32

RANDOLPH FIELD ISD INVESTMENT REPORT

March 31, 2020

Investment Pool Monthly Averages

Month	Year	Lone Star	Lone Star				Chase	90 Day	Fed
		Govt	Corp	Tex-Pool	Texas Class	LOGIC	High Yield	T-Bill	Funds
March	2020	1.11%	1.50%	1.34%	1.47%	1.43%	0.12%	0.29%	0.65%
February	2020	1.57%	1.73%	1.59%	1.77%	1.76%	0.40%	1.52%	1.58%
January	2020	1.58%	1.79%	1.59%	1.86%	1.80%	0.40%	1.52%	1.55%
December	2019	1.62%	1.81%	1.62%	1.88%	1.82%	0.40%	1.54%	1.55%
November	2019	1.71%	1.86%	1.68%	1.94%	1.84%	0.40%	1.54%	1.55%
October	2019	1.90%	2.05%	1.91%	2.09%	2.06%	0.45%	1.65%	1.83%
September	2019	2.24%	2.10%	2.16%	2.20%	2.25%	0.52%	2.10%	2.04%
August	2019	2.30%	2.16%	2.17%	2.28%	2.33%	0.52%	1.95%	2.13%
July	2019	2.44%	2.37%	2.39%	2.41%	2.46%	0.65%	2.10%	2.40%
June	2019	2.38%	2.53%	2.38%	2.50%	2.49%	0.65%	1.95%	2.17%
May	2019	2.40%	2.57%	2.40%	2.56%	2.54%	0.65%	1.89%	2.35%
April	2019	2.42%	2.60%	2.43%	2.58%	2.58%	0.65%	2.42%	2.38%
March	2019	2.60%	2.41%	2.42%	2.61%	2.60%	0.65%	2.40%	2.41%
February	2019	2.59%	2.39%	2.40%	2.63%	2.59%	0.65%	2.39%	2.40%
January	2019	2.59%	2.41%	2.39%	2.62%	2.48%	0.55%	2.37%	2.40%
December	2018	2.28%	2.48%	2.29%	2.50%	2.48%	0.55%	2.37%	2.27%
November	2018	2.20%	2.39%	2.20%	2.42%	2.41%	0.55%	2.33%	2.20%
October	2018	2.14%	2.31%	2.14%	2.34%	2.33%	0.55%	2.25%	2.19%
September	2018	1.97%	2.21%	2.00%	2.26%	2.21%	0.43%	2.17%	1.95%
August	2018	1.92%	2.20%	1.92%	2.24%	2.18%	0.43%	2.07%	1.91%
July	2018	1.91%	2.17%	1.89%	2.24%	2.18%	0.38%	1.99%	1.91%
March	2018	1.50%	1.69%	1.52%	1.75%	1.72%	0.28%	1.70%	1.51%
February	2018	1.57%	1.59%	1.34%	1.62%	1.59%	0.28%	1.57%	1.42%
January	2018	1.29%	1.52%	1.30%	1.56%	1.52%	0.18%	1.41%	1.41%
December	2017	1.17%	1.38%	1.18%	1.41%	1.38%	0.18%	1.34%	1.30%
November	2017	1.04%	1.26%	1.05%	1.30%	1.29%	0.18%	1.25%	1.16%
October	2017	1.02%	1.25%	1.03%	1.27%	1.28%	0.18%	1.09%	1.16%
September	2017	1.02%	1.25%	1.02%	1.25%	1.28%	0.18%	1.03%	1.15%
August	2017	0.99%	1.21%	1.00%	1.23%	1.27%	0.18%	1.01%	1.16%
July	2017	0.95%	1.18%	0.97%	1.18%	1.24%	0.18%	1.07%	1.15%
June	2017	0.83%	1.07%	0.88%	1.13%	1.13%	0.18%	0.98%	1.04%
May	2017	0.73%	1.00%	0.77%	1.09%	1.08%	0.13%	0.89%	0.91%
April	2017	0.69%	0.98%	0.71%	1.06%	1.07%	0.13%	0.80%	0.90%
March	2017	0.59%	0.92%	0.62%	1.00%	1.01%	0.13%	0.77%	0.91%
February	2017	0.53%	0.86%	0.56%	0.97%	0.97%	0.08%	0.52%	0.66%
January	2017	0.52%	0.83%	0.54%	0.96%	0.96%	0.08%	0.51%	0.65%
December	2016	0.46%	0.77%	0.46%	0.89%	0.88%	0.08%	0.51%	0.54%
November	2016	0.40%	0.71%	0.40%	0.90%	0.84%	0.08%	0.45%	0.41%
October	2016	0.40%	0.70%	0.37%	0.83%	0.81%	0.08%	0.33%	0.40%
September	2016	0.40%	0.65%	0.38%	0.77%	0.72%	0.08%	0.29%	0.40%
August	2016	0.39%	0.58%	0.37%	0.70%	0.62%	0.08%	0.30%	0.40%
July	2016	0.37%	0.56%	0.37%	0.64%	0.57%	0.08%	0.30%	0.39%

Agenda Title: Budget Amendment #5

Purpose: **Discussion**
 Action

Description: In order to make sure that all expenditures for FY 2020 are properly budgeted, this budget amendment is for the following:

Add an additional \$500,000 to Federal revenue for funds received from Impact Aid. This will be used to increase the budgets in the following functions: \$100,700 to function 11 (Instruction), \$24,000 to function 13 (Curriculum Development) \$41,000 to function 21 (Instructional Leadership), \$1,000 to function 23 (School Leadership) \$23,000 to function 34 (Student Transportation), \$87,000 to function 36 (Co-curricular Activities), \$220,000 to function 53 (Data Processing Services), and \$3,300 to function 71 (Long-term Debt). There is no effect to the overall budget with these changes.

Recommendations: We recommend the Board approve this budget amendment as stated.

I. Alternatives Considered: None

II. Funding Impact: No impact.

III. Contact Person: Lorrie Remick @ 357 – 2479 with questions or concerns.

IV. Attachments: Budget Amendment #5

Randolph Field ISD
 Budget Amendment #1
 For the Year Ended June 30, 2016

Data Control Codes	General Fund			Fund 428 - Special Revenue Fund - TCEQ Grant			Fund 698 - Capital Projects Fund		
	Original Budget	Budget AJE	Amended Budget	Original Budget	Budget AJE	Amended Budget	Original Budget	Budget AJE	Amended Budget
Revenues									
5700	Local and intermediate sources	\$ 809,141	\$ -	\$ 809,141	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	12,789,923	-	12,789,923	442,800	-	442,800	-	-
5900	Federal program revenues	6,666,338	500,000	7,166,338	-	-	-	5,775	5,775
5020	Total revenues	20,265,402	500,000	20,765,402	442,800	-	442,800	5,775	5,775
Expenditures									
Current:									
0011	Instruction	\$ 9,899,577	\$ 100,700	\$ 10,000,277	\$ -	\$ -	\$ -	\$ -	\$ -
0012	Instructional resources and media services	262,512	-	262,512	-	-	-	-	-
0013	Curriculum development and instruc staff dev	242,018	24,000	266,018	-	-	-	-	-
0021	Instructional leadership	84,955	41,000	125,955	-	-	-	-	-
0023	School leadership	1,059,281	1,000	1,060,281	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	607,718	-	607,718	-	-	-	-	-
0033	Health services	170,195	-	170,195	-	-	-	-	-
0034	Student (pupil) transportation	539,710	23,000	562,710	1,092,800	-	1,092,800	-	-
0035	Food services	629,063	-	629,063	-	-	-	-	-
0036	Cocurricular/extracurricular activities	1,006,964	87,000	1,093,964	-	-	-	-	-
0041	General administration	948,506	-	948,506	-	-	-	-	-
0051	Plant maintenance and operations	2,337,998	-	2,337,998	-	-	-	-	-
0053	Data processing services	730,183	220,000	950,183	-	-	-	-	-
0071	Long-term debt - copier/printer lease	113,269	3,300	116,569	-	-	-	-	-
0081	Facilities acquisition and construction	463,000	-	463,000	-	-	-	3,661,791	3,661,791
0093	Payments related to shared services	500,000	-	500,000	-	-	-	-	-
6030	Total expenditures	19,594,949	500,000	20,094,949	1,092,800	-	1,092,800	3,661,791	3,661,791
1100	Excess of revenues over expenditures	670,453	-	670,453	(650,000)	-	(650,000)	(3,656,016)	(3,656,016)
Other Financing Sources (Uses)									
	Lease Purchase Proceeds	463,000	-	-	-	-	-	-	-
	Operating transfers in/(out)	(3,783,453)	-	(3,783,453)	-	-	-	3,133,453	3,133,453
7080	Total other financing sources (uses)	(3,320,453)	-	(3,783,453)	650,000	-	650,000	3,133,453	3,133,453
1200	Net change in fund balance	(2,650,000)	-	(3,113,000)	-	-	-	(522,563)	(522,563)
0100	Fund balance at beginning of year	10,803,604	10,803,604	-	-	-	-	522,563	522,563
3000	Fund balance at end of year	\$ 8,153,604	\$ 10,803,604	\$ (3,113,000)	\$ -	\$ -	\$ -	\$ 522,563	\$ -

Resolution of the Board Regarding Pandemic Emergency Procurement Procedures

WHEREAS, the Board acknowledges that that the district experienced an emergency school closing from March 13, 2020 to May 1, 2020 in response to health and safety concerns during an epidemic.

WHEREAS, the Board finds that a need exists to continue to close the district for normal business operations In light of the Governor's Executive Orders mandating school closures and prohibiting gatherings of groups of 10 or more, TASB and TASBO have received confirmation that TEA considers the COVID-19 pandemic to be an unforeseen "operational failure" suffered by educational institutions and their physical facilities, as contemplated under Texas Education Code Section 44.031(h).

Accordingly, and only for the duration of the Declaration of Disaster and resulting Executive Orders of the Governor, a board of trustees may determine that the delay posed by the methods provided for in Texas Education Code Section 44.031(a) would prevent or substantially impair the conduct of classes or other essential school activities.

Such a determination would permit contracts for goods and services needed to replace traditional classroom facilities and instructional equipment with alternative goods and services to be made by methods other than those required by Section 44.031(a), including but not limited to the acquisition of resources necessary to implement remote operations and instruction in compliance with the Governor's Executive Orders. The board's determination would also extend to contracts for goods and services necessary to maintain the health and safety of facilities and equipment, including but not limited to, resources necessary for cleaning, disinfection, air quality measures, and testing. To the extent possible, the term of contracts awarded pursuant to Section 44.031(h) shall not extend longer than reasonably necessary to respond to the Declaration of Disaster and comply with Executive Orders of the Governor. Districts should also adhere to the requirements of any Board policies adopted pursuant to Texas Education Code Section 44.0312(c) requiring emergency contracts to be presented to the board of trustees for ratification at a future board meeting.

Adopted this 23rd day of April, 2020, by the Board of Trustees.

Board President

Board Secretary

AGENDA TITLE: Auditors Communication with the Board

PURPOSE: [X] Discussion
[] Action

Description: The enclosed letter is in response to Statement on Auditing Standards (SAS) No. 114, *The Auditor's Communication with Those Charged with Governance*, which is effective for the June 30, 2020 audit of the financial statements of the District. SAS No. 114 provides a framework for the auditor's communication with those charged with governance and to identify some specific matters to be communicated. SAS No. 114 requires the auditors to communicate matters related to the financial statement audit that are, in their professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

- I. **Alternatives Considered:** Not applicable
- II. **Funding Impact:** Not applicable
- III. **Contact Person:** Lorrie Remick @ 357-2479 with questions or concerns.
- IV. **Attachments:** Audit Governance Letter from RSM US, LLP



RSM US LLP

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www.rsmus.com

April 9, 2020

To the Board of Trustees
Randolph Field Independent School District
Universal City, Texas

Attention: Susan Bendele, Interim Superintendent

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Randolph Field Independent School District's financial statements and compliance as of and for the year ending June 30, 2020.

62

Communication

Effective two-way communication between our firm and the Board of Trustees is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding Randolph Field Independent School District and its environment, identifying appropriate sources of audit evidence and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other known or likely fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements or abuse that are likely to have a material effect on the financial statements. We will also communicate illegal acts, instances of noncompliance, fraud or abuse that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of RSM US LLP is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by RSM US LLP and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

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The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your entity functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks and performance.

As part of obtaining an understanding of your organization and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement and noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement and noncompliance. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or to instances of noncompliance, including abuse.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit, evaluating the effect of identified misstatements or noncompliance on the audit and the effect of uncorrected misstatements, if any, on the financial statements, forming the opinion in our report on the financial statements, and determining or reporting in accordance with *Government Auditing Standards* and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial and compliance informational needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

63

Significant Risks of Material Misstatement

Our audit of the financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration. As part of our risk assessment procedures, we identified management override of controls, fraudulent revenue recognition, and the state revenue allotment receivable as significant risks. Additional significant risks may be identified as we perform additional audit procedures.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements, including compliance, will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of the entity's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal control. Our reports on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing

Susan Bendele, Interim Superintendent
Randolph Field Independent School District
April 9, 2020
Page 3

tests of internal control consistent with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act, and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance).

We will issue reports on compliance with laws, statutes, regulations, and the terms and conditions of federal awards. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a direct and material effect on each major program. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Timing of the Audit

We have scheduled preliminary audit work in July 2020, with final field work commencing in August 2020, including reporting thereon. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

64

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Randolph Field Independent School District.

This communication is intended solely for the information and use of the Board of Trustees and is not intended to be, and should not be, used by anyone other than this specified party.

RSM US LLP

RSM US LLP

Agenda Title: Review Monthly Financial Statements

Purpose: Discussion
 Action

Description: Financial data of the General Fund, Food Service Fund and Debt Service Fund for the period end March 31, 2020 is presented for review by the Board of Trustees in an effort to keep them informed on the financial condition of the District.

Recommendations: We recommend the Board review this financial statement as presented.

I. Alternatives Considered: None

II. Funding Impact: \$0

III. Contact Person: Lorrie Remick @ 357-2479

IV. Attachments: March 31, 2020 Unaudited Financial Statement

Randolph Field Independent School District
 General, Food Service, & Debt Service Funds
 Combined Balance Sheet
 As of March 31, 2020
 (Unaudited)

Cash and Investments

Cash in bank	\$ 2,215,745	
Investments	5,486,098	
Total cash and investments		\$ 7,701,843

Other Current Assets

Inventory	\$ 4,370	
Due from State	-	
Due from Special Revenue Funds	-	
Due from Other	-	
Pre-paid items	21,812	
Total current assets		26,182

Total Assets

\$ 7,728,025

Liabilities

Accounts payable	\$ 17,241	
Payroll deductions and withholdings	7,116	
Accrued wages payable	1,190,921	
Accrued expenses	96,838	
Encumbrances	43,528	
Total liabilities		\$ 1,355,644

Fund Balances

Unassigned fund balance	\$ 846,199	
Total unassigned fund balance		\$ 846,199
Nonspendable fund balance	\$ 26,182	
Total nonspendable fund balance		26,182
Assigned fund balances		
Impact Aid contingency	\$ 4,000,000	
Construction	1,200,000	
Capital equipment	300,000	
Total designated fund balances		5,500,000
Total fund balances		6,372,381

Total Liabilities and Fund Balances

\$ 7,728,025

Randolph Field Independent School District
General, Food Service, & Debt Service Funds
Budget to Actual Report
For the Period Ended March 31, 2020
(Unaudited)

Revenues:		Budget	Actual	Unrealized	Percent of Budget
General Fund					
5700	Local Sources	\$ 245,300	\$ 197,180	\$ 48,120	80.38%
5800	State Sources	12,771,709	\$ 8,956,948	3,814,761	70.13%
5900	Federal Sources	6,666,338	\$ 4,211,002	2,455,336	63.17%
		<u>19,683,347</u>	<u>13,365,130</u>	<u>6,318,217</u>	67.90%
Food Service Fund					
5700	Local Sources	563,841	411,755	152,086	73.03%
5800	State Sources	18,214	-	18,214	0.00%
5900	Federal Sources	-	-	-	0.00%
		<u>582,055</u>	<u>411,755</u>	<u>170,300</u>	70.74%
Total		<u>\$ 20,265,402</u>	<u>\$ 13,776,885</u>	<u>\$ 6,488,517</u>	67.98%

Appropriations by Function:

11	Instructional	\$ 9,899,577	\$ 7,462,099	\$ 2,437,478	75.38%
12	Instructional Resc.	262,512	169,280	93,232	64.48%
13	Curr. & Personnel	242,018	177,681	64,337	73.42%
21	Instructional Serv.	84,955	94,823	(9,868)	111.62%
23	School Administration	1,059,281	800,844	258,437	75.60%
31	Guidance & Counseling	607,718	447,015	160,703	73.56%
32	Social Services	-	-	-	
33	Health Services	170,195	126,267	43,928	74.19%
34	Pupil Transportation	539,710	424,049	115,661	78.57%
35	Food Services	629,063	505,987	123,076	80.44%
36	Co-Curricular	1,006,964	835,681	171,283	82.99%
41	General Administration	948,506	710,922	237,584	74.95%
51	Plant Maintenance	2,337,998	1,765,730	572,268	75.52%
52	Security & Monitoring	-	-	-	
53	Data Processing	730,183	530,350	199,833	72.63%
61	Community Services	-	-	-	
71	Debt Services	113,269	87,659	25,610	0.00%
81	Constr. & Acquis.	463,000	462,176	824	
93	Shared Svc Arrangement	500,000	286,268	213,732	57.25%
95	JJAEP Tuition Fees	-	-	-	
Total		<u>\$ 19,594,949</u>	<u>\$ 14,886,831</u>	<u>\$ 4,708,118</u>	75.97%

Net Income Before Transfers	\$ 670,453	\$ (1,109,946)	\$ 1,780,399
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Other Resources & (Uses):

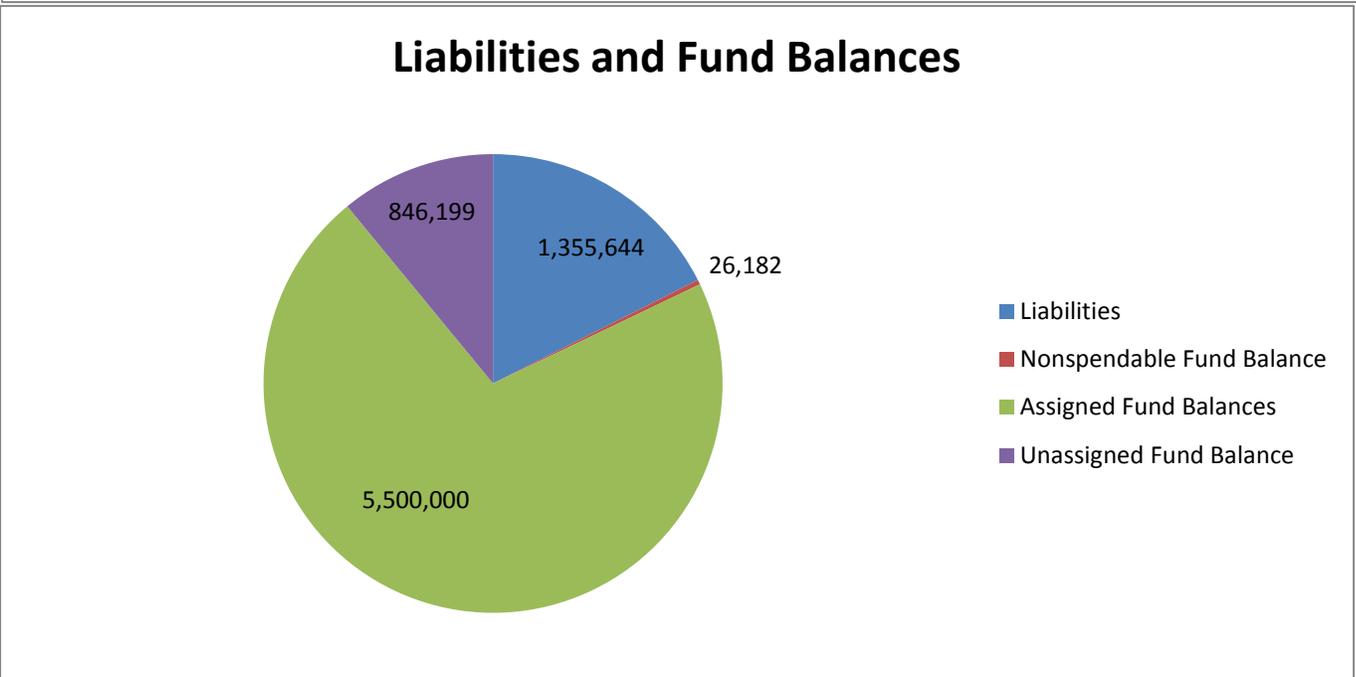
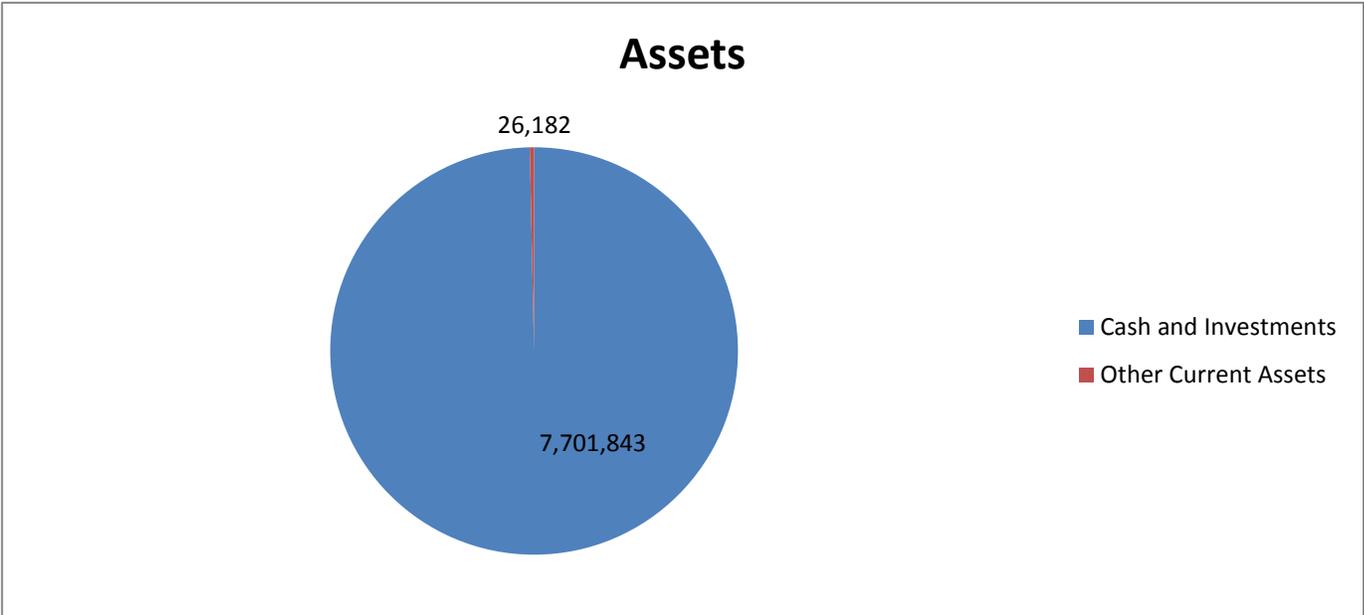
Other Resources	\$ (463,000)	\$ 462,176	\$ (824)
Transfers to Other Funds	3,783,453	(3,783,453)	-
Total	<u>\$ 3,320,453</u>	<u>\$ (3,321,277)</u>	<u>\$ (824)</u>

Net change in fund balances	\$ (2,650,000)	\$ (4,431,223)	\$ 1,779,575
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11,103,749 PY Audited Fund Balance

\$ 6,672,526 Ending Fund Balance

Randolph Field Independent School District
 Combined Balance Sheet - General, Food & Debt Service Funds
 As of March 31, 2020
 (Unaudited)



Randolph Field Independent School District
Budget to Actual Report - General, Food & Debt Service Funds
For the Period Ended March 31, 2020
(Unaudited)

