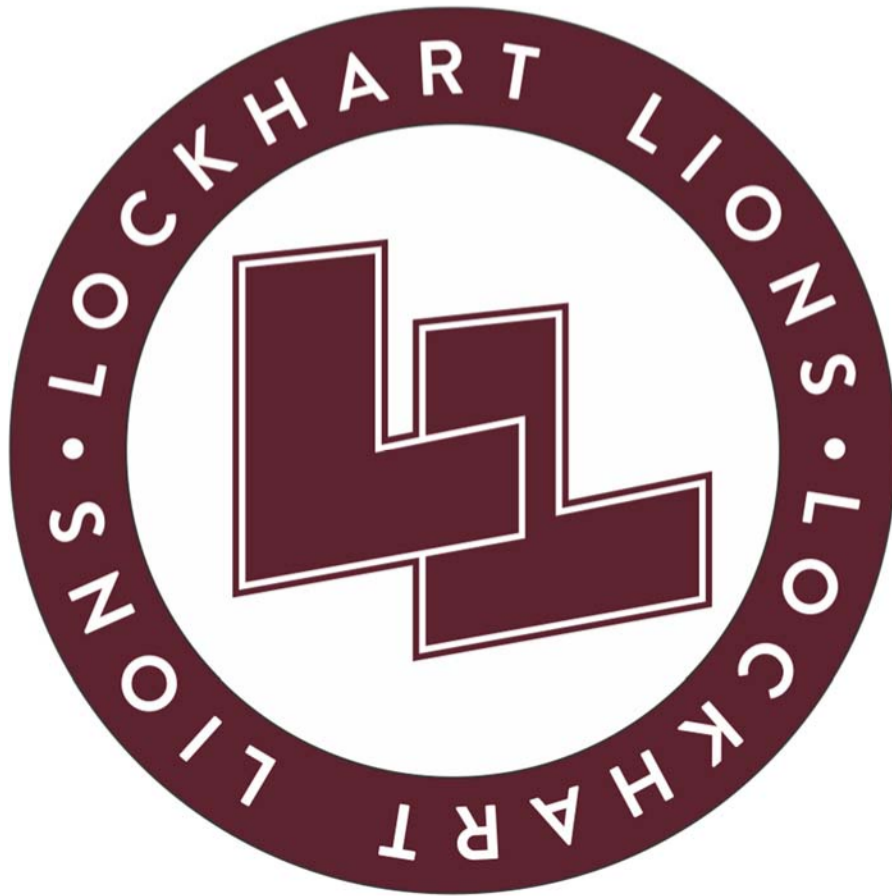


2019-2020 Adopted Budget
First Annual Comprehensive Budget Document

Lockhart Independent School District
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Introductory Section

Executive Summary

October 2019

Board of Trustees
Lockhart Independent School District
419 Bois Darc
Lockhart, TX 78644

Dear Board Members,

We are proud to publish the Fiscal Year 2019-2020 Budget to the Board of Trustees and to the community that we serve. We welcome the opportunity to present the budget information and discuss the related impact on all interested parties. When we have interaction with interested groups, we believe that it will lead to operational and educational improvements, which in turn, affect the students of Lockhart Independent School District (LISD).

The development, review and consideration of the FY 2019-2020 budgets were completed with a detailed and exhaustive review of every revenue and expenditure item within the context of the District's mission statement, Strategic Goals, Performance Objectives, and Board Policy.

We have included financial information on the District's Proprietary Fund, the School Nutrition Fund. This fund along with the General and Debt Service Funds, are the only funds that must be legally adopted by the Board of Trustees.

We have organized the document into the following sections:

- **Introductory Section** – The reader is introduced to the document as a whole. It includes highlights of important information found in the budget. The reader relies on this section to obtain a snapshot of what they can expect to find in the remainder of the document.
- **Organizational Section** – This section provides the context and budget framework for which the budget is developed and managed. The context for the budget is defined as the type and level of service to be provided to the students. The framework includes the District's organizational structure, and the controls that direct and regulate the development and management of the budget.
- **Financial Section** – This is the center of the school budget document. This section describes the District's financial structure. The District includes the adopted budgets, along with the results of past budget plans. It also includes information on entities such as schools, departments and programs, the objective of the entity, and both personnel and dollars, allocated to the entity to carry out the entity's mission.
- **Informational Section** – Provides information on the local economy and a brief narrative of the funding system in Texas, along with recent legislation, that impacts education funding in Texas.

The information included in the budget document is structured to meet the requirements of the Distinguished Budget Award of the Government Finance Officers Association (GFOA). Our most important goal is the presentation of budget data to improve the quality of information provided to

our community, concerning the expenditure of taxpayer funds for the educational programs and services for the 2019-2020 school year.

Mission Statement and Strategic Goals

The district's mission statement is "Building a Legacy of Excellence".

District Goals

1. Create a collaborative culture of contagious ambition
2. Expect all staff to embrace growth opportunities
3. Empower students to seize opportunities to achieve at high levels

Strategic Goals

1. Every student (grades K-8) will make 1.5 years' progress in reading in the 2018-2019 school year.
2. Every student (grades K-8) will make 1.5 years of progress in math in the 2018-2019 school year.
3. For the 2018-2019 school year, 90% of students taking the English II STAAR EOC will meet STAAR progress measure requirements.
4. Specific and measurable supports provided at the district level to achieve all three district goals.

District Achievements

Board of Trustees Honored

The Lockhart ISD Board of Trustees was awarded the first ever Texas Association of School Boards (TASB) exceptional Governance Award in 2016.

Highest Scores on the Financial Integrity Rating System of Texas (FIRST)

Lockhart ISD has received the highest score on the FIRST ratings for eighteen consecutive years, since its inception in 2003.

Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA)

Lockhart ISD has received this award for fourteen consecutive years.

Maintained High Credit Rating

Fitch Ratings Service rates Lockhart ISD bonds as AAA for the series 2014 school building bonds and AA for underlying outstanding series 2011 bonds.

Maintained a Low Administrative Cost Ratio

According to the Texas Education Agency, LISD must maintain a 12.5% or lower administrative cost ratio. LISD's administrative cost ratio for 2017-2018 (the most current year available) was 9.06%.

The Budget Process

The Planning Cycle

There are 7 steps to the financial planning cycle and ending with the audited financial statements. The 7 steps are as follows:

▪ Budget planning	November – December	2018
▪ Budget preparation	January – June	2019
▪ Board of Trustee budget review	March – June	2019
▪ Budget adoption	June	2019
▪ Tax rate adoption	August	2019
▪ Budget amendments	Monthly	2018-2019
▪ Audited financial statements	November	2019

Budget planning

The district budget process is driven by instructional needs. District budget planning begins with the Board reviewing the budget planning calendar in December. The Chief Financial Officer (CFO) reviews the demographer reports to determine the estimated percent growth in enrollment in which to estimate revenues and expenditures.

The CFO sends out budget worksheets that includes the percent growth and forms to each principal and department head in December. The principals and department heads meet with their campus improvement teams to guide the budget requests. The budget documents are returned to the CFO by February 1.

Budget Preparation

The CFO forwards the staffing requests to the deputy Superintendent for compilation in a google sheet, and reviews the requests. The CFO adds the estimated cost of the positions and the potential other budget increases, such as supplies, furniture or travel needed to support the position to the google sheet. The deputy Superintendent brings the requests to the Superintendent's cabinet meeting. The cabinet may ask for additional data before making a decision. After several meetings at the cabinet level, a list is approved for possible inclusion in the budget.

The CFO sends the capital outlay/project requests to the Assistant Superintendent for Operations and Technology. The Assistant Superintendent compiles the requests in a google sheet for review by the Superintendent's cabinet reviews and approves the requests.

The district receives a pay study each year to determine if there are any adjustments to market pay for any positions. The district uses the pay study to determine what percent raise is needed to increase salaries within a very competitive Central Texas market.

The CFO estimates the next year revenues, and compiles the budget requests into the Skyward software system. Then, the Skyward reports will be generated to determine if the budget is in balance, or if adjustments need to be made.

Board of Trustee Review

The Board usually has at least 3 budget workshops between April and June. The administration provides data to the Board, and recommendations. The Board asks questions and provides input to the administration regarding the budget. There also may be presentations to the Board during the same time period at regularly scheduled Board meetings. The Board adopts the budget on the 4th Monday in June.

Budget Adoption

The Caldwell County Appraisal District (CCAD) provides a preliminary appraisal roll by April 30. The roll is used to calculate estimated tax revenues and create a Notice of Public Meeting. During the 2019 legislative session, House Bill 3 required the district to lower the Maintenance and Operations (M&O) tax rate by 7 cents, therefore, the state of Texas increased state funding to school districts to offset the reduction in the tax rate. The new M&O tax rate proposed was \$0.97 per \$100 property value.

For the past 3 years, the district has left the Interest & Sinking (I&S) tax rate constant so that the additional collections can be used to defease debt. The current I&S tax rate is \$0.29236 per \$100 property value.

The Board approved the date of the public meeting and the tax rate to be included in the Notice. The Notice of Public Meeting and Proposed Tax Rate was published on June 13, 2019. The total tax rate proposed was \$1.26236. The budget was adopted on June 24, 2019.

Tax Rate Adoption

The district received the 2019 certified values on July 23, 2019, and the proposed tax rate was recalculated. Since the M&O tax rate was published in June with the 7 cent reduction, and because the district is leaving the Interest & Sinking (I&S) constant, the administration recommended the adoption of a total tax rate of \$1.26236, as was advertised in June. The Board approved the tax rate on August 26, 2019.

Budget Amendments

After the budget adoption, there are budget amendments as needed for unforeseen expenditures or revenues. Board policy also requires that if a budget change will not be in the same fund or function, the Board must approve the budget amendment.

The final amended budget was submitted and approved by the school Board on June 24, 2019. The final amended budget will be used in the comprehensive annual financial report for the 2019-2020 school year.

Audited Financial Statements

The final step in the budget process is the independent audit of the final financial statements. The audit is required by state law.

Capital Projects Budget Process

The district has a list of long-term capital project needs. The district has a long-range facilities committee. The committee met in the summer of 2019 to review, tour, and recommend priorities of capital projects to the school Board. The district also budgets capital projects in the General Fund when funds are available.

Balanced Budget and Fund Balance

Legal requirements for school district budgets are formulated by the local school district, the Texas Education Agency (TEA) and state law. A balanced budget is defined by total expenditures that do not exceed revenues plus fund balance. Additions to fund balance occur when total revenues exceed total expenditures. Lockhart ISD's Board policy requires a minimum of 3 months of operating expenditures. This is one month more than what TEA requires.

LISD's Board of Trustees are committed to having a balanced budget (revenue \geq expenditures per fund) under normal circumstances. When unforeseen circumstances require the district to adopt a budget that is not balanced, full disclosure of the circumstances requiring the decision will be itemized for all interested parties in budget documents. Further, plans for balancing future budgets will be disclosed, along with timelines developed for implementing the plan.

The purpose of a fund balance is to provide funds for unanticipated expenditures not included in a District's budget or to replace revenues anticipated but not received. Fund balance is the difference between the fund's total assets (investments, cash, etc.) and total liabilities (commitments to vendors, or other entities). The fund balance will be measured on the last day of the fiscal year end (June 30) for the previously audited years. When projecting fund balance, June 30 is the beginning balance prior to the fiscal year, plus estimated revenues, less estimated expenditures, for a projected ending fund balance.



Budget Challenges

Lockhart ISD's budget challenges include a 3-4% enrollment growth, a competitive pay plan, a 24% teacher turnover ratio, and near-capacity schools. In August 2019, The district called for a \$92.3 million bond election for November 5, 2019 to address the near-capacity schools due to enrollment growth, as well as to increase safety and security, and to address long-term maintenance needs. The district is providing additional professional development to new teachers in order to decrease teacher turnover.

To address the growth, additional staffing was approved for 2019-2020 in the amount of \$1,271,803. Since the district was required to increase teacher pay in 2019-2020 due to House Bill 3, and pay increases for other employees, the increase to the payroll budget was estimated at \$1,444,945. Included in the increase was \$49,341 in market pay adjustments.



2019-2020 Budget Goals, Assumptions, Priorities and Risks

Budget Goal

The 2019-2020 budget will support the district's mission and goals with financial resources with a balanced budget.

Budget Assumptions

Lockhart ISD's 2019-2020 budget will:

- Be budget balanced with available resources;
- Address all federal and state mandates;
- Manage the district's resources effectively and efficiently;
- Maintain 3 months of operating in fund balance as required in Board policy

Budget Priorities

- Budget for compliance with state mandated special revenue funds such as the Early Education, Dyslexia, College, Career and Military Readiness, Bilingual, and State Compensatory Education Allotments
- Provide a safe and secure learning environment for all students
- Provide a competitive pay and benefits compensation plan for all employees

Budget Risks

- Changes in student enrollment
- Inflation for major budget items

- Decreased interest income on investments
- Unfunded mandates
- The state of Texas may not maintain or increase revenues in the 2021 legislative session

School District Accounting for School Operations

School districts manage the millions of dollars through separate funds called Governmental Funds. The Governmental funds account for the basic operations of the district. The district also has a proprietary fund called the School Nutrition Fund. This fund accounts for the National School Breakfast and Lunch Program. The district also has a Debt Service (I&S) fund that accounts for the annual bond payments, and the tax and state revenues that are generated to make the annual bond payments.

The school Board is only required to adopt the M&O budget, School Nutrition Budget and the Debt Service budget.

Governmental Funds

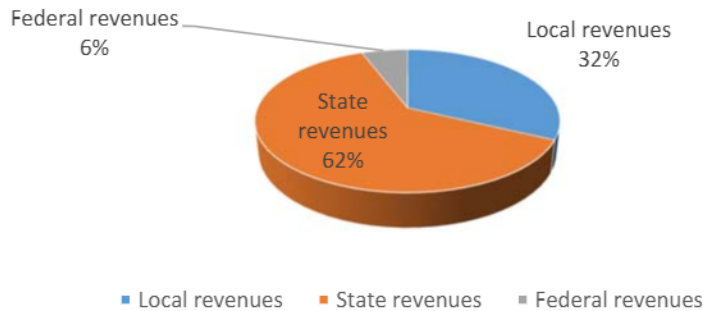
This report presents a comparison of revenues and expenditures for all Governmental Funds. The Governmental Funds include the General Fund, School Nutrition Fund and the Debt Service Funds. Most of the district's funds are in the Governmental Funds.

The General Fund records the day to day activity of the district. Activity consists of employee salaries and benefits, contracted services, supplies and material, other operating, transfers in and out, Board authorized debt service, and capital expenditures. The Debt Service Fund records the payment of principal and interest on the voter authorized debt. Special revenue funds are established to record the revenues and expenditures of legally restricted funds due to grantor restrictions. Lockhart ISD's Child Nutrition Fund is the only special revenue fund that is required to be adopted by the Board.

Governmental Funds Revenues

Lockhart ISD's General Fund is the largest governmental fund, comprising of 85.3% of total revenue. The major source of revenue in this fund is state revenue, followed by local tax revenue and a small portion of federal revenue. School districts receive state revenue based upon the 2019 State Legislatures' House Bill 3 (HB3). HB3 revolutionized state funding in Texas starting in 2019-2020. HB3 funneled approximately \$6M in new funding for Lockhart ISD, while decreasing the local tax rate by 7 cents, or \$999K decrease in tax revenues projected for 2019-2020. School districts receive state revenue based on a complex formula, taking into account many factors such as the number of students that are educationally disadvantaged, bilingual, dyslexic, college, career, or military readiness, just to name a few. Attendance rates are also a factor in state funding.

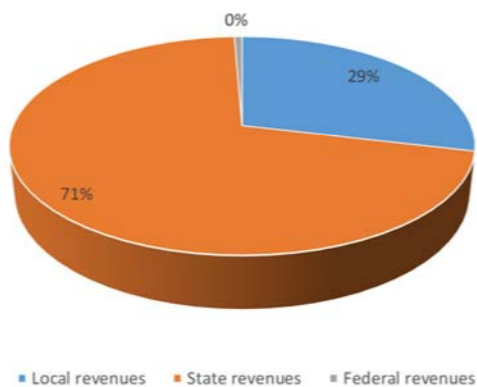
Governmental Fund Revenues by Source All Appropriated Funds FY2020



Governmental Funds Revenue History All Appropriated Funds

	2016-17	2017-18	2018-19	2019-20
	Actual	Actual	Actual	Budget
Local revenues	\$ 15,940,084	\$ 17,447,798	\$ 19,326,440	\$ 20,426,131
State revenues	\$ 33,878,208	\$ 36,649,290	\$ 35,638,764	\$ 39,513,547
Federal revenues	\$ 3,521,529	\$ 3,240,348	\$ 4,047,360	\$ 3,696,981
Total Revenues	\$ 53,339,821	\$ 57,337,436	\$ 59,012,564	\$ 63,636,659

Governmental Funds General Fund Appropriated Funds Only FY2020



- Local revenues - The majority of local revenues are property tax revenues. Other minor revenue sources include investment income, tuition, and other miscellaneous income.
- State revenues - The State of Texas provides foundation school funds, available school funds and Teacher Retirement System on-behalf revenues.

- Federal revenues - The majority of federal revenues are SHARS (school health and related services) revenues in the General Fund and School breakfast and lunch revenues in the School Nutrition Fund. Other minor sources of revenues include Medicaid Administrative Claims revenue, indirect costs in the General Fund from federal grants, and income from the Air Force Junior ROTC, which supports instructor pay.

Methods used to Estimate Revenues

One of the most significant factors in budget development and long-range planning is the development of enrollment projections. Enrollment projections are designed to predict student enrollment. Enrollment is based upon historical data, cohort survival projections and demographic data, which includes birth data for kindergarten that is not reflected in the historical data and may be significantly different from year-to-year.

The district uses a combination of methods to estimate revenues. Each of these method results are compared together to estimate projected revenues for future years.

- Review current enrollment
- Cohort projection method
- Ratio projection
- Trend method
- Mid-year projection method
- Demographer projections

Underlying Assumptions

The following factors are used to make assumptions about future revenue growth:

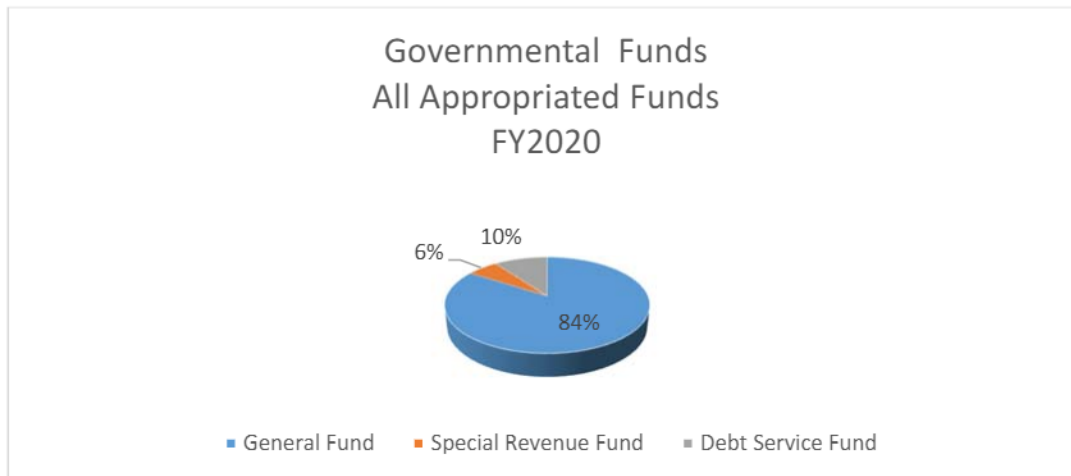
- The district reviews three to five prior year growth percentages when estimating future revenues.
- The district physically observes actual growth by traveling throughout the district to see the growth including new housing developments, commercial developments, and new apartment complexes.
- The district physically observes new industries that have started construction and the projected opening of the industry. That will assist in projecting the need for new housing, as well as potential increases in property values.
- The district compares fees and tuition for programs in the district, with other competitors and other school districts, and adjusts when warranted.

General Operating Revenue Assumptions and Major Revenue Source Trends

- **Assumption #1:** The District's taxable property appraisal values are expected to increase at a rate of 18% from 2018-2019 to 2019-2020.
- **Assumption #2:** The district's average daily attendance is expected to increase at a rate of 3% from 2018-2019 to 2019-2020, based upon the demographer's projections for future enrollment growth.
- **Assumption #3:** HB3 lowered tax rates by 7 cents in 2019, and increased state revenues to offset the tax rate reduction, as well as infused new state money into public education. At the time of the budget adoption on June 24, 2019, the HB3 new money was a preliminary estimate due to many of the funding indicator input data was unclear or unavailable. It is expected during 2019-2020, as more information is available, that the budget will be amended to reflect current law as intended.

Governmental Funds Expenditures

The General Fund has the highest percentage of fund expenditures out of all appropriated funds at 84%, as this represents the major expenditures of the school district operations.

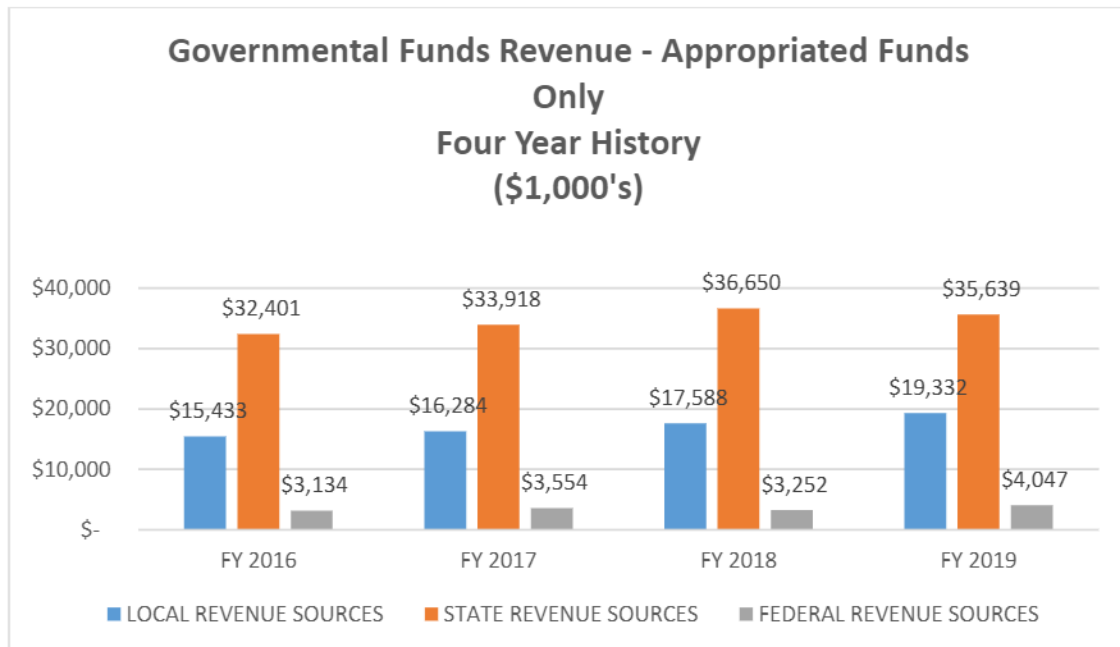


Total Governmental Funds Expenditures

	2016-17	2017-18	2018-19	2019-20
	Actual	Actual	Actual	Budget
General Fund	\$ 37,991,604	\$ 43,702,538	\$ 46,082,848	\$ 52,763,594
Special Revenue Fund	\$ 3,389,491	\$ 3,369,643	\$ 3,860,575	\$ 3,637,381
Debt Service Fund	5,643,566	5,649,980	5,745,392	6,291,444
Total Expenditures	\$ 47,024,661	\$ 52,722,161	\$ 55,688,815	\$ 62,692,419

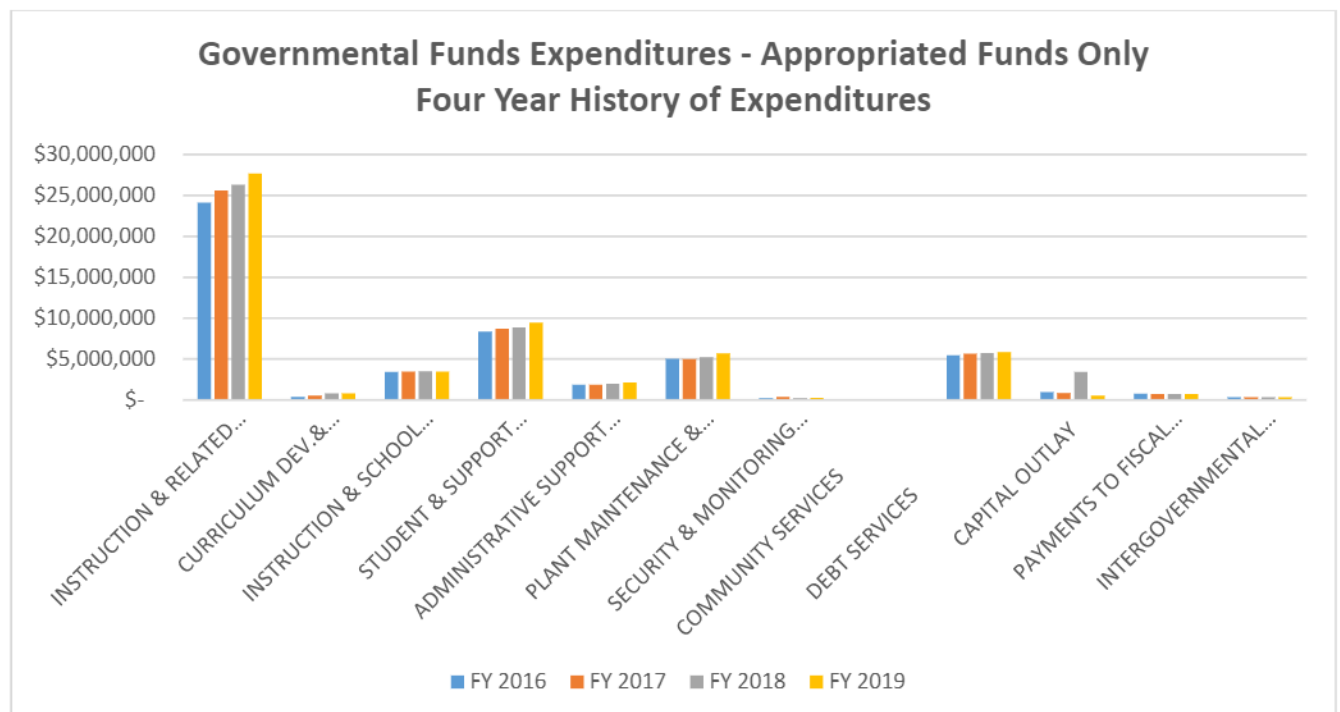
Major Sources of Funds

Lockhart ISD's programs consist of local personal and property taxes, state revenues and federal revenues. The federal revenues consist of indirect costs from federal funds, Medicaid revenues, and SHARS revenues. The state revenues include Foundation School Program revenues, Available School Fund revenues and Teacher Retirement System on-behalf revenues. The Available School Fund revenues are a distribution from the total return on all investment assets of the Texas Permanent School Fund. The on-behalf revenues are state payments of matching teacher retirement paid for active members of the school district as required by Government Accounting Standards Board (GASB) Statement number 24.



Major Uses of Funds

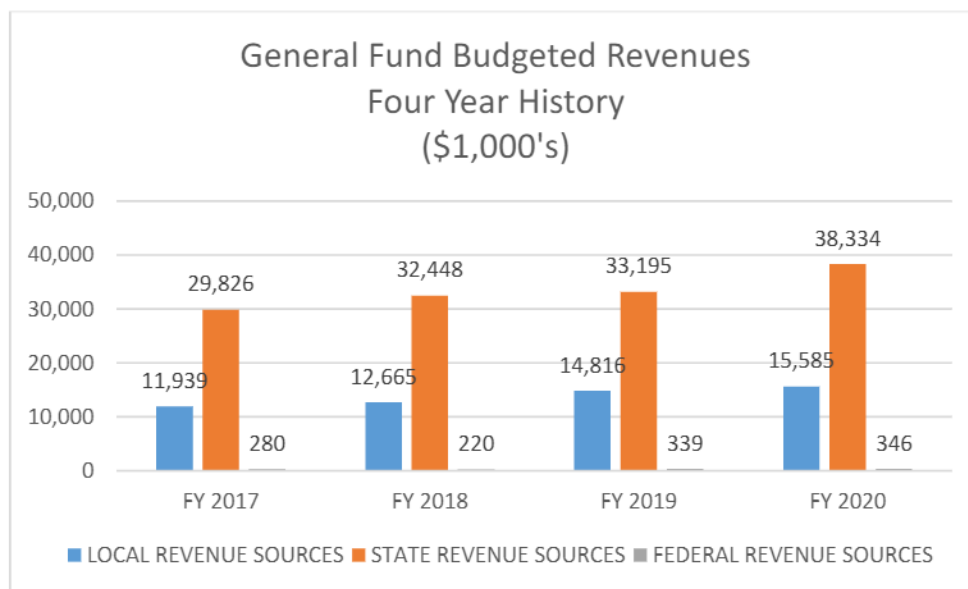
The majority of funding is spent on direct classroom instruction and related services. The services go directly into the classroom in the way of salaries and benefits and classroom supplies and materials. The next largest expenditures are student support services, such as child nutrition, pupil transportation, guidance and counseling, health services and social work services.



Analysis of Governmental Fund Budgets

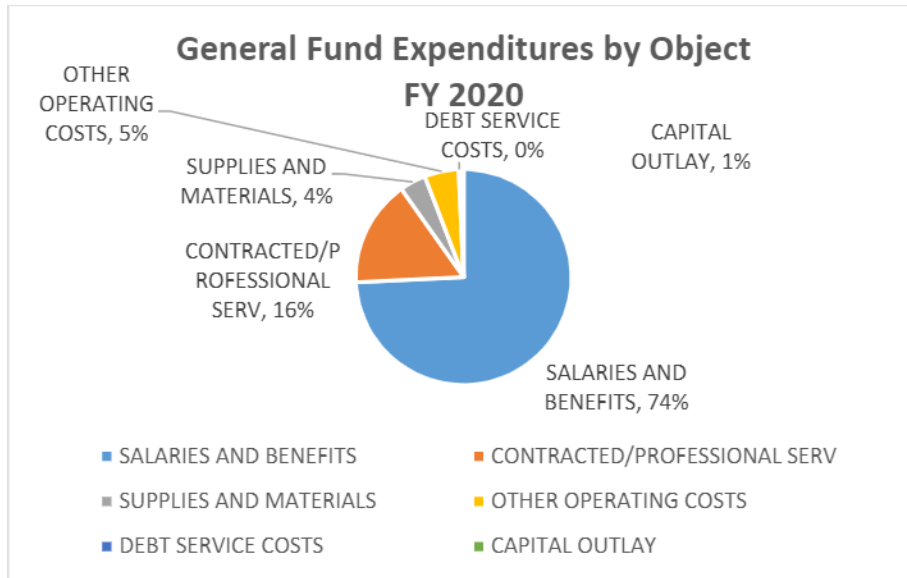
General Funds

Revenue and Other resources are estimated at \$54,265,495 and expenditures and other uses are estimated at \$52,763,594. The 2019-2020 budget is balanced with an estimated addition to fund balance of \$1,501,901. Because of HB3, there will be amendments to estimated revenues because current enrollment as of October 2019, is less than the 3% increase that was anticipated. In addition, at the time that the budget was adopted in June 2019, HB3 created new special programs revenues for which there was little guidance from the Texas Education Agency on allowable expenditures from the special programs revenues. That caused the potential addition to fund balance. Now, more guidance is available on the special programs revenues, so LISD administration is anticipating amending the general fund budget to add budgeted expenditures of approximately \$750,000 during FY 20, as LISD is required to spend 100% of the new revenues.



The General fund accounts for resources that finance the basic fundamental operations of the district. All revenues and expenditures that are not required to be accounted for in other funds are accounted for here. Since this is a budgeted fund, any fund balances are considered resources available for current operations. The Board of Trustees may appropriate General Funds to implement district responsibilities.

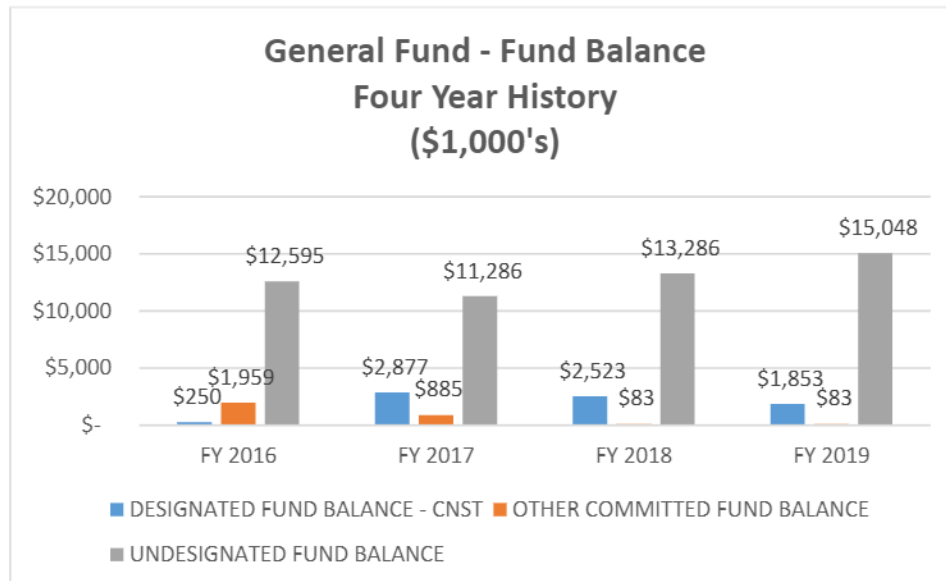
The education of students is very dependent on labor. By examining the next graph, the reader can visualize that the largest expenditure in the General Fund is payroll costs. The district's workforce is determined by staffing guidelines, and is based upon the projected student enrollment and curriculum requirements. For the 2019-2020 fiscal year, payroll costs are budgeted at \$38,682,025, or 74% of General Fund current operating expenditures.



Fund Balance

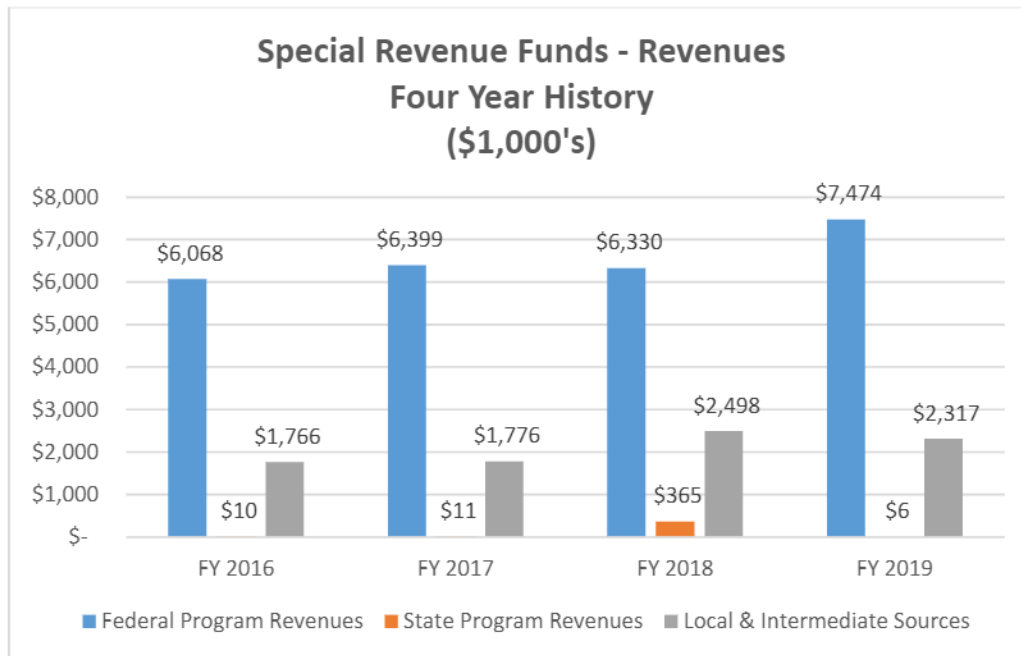
General Fund

The district has historically had more than 3 months operating expenditures in General Fund balance. This level has allowed the district to continue to have a Superior rating on the Schools FIRST (Financial Integrity Rating System of Texas) report. Additionally, a healthy fund balance has allowed the district to continue to have high ratings when issuing bonds, which allows the district to obtain more competitive (i.e. lower) borrowing rates as needed. The health fund balance has allowed the district to use the amount above 3 months operating expenditures for capital projects as needed. Most recently, when the 2014 bond election was passed, the district used fund balance instead of bond funds to fund the furniture, fixtures and equipment for the bond projects.



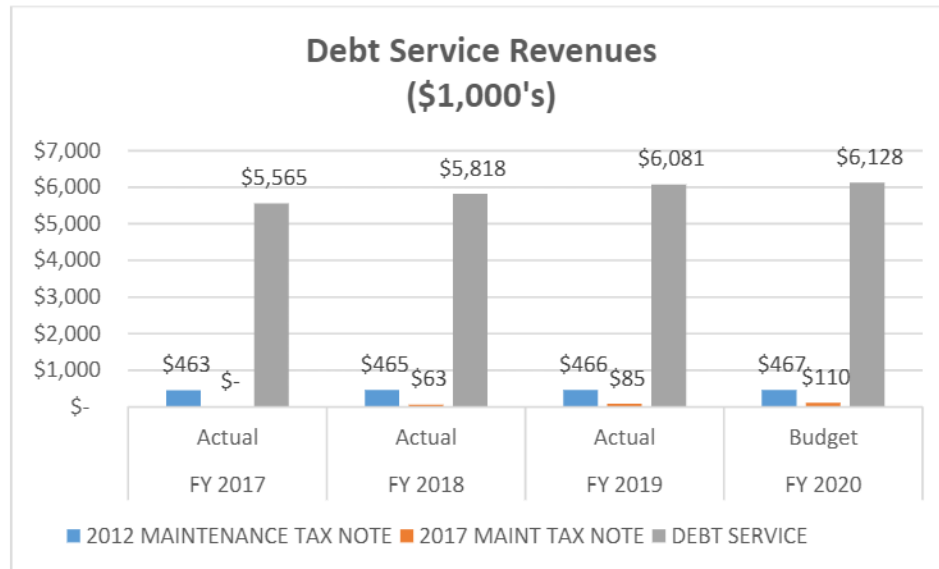
Special Revenue Fund

Special revenue funds are received from a variety of sources and are used for many different educational activities. The district anticipates accounting for approximately 30 different special revenue funds, totaling approximately \$9.7 million in FY 2020. The only special revenue fund that the Board is responsible for approving is the School Nutrition Fund. The largest group of revenues is the federal program revenues that are administered through the Texas Education Agency (TEA), at \$7.4 million in FY2019. The second largest is the local program revenues which are received from various local sources, at \$2.3 million.



Debt Service Funds

These funds are established to account for the payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. They are Budgeted at \$6.7 million in FY 2020.



Bonded principal indebtedness is as follows:

Balance at 6/30/19	\$69,090,000
2019-2020 payments	<u>(\$2,090,000)</u>
Balance at 6/30/20	\$67,000,000

As of June 30, 2020, the projected fund balance will be approximately \$5,418,117. Our goal is to maintain a fund balance that will result in no negative cash flow impact. The bond payments are due February and August of each year, which is past the high tax collection times of December and January.

Proprietary Funds

The district does not have any proprietary funds.

Enterprise Funds

Business-type activities are reported in Enterprise Funds. The district has seven enterprise funds; the Child Nutrition Fund and six Community Education funds: Summer Recreation, Kids Club afterschool program, Cub house for teen parents, GED and Adult Education, Cub house for staff employees, and Community Education administration. All except the Child Nutrition Fund charge tuition for services. The Child Nutrition Fund receives the majority of revenues from federal sources. The Child Nutrition Fund budget must be approved by the Board of Trustees. Over \$4.5 million in revenue is generated in the enterprise funds.

Internal Service Funds

The district does not have any internal service funds.

Analysis of Local Taxes

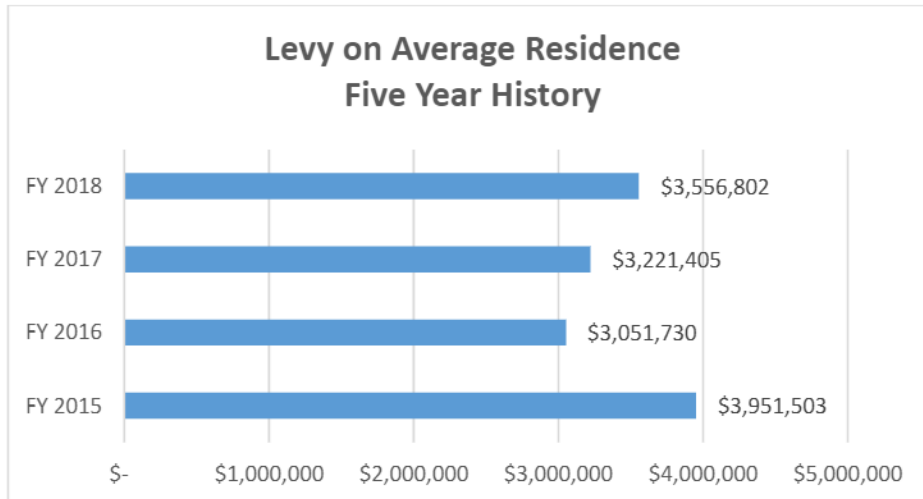
Assessed Values

Annually, all of Lockhart ISD's properties are assessed at 100% of market values as of January 1, 2019. The district's fiscal year runs July 1 to June 30. The district contracts with Caldwell County Appraisal District for assessment and collection services. The district received the certified values on July 23, 2019. The certified and 75% of under protest appraisal totals were used for the August 26, 2019 tax rate adoption, which was \$1,477,346,890. This equates to a growth of 18.2% over the 2018 values, and an average growth of 9.0% the past five years. The Texas Comptroller of Public Accounts annually certifies the final property values which are used for allocating state funds to school districts.



Levy on the Average Residence and Distribution of Tax Base

Lockhart ISD's tax base is heavily weighted in land (39%), residential property (38%), and commercial/other properties (23%). About 32.8% of the General Fund revenues is derived from local property taxes. Homeowners fund a small portion of the costs of operating our schools. In the past five years, taxable values have risen \$516,340,235, or 53.7%. This is primarily due to rising property values all over central Texas. LISD is considered a fast growth district, not only for student enrollment, but rising property values. Because land is the highest percentage of property values, the potential for growth in values is also high in future years.



Top Ten Taxpayers

LISD's top ten taxpayers are all commercial entities, such as LCRA, Wal-Mart, Bluebonnet Electric Coop, and Union Pacific Railroad, et. al. It should be noted that the top ten taxpayers only represent 7% of the total taxable value. LISD clearly depends on land, small business and residence owners for local property tax revenues.

Property Tax Rates

Maintenance and Operations Tax Rate (M&O):

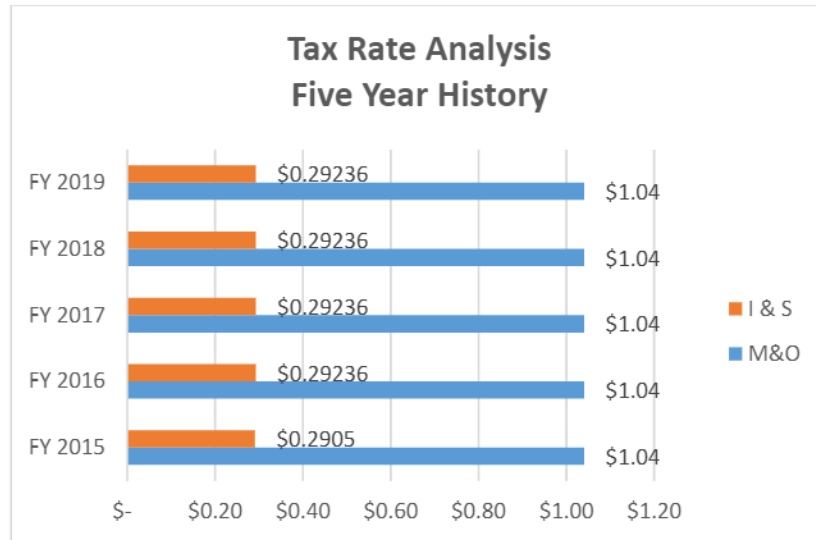
The Board of Trustees approved a Maintenance and Operations (M&O) rate of \$0.97 per \$100 property value for the 2019 tax year. The M&O rate raises revenue that will be used to operate and maintain the district's schools. The M&O rate is seven cents lower than the 2018 rate due to HB3 which was passed by state legislature in the spring of 2019.

Interest and Sinking Tax Rate (I&S):

The I&S tax rate is levied to pay the principal and interest for voter approved bonded indebtedness. Bonded debt is usually used to build and construct new or renovated facilities, school improvements, or other capital projects. The Board of Trustees approved an Interest and Sinking (I&S) rate of \$0.29236/\$ for the 2019 tax year. The tax revenue will be used to pay for \$5.2 million in principal and interest payments during FY 2020. The rate included funds to defease \$600,000 of the 2014 debt.

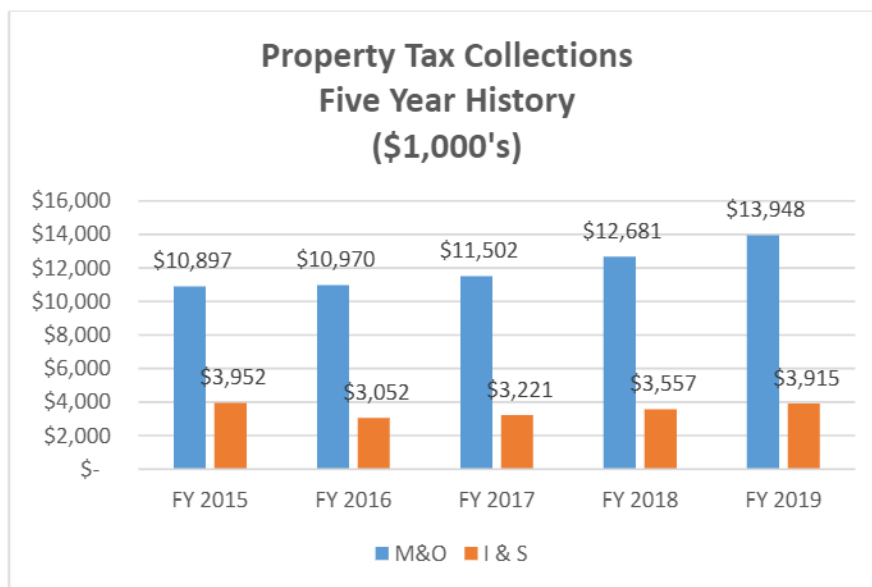
Total Tax Rate

The total tax rate is \$1.26236 for 2019, a seven cent drop in the total tax rate, as described in the M&O section above.



Property Tax Collections

LISD's property tax collections have risen since FY 2015, due to rising property values.



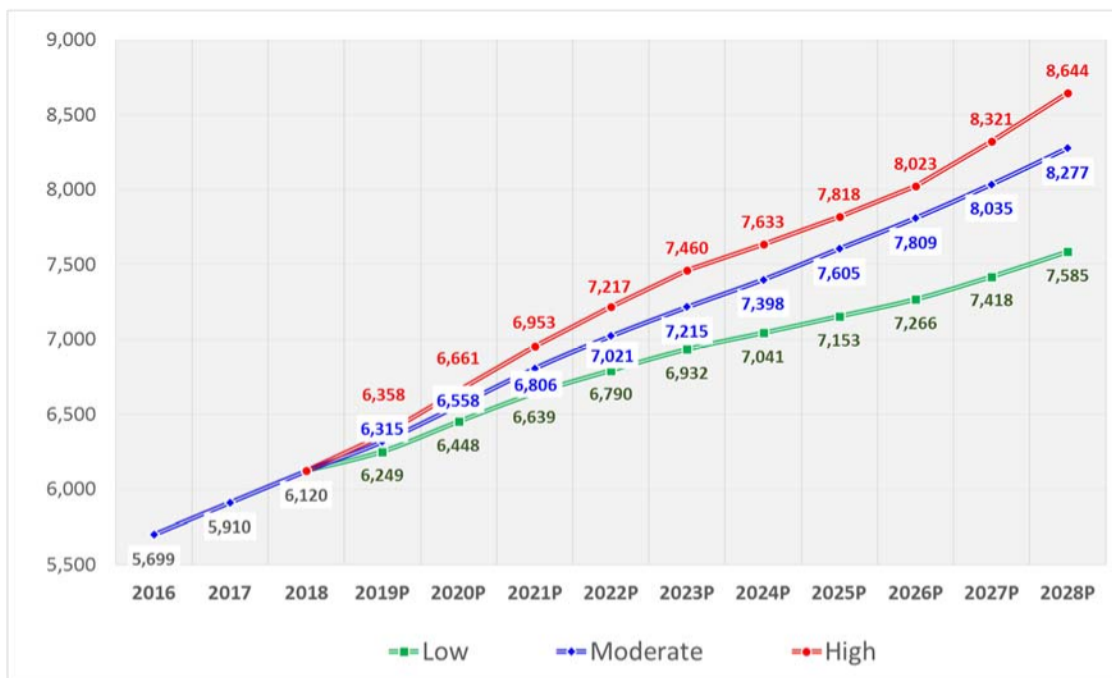


Student Enrollment Projections

Enrollment projections were provided through a contract with School District Strategies (SDS). SDS has provided enrollment projections for LISD for several years. In 2018, SDS updated their projections based upon information from the City of Lockhart, and Caldwell County, as well as other sources. Since 2014, district enrollment has grown by 21%.

DISTRICT ENROLLMENT PROJECTIONS (PK-12)

Projected Net Growth	Low Scenario	Moderate Scenario	High Scenario
3-Year	538	686	833
5-Year	880	1,095	1,340
10-Year	1,508	2,157	2,524
5-Yr. Annual Avg.	2.5%	3.3%	4.0%



District-wide Staffing

Because of the increase in enrollment, additional staffing is needed both in the classroom and in district support services. As enrollment continues to grow, we anticipate adding teaching and support positions as needed to meet the needs of our students. We constantly monitor class sizes to determine where additional support is needed.

Employee Resource Allocations

Full-time equivalent district employees by position

	2016	2017	2018	2019
<u>Teachers</u>				
Teacher	352.2	348.4	354.8	372
<u>Professional Support</u>				
Counselor	13.0	13.5	14.0	13.3
Educational Diagnostician	6.0	6.0	6.0	5.5
Librarian	7.0	7.0	6.0	7.0
Occupational Therapist	-	-	-	1.0
Physical Therapist	-	-	-	1.0
School Nurse	2.0	2.0	2.0	2.0
LSSP/Psychologist	2.0	2.0	1.0	1.0
Social Worker	-	-	-	-
Speech Ther./Sp. Lang. Pathologist	4.0	4.5	8.5	8.5
Work-Based Learning Site Coord.	-	-	-	-
Teacher Facilitator	1.4	-	20.2	5.5
Athletic Trainer	1.7	2.5	2.5	2.5
District/Campus Inform. Technology	6.0	6.0	6.0	6.0
Maintenance	1.0	-	0.9	1.0
Campus Professional Personnel	2.6	2.3	3.4	3.4
Non-Instructional Professionals	7.4	10.7	10.0	10.0
Other Professionals	-	-	10.0	15.6
<u>Campus Administration</u>				
Assistant/Associate Principal	12.0	12.0	13.0	11.0
Principal	8.5	10.0	8.4	9.0
<u>Central Administration</u>				
Assistant/Assoc/Deputy Supt	3.0	3.0	3.0	3.0
District Instructional Program Director	4.0	3.0	3.0	3.0
Superintendent	1.0	1.0	1.0	1.0
Communications Professional	-	1.0	1.0	1.0
Teacher Supervisor	-	-	-	-
Athletic Director	1.0	1.0	1.0	1.0
Director of Personnel/HR	-	-	1.0	1.0
<u>Educational Aides</u>				
Educational Aide	47.6	41.9	42.6	42.8
<u>Auxiliary Staff</u>				
Auxiliary Staff	170.4	168.0	157.0	141.1
Total	653.8	645.8	676.3	669.2

Note: Auxiliary staff declined in 2018-2019 due to contracting out the custodial services

Educational Performance Measures

Texas Accountability System

In 2011, the State of Texas replaced the old Texas Assessment of Knowledge and Skills (TAKS) accountability system with a new student testing system call the State of Texas Assessments of Academic Readiness (STAAR). This new system tests grades 3-11 in all subjects. The district has met standards from 2011 to 2017. Beginning in the '2017-2018 school year, the state assigned a letter grade to the district. LISD received a C letter grade for 2017-2018.

Academic Performance and Per Pupil Spending

LISD spends an average of \$8,047 per student and it's academic rating is a C. When comparing it's spending, out of the six districts with a C, LISD spends the least amount per student.

	2017-2018	Academic	Instr. &	Instr &	Student	Admin	Plant	Safety	Comm.	Debt	Capital	Inter-	
	Enrollment	Rating	related	Sch lead.	Support	Support	Maint	Security	Serv.	Svc.	Outlay	Govt Chg	Total
LOCKHART ISD	5,901	C	\$ 4,574	\$594	\$890	\$334	\$852	\$34	\$2	\$11	\$579	\$177	\$ 8,047
BASTROP ISD	10,863	C	\$ 5,155	\$525	\$1,170	\$228	\$904	\$65	\$24	\$8	\$36	\$79	\$ 8,194
DEL VALLE ISD	11,169	D	\$ 5,741	\$749	\$1,149	\$333	\$985	\$91	\$73	\$0	\$516	\$31	\$ 9,668
DRIPPING SPRINGS ISD	6,430	A	\$ 4,848	\$497	\$1,011	\$359	\$1,165	\$56	\$4	\$253	\$10	\$905	\$ 9,108
ELGIN ISD	4,307	C	\$ 5,180	\$833	\$1,066	\$370	\$1,610	\$60	\$73	\$152	\$289	\$61	\$ 9,694
FREDERICKSBURG ISD	3,184	B	\$ 4,983	\$579	\$1,017	\$352	\$1,386	\$12	\$70	\$0	\$0	\$3,468	\$ 11,867
GEORGETOWN ISD	11,508	B	\$ 5,264	\$749	\$1,151	\$320	\$1,259	\$39	\$42	\$0	\$0	\$1,009	\$ 9,833
HAYS CISD	19,788	C	\$ 4,941	\$667	\$1,085	\$222	\$1,166	\$83	\$10	\$0	\$0	\$51	\$ 8,225
HUTTO ISD	7,218	C	\$ 5,537	\$501	\$1,074	\$332	\$1,075	\$149	\$121	\$116	\$12	\$46	\$ 8,963
MANOR ISD	9,061	D	\$ 5,178	\$1,024	\$1,086	\$340	\$1,127	\$106	\$71	\$0	\$0	\$42	\$ 8,974
MARBLE FALLS ISD	4,225	B	\$ 5,069	\$780	\$1,232	\$349	\$1,620	\$31	\$10	\$43	\$0	\$1,319	\$ 10,453
NEW BRAUNFELS ISD	8,925	B	\$ 4,410	\$651	\$1,089	\$244	\$1,027	\$51	\$29	\$1	\$76	\$70	\$ 7,648
SAN MARCOS CISD	8,167	C	\$ 5,160	\$692	\$1,119	\$308	\$1,155	\$53	\$42	\$0	\$13	\$65	\$ 8,607
TAYLOR ISD	3,190	C	\$ 5,057	\$784	\$989	\$392	\$1,609	\$32	\$120	\$130	\$0	\$718	\$ 9,831
High			\$ 5,741	\$ 1,024	\$ 1,232	\$ 392	\$ 1,620	\$ 149	\$ 121	\$ 253	\$ 579	\$ 3,468	\$ 11,867
Average			\$ 4,752	\$ 645	\$ 1,017	\$ 296	\$ 1,149	\$ 59	\$ 49	\$ 50	\$ 68	\$ 562	\$ 8,648
Low			\$ 4,410	\$ 497	\$ 890	\$ 244	\$ 852	\$ 12	\$ 2	\$ -	\$ -	\$ 31	\$ 8,047

Financial Performance Measures

Senate Bill 218 of the 77th regular session of the Texas Legislature in 2001, created the Financial Integrity Rating System of Texas (FIRST). The FIRST rating system measures a number of financial measures, as well as some management indicators. Since the inception in 2001, Lockhart ISD has scored the highest rating for 18 consecutive years.

Bond Ratings

Fitch Ratings rated the 2014 bonds as AAA and the outstanding debt as AA rating. Lockhart ISD is very proud of these ratings as it indicates strong fiscal management, growth potential, steady tax base gains and high, but affordable debt.

Budget Highlights

The Board of Trustees adopted the budget on June 24, 2019. The following is a budget summary linking the district goals to the budgeted expenditures. As discussed earlier in this document, the Administration performed a detailed review of all revenues and expenditures, aligning resources with district goals and objectives, when preparing this budget. After more is known about HB3 and the budget requirements, budget amendments are expected in the fall of 2019, to reduce the amount of funds going into fund balance.

Lockhart Independent School District 2019-2020 Adopted Budget						
		GENERAL	DEBT SERVICE	MAINT TAX NOTE	SCHOOL NUTRITION	ESTIMATED
Object	District Goals	PROPOSED	PROPOSED	PROPOSED	PROPOSED	GRAND TOTAL
ESTIMATED BEGINNING FUND BALANCE, 7/1/19		\$ 15,060,929	\$ 6,022,373	\$ 217,255	\$ 1,105,850	\$ 22,406,407
LOCAL REVENUE SOURCES		\$ 15,584,869	\$ 4,555,777	\$ 2,700	\$ 282,784	\$ 20,426,130
STATE REVENUE SOURCES		\$ 38,334,154	\$ 1,163,070	\$ -	\$ 16,323	\$ 39,513,547
FED REVENUE SOURCES		\$ 346,472	\$ -	\$ -	\$ 3,350,510	\$ 3,696,982
TRANSFERS IN		\$ -	\$ -	\$ 573,536	\$ -	\$ 573,536
		\$ 54,265,495	\$ 5,718,847	\$ 576,236	\$ 3,649,617	\$ 64,210,195
SALARIES/BENEFITS	1,2,3	\$ 38,682,025	\$ -	\$ -	\$ 1,132,380	\$ 39,814,405
CONTR/PROF SERVICES	1,2,3	\$ 8,318,239	\$ -	\$ -	\$ 2,297,339	\$ 10,615,578
SUPPLIES/MATERIALS	1,2,3	\$ 2,041,750	\$ -	\$ -	\$ 191,862	\$ 2,233,612
OTHER OPERATING COSTS	1,2,3	\$ 2,675,942	\$ -	\$ -	\$ 15,800	\$ 2,691,742
DEBT SERVICE COSTS *	1,2,3	\$ 84,989	\$ 5,715,208	\$ 576,236	\$ -	\$ 6,376,433
CAPITAL OUTLAY	1,2,3	\$ 289,937	\$ -	\$ -	\$ -	\$ 289,937
TRANSFERS OUT	1,2,3	\$ 670,712	\$ -	\$ -	\$ -	\$ 670,712
		\$ 52,763,594	\$ 5,715,208	\$ 576,236	\$ 3,637,381	\$ 62,692,419
Amount to/(from) fund balance		\$ 1,501,901	\$ 3,639	\$ -	\$ 12,236	\$ 1,517,776
ESTIMATED ENDING FUND BALANCE, 6/30/20		\$ 16,562,830	\$ 6,026,012	\$ 217,255	\$ 1,118,086	\$ 23,924,183
Optimum fund balance =Three months of operating:		\$ 13,190,899				
Amount of fund balance in excess of operating:		\$ 3,371,932				
* Includes \$560,000 in estimated defeasance						

Acknowledgements

We appreciate the Board of Trustees and leadership of the district to develop, implement and maintain a fiscally responsible budget, while charting a course for students to achieve to their highest potential.

Tina Knudsen

Tina Knudsen, CPA
Chief Financial Officer

Mark Estrada

Mark Estrada
Superintendent

Board of Trustees

The Lockhart ISD Board of Trustees is composed of seven members. Four Trustees are elected from single-member-districts, and three are elected at-large. Trustees are elected to serve four year terms.

A seven-member Board of Trustees governs the District in accordance with state statutes and regulations. Members serve four-year staggered terms without compensation. Three members of the Board of Trustees are elected for at-large seats, using a cumulative voting system in which a voter may cast all three of his/her votes for a single candidate, or split his/her three votes between two candidates, or cast one vote for three different candidates. This system was dictated by the Federal Department of Justice to facilitate election of Trustees from ethnic minority groups. Four other Trustees are elected to represent four single-member districts.

The Board of Trustees operates as a policy making body, delegating management to the single executive head (the Superintendent), setting annual District goals, and evaluating policies in terms of effectiveness in attaining District goals. The Board of Trustees delegates hiring and dismissal of all staff to the Superintendent.

The Superintendent and the administrative staff execute the policies of the Board, assume responsibility for the daily operation of the District, make recommendations to the Board in matters of policy and personnel, prepare the budget, and report to the Board on matters relating to the progress of the District in attaining the goals set by the Board.

All powers and duties not specifically delegated by statute to TEA or the State Board of Education are reserved for the Board.



From left to right back row:

President Steve Johnson, Warren Burnett, Becky Lockhart, and Vice President Michael Wright

From left to right front row:

Carl M. Cisneros, Brenda Spillmann, Superintendent Mark Estrada, and Secretary Tom Guyton



President, Steve Johnson is serving his first term, elected to the Board in 2014 in an at Large position. Johnson grew up in Lockhart and attended Lockhart High School. He later attended Shriner University on a scholarship for basketball, later transferring to Southwest Texas State University. Johnson has owned a retail business in the transportation industry for the past 11 years.



Vice president, Michael Wright is serving his first term, elected to the Board in 2014 in an at Large position. He is a graduate of Lockhart public schools and obtained his degree from Texas State University in Business Administration. He is currently retired from the Texas Water Development Board after 34 years of service.



Secretary, Tom Guyton, is serving his second term on the LISD Board. First elected in 2009, Guyton's service includes a leadership role as Board secretary since June 2015. Guyton grew up attending Lockhart public schools, graduating from Lockhart High School. He then continued his studies at University of Texas and Huston-Tillotson University, earning a bachelor's degree in psychology, and later earning a Masters in Education from the University of Phoenix. He is certified at all music levels. Guyton is currently the director of bands for Del Valle ISD.



Member Brenda Spillmann, is serving her third term on the LISD Board. First elected in 2008, Spillmann's service includes leadership roles as vice-president (2012-2015) and president (2015-present). She is a lifelong resident of the Caldwell County area. She and her husband, Doug Spillmann own Hanson Equipment in Lockhart, TX.



Member, Carl M. Cisneros, was elected as a member of the Board of Trustees in November 2012. He was born into a military family and traveled a lot. However, Lockhart has always been his home base. Mr. Cisneros graduated from Cristobal High School, Panama Canal Zone, but attended Lockhart schools during many of his school years. His higher education was spent at Texas State University, Austin Community College, and Capital City Trade and Technical School (CCTTS) in Austin, TX. His past employment was working for Thermon in San Marcos, TX doing electrical Wiring and Testing, and Motorola working in the Semi-Conductor Field. He currently works for the United States Postal Service as a letter carrier and clerk.



Member, Becky Lockhart, is serving her second term on the LISD Board, recently elected in 2016. She previously served on the Board from 2000-2003. Lockhart grew up attending Lockhart public schools, graduating from Lockhart High School. She currently works as a program specialist at Texas State University, where she has worked for 20 years.



Member, Warren Burnett, has been a resident of Lockhart for 18 years. He is a graduate of Bastrop High School. Warren is also the owner and operator of Burnett Masonry Construction. Warren has experience working in the education system in Bastrop ISD focusing on emotional disturbed teens.

Board Meetings

Board meetings are held on the 4th Monday of the month at 6:30 pm and are open to the public. The meetings are held in the Boardroom on the 2nd floor, at the M.L. Cisneros Education Support Center located at 419 Bois Darc, Lockhart, TX 78644. Trustees hold budget workshops during April, May and June each year.

If you wish to address the Board

Members of the public may address the Board during the public comments of the Board meeting. Comments are limited to five minutes per subject, or speaker. Requests to address the Board must be submitted in writing prior to the start time of the Board meeting.

LOCKHART INDEPENDENT SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

Elected Officials

<u>Name</u>	<u>Office</u>
Steve Johnson	President
Michael Wright	Vice President
Tom Guyton	Secretary
Carl Cisneros	Trustee
Warren Burnett	Trustee
Becky Lockhart	Trustee
Brenda Spillmann	Trustee

Appointed Officials

<u>Name</u>	<u>Position</u>
Mark Estrada	Superintendent
Kim Brents	Deputy Superintendent
Stephaine Camarillo	Assistant Superintendent, Curriculum & Instruction
Adam Galvan	Assistant Superintendent, Admin. and Operations
Tina Knudsen	Chief Financial Officer
Melissa Corona	Executive Director of Special Programs

Principals

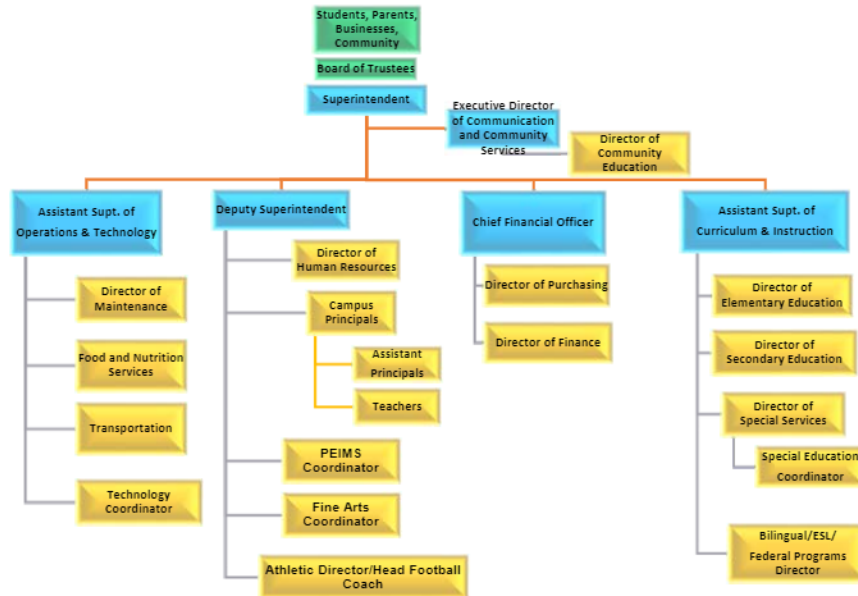
<u>Name</u>	<u>School</u>
Luciano Castro	Lockhart High School
Edgar Torres	Lockhart Junior High School
Rebecca Leonard	Clear Fork Elementary
Deanna Juarez	Navarro Elementary
Jamee Griebel	Plum Creek Elementary
Belinda Vasquez	Bluebonnet Elementary
Analesa Holmes	Alma Brewer Strawn Elementary
Karen Nixon	George W. Carver Early Education Center
Barry Bacom	Director of Secondary Education and Pride and LDMC Principal

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Organization

Lockhart Independent School District

Organization Chart 2019-2020



The District

The District provides a comprehensive range of school programs and services as delineated by state statute, such as career and technology education, bilingual education, special education, gifted and talented education, fine arts, athletics, voluntary alternative education, disciplinary education and numerous remedial, elective, and enrichment programs provided at age-appropriate grades. Support activities include social work, student and staff daycare, after-school care, community education, student transportation, child nutrition, administrative support, technology, maintenance and custodial services. The District does not operate any component units.

District Culture and Climate Summary

Lockhart ISD is a fast-growth school district with over 6,100 students. As student demographics evolve and numbers of students increase, the school district leadership recognizes the importance of keeping a pulse on the unique needs of our student population and remaining nimble in district coordination of resources to meet those needs. As 74 percent of LISD students live in poverty, the leadership team prioritizes studying and understanding how to help children living in poverty perform highly in schools. Additionally, the district prioritizes identifying resources to help LISD students and their families, fully invested in the belief of serving the needs of the whole child.

Local Economy

Lockhart Independent School District (ISD) is located in and around the city of Lockhart which is the county seat and principal commercial center of Caldwell County. Lockhart is located about 30 miles southeast of Austin and 60 miles northeast of San Antonio. Over the past century, Caldwell County's economy has changed from cattle to cotton to oil. Within Lockhart ISD is the

City of Lockhart. The county seat and commercial center is in the City of Lockhart. More information is in the information section later in this report.

District Culture and Climate Strengths

LISD has a School Board that is diverse and truly aware of the district's needs and priorities. The Board participated in XG training, provided by the Texas Association of School Boards (TASB), to develop a vision statement for the school district and adopt student achievement performance targets and performance expectations to advance student achievement for Lockhart ISD.

The LISD Leadership Team developed performance goals and targets together for the 19-20 school year that were data-informed, specific, and measurable to advance student achievement. The work in developing these as a team ensures district-wide investment in the goals. The team is comprised of individuals with sights set on the same target, a shared sense of urgency, and commitment to excellence to advance LISD student achievement, and a common language to further strengthen and reinforce leadership priorities.

All LISD teachers have implemented the Fundamental 5 as the instructional framework across the district. This ensures teaching and learning will follow the same principles regardless of which campus or classroom a student is in. Additionally, they are all aware of the LISD performance targets and are actively participating in tracking student progress towards these targets and communicating with parents.

LISD enjoys strong support from the Lockhart community, particularly local businesses and organizations. This year, the financial contributions to the district were record-setting from our "LISD Preferred Community Partners." These donations not only helped kick-start the year through convocation, they also fully funded the fees to bring Todd Whitaker, an American educator, writer, motivational speaker, educational consultant, and professor; to Lockhart to train all of our teachers in October.

The Education Foundation for Lockhart ISD also provides tremendous support to provide resources to boost teaching and learning across the district. This year, they provided record levels of grants for LISD teachers to implement innovative educational programming in classrooms.

All of these strengths weave together into a tapestry of shared sense of urgency, focus, and commitment to helping LISD students reach their full potential.

Staff Quality, Recruitment and Retention Summary

The Board of Trustees has supported Lockhart ISD remaining competitive in our compensation and benefits packages so that we are able to draw candidates for vacancies and retain them over time. Approximately 83 highly certified teachers joined our district for the 2019-2020 school year and included teachers who are certified in specialized areas in high demand, such as bilingual education and career and technical education. It is not uncommon for an open position that has been posted online to receive a large number of highly qualified applicants who are requesting interviews and an opportunity to work for Lockhart ISD. It is also the norm to see teachers, administrators, and support staff proudly wearing maroon and white Lockhart Lion attire or campus attire that speaks to their pride in working for Lockhart ISD.

Staff Quality, Recruitment and Retention Strengths

Reasons that teachers and administrators choose to work in Lockhart ISD include:

1. Supportive Board of Trustees
2. Supported by a mentor teacher throughout their entire first year of teaching in Lockhart regardless of the years of experience prior to joining our team
3. Supported through professional collaboration with highly qualified colleagues and administrative support
4. All professional salaries are at least 95% of the market as determined by the Texas Association of School Boards (TASB) analysis

Additional strengths of the Human Resources Department throughout the recruitment and on-Boarding process include:

1. Strive for 100% highly qualified staff
2. Recruit at 4 to 6 universities a year and multiple alternative teacher certification programs by participating in job fairs hosted at the universities and alternative certification programs
3. Provide a welcoming New Teacher Orientation
4. Implement campus based monthly seminars to support new-to-the-profession employees

Additional strengths of Lockhart ISD in supporting retention of teachers include:

1. Professional development support for teachers in a variety of contexts such as professional learning communities (PLCs), an instructional framework, and professional development the use of data to guide classroom instruction
2. Training and Support for Campus Principals and Teachers in the new Teacher (TTESS) and Principal (TPESS) Evaluation and Support Systems
3. Provide mentoring support for new-to-district teachers
Lockhart ISD provides purposeful time for new-to-district teachers to learn about district systems dedicated to efficiency and quality student support

George W. Carver Early Education Center 371 Carver St. Lockhart, Tx 78644 512-398-0060	Lockhart High School 906 Center St. Lockhart, Tx 78644 512-398-0300
Alma Brewer Strawn 9000 FM 1854 Dale, Tx 78616 512-398-0630	Pride High School 500 N. Pecos Lockhart, Tx 78644 512-398-0130
Bluebonnet 211 S. Mockingbird Ln. Lockhart, Tx 78644 512-398-0900	Lockhart Discipline Management Center 510 Wichita St. Lockhart, Tx 78644 512-398-0130
Clearfork 1102 Clearfork St. Lockhart, Tx 78644 512-398-0450	Maintenance Department 1505 N. Colorado St. Lockhart, Tx 78644 512-398-0160
Navarro 715 Medina St. Lockhart, Tx 78644 512-398-0690	Special Education 419 Bois D' Arc St. Lockhart, Tx 78644 512-398-0260
Plum Creek 710 Flores St. Lockhart, Tx 78644 512-398-0570	Community Education 419 Bois D' Arc St. Lockhart, Tx 78644 512-398-0245
Lockhart Junior High School 500 City Line Rd. Lockhart, Tx 78644 512-398-0770	Lockhart ISD Technology 610 San Jacinto St. Lockhart, Tx 78644 512-398-0050
Bus Transportation 401 Carver St. Lockhart, Tx 78644 512-376-2405	School Nutrition Office 419 Bois D' Arc St. Lockhart, Tx 78644 512-398-0292

Mission Statement and Strategic Goals

The district's mission statement is "Building a Legacy of Excellence".

District Goals

1. Create a collaborative culture of contagious ambition
2. Expect all staff to embrace growth opportunities
3. Empower students to seize opportunities to achieve at high levels

Strategic Planning

Strategic Goals

1. Every student (grades K-8) will make 1.5 years' progress in reading in the 2018-2019 school year.
2. Every student (grades K-8) will make 1.5 years of progress in math in the 2018-2019 school year.
3. For the 2018-2019 school year, 90% of students taking the English II STAAR EOC will meet STAAR progress measure requirements.
4. Specific and measurable supports provided at the district level to achieve all three district goals.

Superintendent Priority Performance Goals for 2019-2020

Community Relations

Superintendent Priority Performance Goal #1:

Serve as a leader in Caldwell County and in the state in increasing expectations for the district, our children, and our community in a way that causes the work of LISD to be better understood and improves the reputation of LISD regionally and state-wide. (District goal #1)

Board Communications & Operations

Superintendent Priority Performance Goal #2:

Maintain open communication with the Board of Trustees in a variety of ways so that Trustees have the opportunity to be well-informed in their decision-making, particularly with respect to monitoring progress toward district student achievement performance expectations. (District goals 1, 2 & 3)

Teaching & Learning Leadership

Superintendent Priority Performance Goal #3: (District student achievement performance expectations for 2018-2019)

During the 2018-2019- school year, 70% of the students in grades K-8 will make at least 1.5 years of progress in math.

During the 2018-2019- school year, 70% of the students in grades K-8 will make at least 1.5 years of progress in reading.

During the 2018-2019- school year, 90% of the students will meet the English STAAR progress measure.

(District goals 1, 2, & 3)

Finance, Facilities & Operations Leadership

Superintendent Priority Performance Goal #4

Address and prepare for fast growth in the district by using data to drive short-term and long-term facilities planning and finance decisions. (District goals 1 & 3)

Professional Leadership

Superintendent Priority Performance Goal #5

Assess and increase effectiveness of District personnel functions, including recruiting, developing, appraising, and retaining high-quality staff; decrease turnover rate to 16%. (District goals 1, 2 & 3)

Strategies and Action Plans

1. We will establish monthly principal professional learning communities meetings following the cyclical processes to review reading data and develop action steps.
2. Principals will share quarterly the intervention and enrichment plan for each tiered level of support (1, 2, 3) that demonstrates student growth on targeted skills.
3. The Fundamental 5 coaching cycle will be used to build teacher capacity to improve Tier 1 instruction.
4. In grades PK-8, students will utilize computer adaptive learning software called iStation (PK-5) and Ren Learning (6-8).
5. For math, in grades 2-5, students will utilize Reflex math to accelerate automatically in math.
6. In grades 6-8, students will use Dreambox software for math.
7. Students who will be administered a retest on the English I or English II End of Course exam will use a computer adaptive software called Star Reading to accelerate learning in reading skills. This program will target strengths and weaknesses, prescribe interventions, and monitor student progress in reading.
8. Lockhart High School and PRIDE High School will continue to implement and introduce new strategies for writing in English II and ELAR intervention classes. Department PLCs will see improvement when reviewing writing samples.
9. The District will refine common checkpoint assessments by ensuring that they are cumulative and by lengthening the data collection cycle.
10. Students, teachers, and principals will maintain a self-monitoring data reflection sheet or an electronic data binder that details how students are progressing and action steps being taken to intervene when necessary.
11. Implement a new to the profession induction program that is supported by both district and campus administration. Activities such as new teacher tailgate, 6 full day meetings a year, and training for new to the profession mentors.
12. Implement stay interviews after the first 45 days and 130 days to determine satisfaction of new employees.
13. Provide staff development opportunities to increase staff knowledge, skills, and abilities. Opportunities to include: PLC training, Todd Whitaker professional development, EduHero, attendance at conferences, safety and security, and social and emotional learning.
14. Implement a staff engagement survey to be given in January of 2020 to identify areas of concern by district employees. Highlight any internal areas of concern/improvement therefore impacting teacher retention and morale.
15. All employees that leave the district with a mutual separation will receive an exit survey within 30 days of the last day of employment.
16. The Superintendent and Board President will hold two staff forums during the school year to allow for open ended dialogue to foster understanding and reveal opportunities for improvement.
17. Maintain pay scales within 95% of regional market, continue to monitor the stipend rate as to remain competitive, and review signing bonuses for hard to fill areas.
18. Continue instructional blocks with Texas State University at Clear Fork Elementary to increase awareness with educational major students on Lockhart ISD.

19. Increase the pool of applicants in hard to fill areas of certification by attending job fairs, presenting to teacher preparation programs, and marketing of the District.
20. Continue to implement and make revisions to the district and campus Emergency Operations Plan (EOP) to evaluate emergency procedures for both instructional and non-instructional facilities.
21. Safety Task Force meetings will be held at least 4 times per year to continue to evaluate the district's implementation of the district's standard response protocol and respond to safety and security issues as they arise.
22. Staff and students will be trained on the Citizen Response to Active Shooter Event (CRASE), ALERT, and the district standard response protocol. Staff and students will continually practice the adopted SRP.
23. With the approval of a district wide Social Emotional Learning counselor and current counseling staff students at Lockhart High School and Lockhart Junior High will be provided individual and group counseling sessions as well as push in class guidance lessons.
24. Provide students with appropriate programming in the areas of suicide prevention, conflict resolution, and violence prevention through lunch seminars, class meetings, and group sessions.
25. Health services will work strategically with students, parents, and staff on each campus to communicate healthy habits and tips to prevent illnesses based on the dips in attendance data from the previous year.
26. Health services will coordinate with E3 Alliance to provide Flu vaccines for all Lockhart ISD students and staff.
27. Frequently monitor disciplinary information to proactively address student discipline issues and provide necessary training for students and staff in response.
28. Partner with parents in a variety of manners through parent / teacher grade level meetings, Open House, Orientation Nights, Parents/Teachers serving on Dist. & Campus Councils, Parent Volunteers, etc.
29. District will continue providing specific communication routes for our Spanish-Speaking community through meetings and communications in Spanish.

Budget and Financial Policies

Legal Requirements for Budgets

Legal requirements for school district budgets are laid out in state law, the local district policy and the Texas Education Agency (TEA).

State Law

Board policy CE(legal) states that “On or before the date set by the State Board of Education (currently August 20 [June 19 for a district with a fiscal year beginning July 1]), a Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of a district for the following fiscal year. The budget must be prepared according to generally accepted accounting principles, rules adopted by the State Board, and adopted policies of the Board of Trustees. *Education Code 44.002; 19 TAC 109.1(a), .41*

There must be a public notice as follows: “The proposed budget of a district must include a line item indicating expenditures for notices required by law to be published in a newspaper by the district or a representative of the district that allows as clear a comparison as practicable between those expenditures in the proposed budget and actual expenditures for the same purpose in the preceding year. *Local Gov’t Code 140.0045*

A public meeting is required: “When the budget has been prepared, the Board president shall call a Board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any taxpayer of a district may be present and participate in the meeting. *Education Code 44.004(a), (f)* [See CCG for provisions governing tax rate adoption.]

The meeting must comply with the notice requirements of the Open Meetings Act. *Gov’t Code 551.041, .043* [See BE]

Local District Policy

The local district policy can be found at CE(Local). The district is in compliance with all of the requirements set forth in that policy.

TEA Legal Requirements

The Texas Education Agency (TEA) requires that:

- The budget must be adopted by the Board of Trustees, no later than June 30.
- The minutes of the Board meeting will be used by TEA to record the adoption of the budget and any amendments.
- The required budgets to be adopted are the General Fund, Debt Service Fund and the School Nutrition Fund. The budgets must be adopted at the fund and function level to comply with TEA provisions.
- The officially adopted budget, as amended, must be reported to TEA during the fall PEIMS submission by the date required annually. Revenues, other sources, expenditures and other uses must be reported by fund, function, and object, organization, fiscal year, program intent, and amount.
- Additionally, the Board of Trustees must amend the official budget before it exceeds a functional expenditure, i.e. instruction, maintenance, etc. The comprehensive annual financial report should reflect the amended budget amounts on the schedule comparing the budget and actual amounts.



Annual Operating Budget, CE(Legal)

Date issued: 10/10/17

Authorized Expenditures

A district shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation. *Tex. Const. Art. III, Sec. 52; Brazoria County v. Perry, 537 S.W.2d 89 (Tex. Civ. App.—Houston [1st Dist.] 1976, no writ)*

A district shall not grant any extra compensation, fee, or allowance to a public officer, agent, servant, or contractor after service has been rendered or a contract entered into and performed in whole or in part. Nor shall a district pay or authorize the payment of any claim against the district under any agreement or contract made without authority of law. *Tex. Const. Art. III, Sec. 53; Harlingen Indep. Sch. Dist. v. C.H. Page and Bro., 48 S.W.2d 983 (Comm. App. 1932)*

The state and county available funds may be used only for the payment of teachers’ and Superintendents’ salaries and interest on money borrowed on short time to pay those salaries that become due before school funds for the current year become available. Loans for the purpose

of payment of teachers may not be paid out of funds other than those for the current year. *Education Code 45.105(b)*

Local funds from district taxes, tuition fees, other local sources, and state funds not designated for a specific purpose may be used for purposes listed above for state and county available funds and for purchasing appliances and supplies; paying insurance premiums; paying janitors and other employees; buying school sites; buying, building, repairing, and renting school buildings, including acquiring school buildings and sites by leasing through annual payments with an ultimate option to purchase [see CHG]; and for other purposes necessary in the conduct of the public schools determined by a Board. *Education Code 45.105(c)*

Public funds of a district may not be spent in any manner other than as provided for in the budget adopted by the Board, but the Board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses. *Education Code 44.006(a)*

Use of District Resources

The Board shall not enter into an agreement authorizing the use of District employees, property, or resources for the provision of materials or labor for the design, construction, or renovation of improvements to real property not owned or leased by the District.

Commitment of Current Revenue

A contract for the acquisition, including lease, of real or personal property is a commitment of the District's current revenue only, provided the contract contains either or both of the following provisions:

1. Retains to the Board the continuing right to terminate the contract at the expiration of each budget period during the term of the contract.
2. Is conditioned on a best efforts attempt by the Board to obtain and appropriate funds for the payment of the contract. *Local Gov't Code 271.903*

Fiscal Year

The fiscal year of a district begins on July 1 or September 1 of each year, as determined by the Board. *Education Code 44.0011* (Lockhart ISD's fiscal year begins on July 1).

Budget Preparation and Deadlines

On or before the date set by the State Board of Education (currently August 20 [June 19 for a district with a fiscal year beginning July 1]), a Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of a district for the following fiscal year. The budget must be prepared according to generally accepted accounting principles, rules adopted by the State Board, and adopted policies of the Board of Trustees. *Education Code 44.002; 19 TAC 109.1(a)*

Public Meeting on Budget and Proposed Tax Rate

When the budget has been prepared, the Board president shall call a Board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any taxpayer of a district may be present and participate in the meeting. *Education Code 44.004(a), (f)* [See CCG for provisions governing tax rate adoption.]

The meeting must comply with the notice requirements of the Open Meetings Act. *Gov't Code 551.041, .043* [See BE]

Published Notice

The Board president shall provide for publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or biweekly newspaper published in a district. If no daily, weekly, or biweekly newspaper is published in a district, the president shall provide for publication of notice in at least one newspaper of general circulation in the county in which the district's central administrative office is located. The notice shall be published not earlier than the 30th day or later than the tenth day before the date of the hearing. *Education Code 44.004(b)*

Form of Notice

The notice of the public meeting to discuss and adopt the budget and the proposed tax rate must meet the size, format, and contents required by law. *Education Code 44.004(c)-(c-1)*

The notice is not valid if it does not substantially conform to the language and format prescribed by the comptroller. *Education Code 44.004(d)*

Taxpayer Injunction

A person who owns taxable property in a district is entitled to an injunction restraining the collection of taxes by the district if the district has not complied with the notice requirements and the failure to comply was not in good faith. An action to enjoin the collection of taxes must be filed before the date the district delivers substantially all of its tax bills. *Education Code 44.004(e)*

Publication of Proposed Budget Summary

Concurrently with the publication of notice of the budget under Education Code 44.004, as described above, a district shall post a summary of the proposed budget on the school district's Internet website or, if the district has no Internet website, in the district's central administrative office.

The budget summary must include a comparison to the previous year's actual spending and information relating to per student and aggregate spending on:

1. Instruction;
2. Instructional support;
3. Central administration;
4. District operations;
5. Debt service; and
6. Any other category designated by the commissioner.

Education Code 44.0041

Budget Adoption

The Board, at the meeting called for that purpose, shall adopt a budget to cover all expenditures for the succeeding fiscal year. The budget must be adopted before the adoption of the tax rate for the tax year in which the fiscal year covered by the budget begins. *Education Code 44.004(f)-(g)*

Certified Estimate

By April 30, the chief appraiser shall prepare and certify an estimate of the taxable value of school district property. *Tax Code 26.01(e)*

Districts with a July 1 Fiscal Year

A district with a fiscal year beginning July 1 may use the certified estimate of the taxable value of district property in preparing the published notice if the district does not receive the certified appraisal roll on or before June 7. A district that uses a certified estimate may adopt a budget at the public meeting designated in the published notice prepared using the estimate, but the district may not adopt a tax rate before the district receives the certified appraisal roll for the district. *Education Code 44.004(h)–(i)*

Budget Adoption after Tax Rate Adoption

Notwithstanding Education Code 44.004(g), (h), and (i), above, a district may adopt a budget after the district adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt a tax rate before receiving the certified appraisal roll for the district as provided by Tax Code 26.05(g). If a district elects to adopt a tax rate before adopting a budget, the district must publish notice and hold a meeting for the purpose of discussing the proposed tax rate. Following adoption of the tax rate [see CCG], the district must publish notice and hold another public meeting before the district may adopt a budget. The comptroller shall prescribe the language and format to be used in the notices. The district may use the certified estimate of taxable value in preparing a notice under this provision. *Education Code 44.004(j)*

Publication of Adopted Budget

On final approval of the budget by the Board, the district shall post on the district's Internet website a copy of the budget adopted by the Board. The district's website must prominently display the electronic link to the adopted budget. A district shall maintain the adopted budget on the district's website until the third anniversary of the date the budget was adopted. *Education Code 44.0051*

The adopted budget must be filed with the Texas Education Agency on or before the date established in the *Financial Accountability System Resource Guide*. *Education Code 44.005; 19 TAC 109.1(a)*

Amendment of Approved Budget

The Board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses. Any amendment or supplementary budget must be prepared and filed in accordance with State Board rules. *Education Code 44.006*

Failure to Comply with Budget Requirements

A Board member who votes to approve any expenditure of school funds in excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits a misdemeanor offense. *Education Code 44.052(c)*

Certain Donations

A district may donate funds or other property or service to the adjutant general's department, the Texas National Guard, or the Texas State Guard. *Gov't Code 437.111(b), .252, .304(a)*

Annual Operating Budget, CE (Local)

Date Issued: 4/17/2018

Fiscal Year

The District shall operate on a fiscal year beginning July 1 and ending June 30.

Budget Planning

Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.

Budget Meeting

The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:

1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.

Authorized Expenditures

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee, who shall ensure that funds are expended in accordance with the adopted budget.

Budget Amendments

The Board shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.

Fund Balance

The Board shall require that the District maintain an undesignated fund balance of a minimum of three months' operating expenses.



Accounting Audits

Board Policy CFC (legal)

Date Issued: 1/8/2019

The Board shall have a district's fiscal accounts audited annually at district expense by a Texas certified or public accountant holding a permit from the State Board of Public Accountancy.

The audit shall be completed following the close of each fiscal year, and shall meet at least the minimum requirements and be in the format prescribed by the State Board of Education (SBOE), subject to review and comment by the state auditor. The audit shall include an audit of the accuracy of the fiscal information provided by a district through the Public Education Information Management System (PEIMS).

Audit Requirements and Procedures

A district must file with TEA an annual financial and compliance report and, if applicable, a state compensatory agreed-upon procedures report. These reports must be audited by an independent auditor, and the audit must be reviewed by TEA, including review of auditors' working papers, in accordance with the *Financial Accountability System Resource Guide (FASRG)*.

The annual financial audit report and state compensatory agreed-upon procedures report are due 150 days after the end of the fiscal year.

Independent Auditor

A district must hire at its own expense an independent auditor to conduct an independent audit of its financial statements and provide an opinion on its annual financial and compliance report.

The independent auditor must:

1. Be associated with a certified public accountancy (CPA) firm that has a current valid license issued by the Texas State Board of Public Accountancy;
2. Be a certified public accountant with a current valid license issued by the Texas State Board of Public Accountancy, as required under Education Code 44.008; and
3. Adhere to the generally accepted auditing standards (GAAS), adopted by the American Institute of CPAs (AICPA), as amended, and the generally accepted government auditing standards (GAGAS), adopted by the U.S. Government Accountability Office, as amended.

The CPA firm must:

1. Be a member of the AICPA Governmental Audit Quality Center (GAQC);
2. Adhere to GAQC's membership requirements; and
3. Collectively have the knowledge, skills, and experience to be competent for the audit being conducted, including thorough knowledge of the government auditing requirements and:
 - a. Texas public school district environment; or
 - b. Public sector; or
 - c. Nonprofit sector.

If at any time the TEA division responsible for financial compliance reviews an audit firm's working papers and finds that the firm or the quality of the work does not meet the required standards, the division may require the district to change its audit firm.

19 TAC 109.23

Financial Accountability System Resource Guide

The rules for financial accounting, including the selection of an auditor and the requirements for the audit, are described in the official TEA publication, *Financial Accountability System Resource Guide*, as amended, which is adopted as the SBOE's official rule. 19 TAC 109.41

Filing of Report

A copy of the annual audit report, approved by the Board, shall be filed with TEA not later than the 150th day after the end of the fiscal year for which the audit was made. If a Board does not approve the audit report, it shall nevertheless file a copy of it with TEA, accompanied by a statement detailing its reasons for failing to approve the report. *Education Code 44.008(d)*

Financial Records

Each treasurer receiving or having control of any school fund shall keep a full and separate itemized account of each of the different classes of school funds received, and these records shall be available to audit. *Education Code 44.008(c)*

Financial Accountability Rating System

TEA will assign a financial accountability rating to each district. The commissioner of education will evaluate the rating system every three years and may modify the system to improve the effectiveness of the rating system. *Education Code 39.082; 19 TAC 109.1001(b), (c)*

Data Reviewed

TEA will use the following sources of data in calculating the financial accountability indicators for school districts:

1. Audited financial data in a district's annual financial report, the audited annual report required by Education Code 44.008 [see Audit Requirements and Procedures above].
2. PEIMS data submitted by a district.
3. Warrant holds as reported by the comptroller.
4. The average daily attendance information used for foundation school program purposes for a district.

19 TAC 109.1001(d)

Basis for Rating

TEA will base the financial accountability rating of a district on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year. *19 TAC 109.1001(e)*

Types of Ratings

The types of financial accountability ratings a district may receive are A for superior achievement, B for above standard achievement, C for standard achievement, and F for substandard achievement. A school district receiving territory due to an annexation order by the commissioner under Education Code 13.054, or consolidation under Education Code Chapter 41, Subchapter H, will not receive a rating for two consecutive years beginning with the rating year that is based on financial data from the fiscal year in which the order of annexation becomes effective. After the second rating year, the receiving district will be subject to the financial accountability rating system.

The commissioner may lower a financial accountability rating based on the findings of an action conducted under Education Code Chapter 39, or change a financial accountability rating in cases

of disaster, flood, extreme weather conditions, fuel curtailment, or another calamity. A financial accountability rating remains in effect until replaced by a subsequent rating.

19 TAC 109.1001(i), (k), (l)

Issuance of Ratings

TEA will issue a preliminary financial accountability rating to a district on or before August 8 of each year. TEA will not delay the issuance of a preliminary or final rating if a district fails to meet the statutory deadline under Education Code 44.008 for submitting the annual financial report. Instead, the district will receive an F rating for substandard achievement.

If TEA receives an appeal of a preliminary rating under 19 Administrative Code 109.1001(n), TEA will issue a final rating to a district no later than 60 days after the deadline for submitting appeals. If TEA does not receive an appeal of a preliminary rating, the preliminary rating automatically becomes a final rating 31 days after issuance of a preliminary rating.

19 TAC 109.1001(m)

Appeals

A district may appeal its preliminary financial accountability rating through the appeals process described at 19 Administrative Code 109.1001(n).

A final rating issued by TEA may not be appealed under Education Code 7.057 or any other law or rule. *19 TAC 109.1001(o)*

Other District Policies

Other district policies may be found at: <https://pol.tasb.org/Home/Index/245>

The following are financial policies that may be of interest to the reader:

CAA (local) Fiscal Management Goals and Objectives

This policy prohibits fraud and financial impropriety, requires financial controls and oversight, and requires fraud prevention. The policy can be found at:
[https://pol.tasb.org/Policy/Download/245?filename=CAA\(LOCAL\).pdf](https://pol.tasb.org/Policy/Download/245?filename=CAA(LOCAL).pdf)

CCA (legal) Local Revenue Sources – Bond issues

This policy governs the issuance of bonds. The policy can be found at:
[https://pol.tasb.org/Policy/Download/245?filename=CCA\(LEGAL\).pdf](https://pol.tasb.org/Policy/Download/245?filename=CCA(LEGAL).pdf)

CFA (legal) Financial Reports and Statements

This policy is the basis for an accounting system and financial reporting. The policy can be found at [https://pol.tasb.org/Policy/Download/245?filename=CFA\(LEGAL\).pdf](https://pol.tasb.org/Policy/Download/245?filename=CFA(LEGAL).pdf)

Fund Balance of the General Fund

Lockhart ISD adopted the Governmental Accounting Standards Board (GASB) Statement 54 in June 2011. The GASB Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. This Statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. This Statement does not apply to Enterprise Funds, Internal Service Funds, and extremely restricted reserves.

The hierarchy of five possible GASB 54 classifications is as follows:

- Non-spendable Fund Balance includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, pre-paid items, permanent scholarships).
- Restricted Fund Balance includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).
- Committed Fund Balance includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (e.g. Major Maintenance, Capital Replacement Reserve, Land, Hail Reserve, and Campus Activity Funds).
- Assigned Fund Balance includes general fund amounts constrained for a specific purpose by a governing Board or by an official that has been delegated authority to assign amounts.
- Unassigned Fund Balance is the residual classification for the general fund.



Budget Process

Objectives of Budgeting

Financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services. The financial reporting should also show whether the resources that were used were in accordance with the legally adopted budget. It should give the reader a clear view of the financial revenues and expenditures of the district, district policies, and financial trends.

Fiscal Management Goals

LISD is a trustee of local, state and federal funds which are allocated to support education. The LISD has the responsibility to protect the funds and use them wisely.

Recognizing that the quantity and quality of learning programs are related to the amount of funding provided, the effective and efficient management of those funds, therefore, the District seeks to achieve the following fiscal management goals:

- To use the best available techniques for budget development and management
- To assure advance planning through the best possible budget procedures
- To provide a level of funding which supports quality education for LISD students
- To provide timely information to all staff members who have fiscal management responsibilities
- To establish efficient procedures for accounting, purchasing, paying vendors and personnel, and all other areas of fiscal management
- To establish procedures that result in the greatest possible returns from the investment of district funds, while maintaining safety, security before maximizing yield
- To assure that funds are expended for the purposes for which they were budgeted

Funds Subject to Appropriation

LISD's Board of Trustees annually approve the General Fund, Debt Service (I&S) Fund, School Nutrition Fund and the Maintenance Tax Note Debt Service Funds.

- The General Fund accounts for all school district daily operations, and includes local, state and federal revenues. It also includes all current expenditures, which include salaries and benefits, contracted services, supplies and materials and other operating expenditures necessary to teach Pre-K through 12th grade public education.
- The Debt Service Fund accounts for all property tax and state revenues collected to pay the semi-annual voter-approved debt payments.
- The School Nutrition Fund accounts for all local, state and federal revenues as well as associated expenditures to feed the students enrolled and attending the school district.
- The Maintenance Tax Note Debt Service Fund accounts for monthly set-asides from the General Fund to pay the semi-annual debt payments. A Maintenance Tax Note is debt issued by the school Board and paid with General Funds secured by a maintenance tax.

In the annual financial statements, there are additional local, state and federal special revenue funds that are included. The Board, by Board policy, does not adopt or approve the special revenue funds. The Administration must follow all grantor requirements to order to accept and expend the funds.

Basis of Budgeting

LISD uses modified accrual basis budgeting when developing the budget. This is the same basis of accounting as the financial statements.

Balanced Budget

LISD's Board of Trustees are committed to having a balanced budget (revenue \geq expenditures per fund) under normal circumstances. When unforeseen circumstances require the district to adopt a budget that is not balanced, full disclosure of the circumstances requiring the decision will be itemized for all interested parties in budget documents. Further, plans for balancing future budgets will be disclosed, along with timelines developed for implementing the plan.

Budget Calendar for the Year 2019-2020

Target Date	Activity/Process	Responsibility
12/12/2018	Budget process and campus budget preparation outlined to Leadership	Superintendent, CFO, Accountant
12/17/2018	Budget planning calendar reviewed with school board	Superintendent, CFO
12/21/2018	Preliminary projected enrollments developed	CFO
1/18/2019	Preliminary revenue projections	CFO
1/31/2019	Campus Improvement Committee advisory review	CIC
2/4/2019	Deadline for submission of all budgets including capital outlay requests	Principals/Directors
2/25/2019	Review of 2018-2019 Budget at board meeting (comparison of current budget to actual)	Superintendent, CFO
2/28/2019	Projected enrollments developed and revision of revenue projections	CFO
3/25/2019	TASB Market Review report presented to school board	Superintendent, Asst Supt for HR, and CFO
3/25/2019	Preliminary budget update presented to school board	Superintendent, CFO
3/29/2019	Review personnel staffing	Superintendent and Asst. Supts.
3/29/2019	Admin Meets with campus/programs to review alignment of proposed campus/program budgets with District and Campus Improvement Plans	Admin/Principals/Directors
3/29/2019	Administrative review of building maintenance and renovation priorities	Superintendent and Asst. Supts.
3/29/2019	Complete superintendent's review of preliminary district budget, personnel requirements, facility requirements, and projected revenue	Superintendent and Asst. Supts.
4/8/2019	Special Called meeting - Board Budget workshop	Superintendent & Administration
4/8/2019	Presentation to school board to review proposed salary schedules for all employees	Superintendent, CFO, Asst. Supt. - Human Res.
4/8/2019	Preliminary budget update presented to school board	Superintendent and School Board
4/30/2019	Estimated Certified Values Due from Appraisal District	CCAD Chief Appraiser
5/1/2019	Review draft of district budget	Superintendent
5/6/2019	Special Called meeting - Board Budget workshop	Superintendent & Administration
5/17/2019	Review projected revenue estimates	Superintendent, CFO
5/17/2019	Tax rate and rollback tax rate calculations	CFO/Appraisal District
5/20/2019	Adoption of 2019-2020 Employee Compensation Plan	Superintendent and School Board
5/20/2019	At regular school board meeting: Board reviews a public hearing date to discuss the budget and reviews proposed tax rate to be published.	Superintendent & Administration
5/31/2019	Complete near final budget draft	Superintendent, CFO
6/3/2019	Special Called meeting - Board Budget workshop	Superintendent & Administration
6/3/2019	At regular school board meeting: Board approves a public hearing date to discuss the budget and approves tax rate to be published.	Superintendent & Administration
6/4/2019	Advertisement delivered to the newspaper	CFO
6/13/2019	Advertise official public budget hearing (must be a quarter page ad)	CFO
6/24/2019	Official public budget hearing -advertise no later than 10 days or earlier than 30 days prior to meeting	School Board, Superintendent & CFO
6/24/2019	Budget adopted (see note below)	School Board

Budget Control and Management Process

Approval Control

All purchases of contracted services, supplies and materials, other operating, and capital expenditures are requisitioned, approved, and spent through the district's financial accounting system, Skyward. Pre-acquisition forms are completed and approved by the campus administration or department manager. After the pre-acquisition form is manually signed by the approver, requisitions are entered into Skyward at the campus and department level. The requisitions are routed electronically to the purchasing department for review for bidding procedures and proper account codes. Once the director of purchasing approves the purchase, it is electronically routed to the chief financial officer. The chief financial officer reviews the purchase, the pre-acquisition form noting approval, and the proper account codes. Once the chief financial officer approves the requisition, Skyward turns the requisition into a purchase order.

Skyward sends an email to the originator of the requisition so that they know that the purchase order has been approved.

Encumbrance Control

When the purchase or requisition has been entered, Skyward encumbers the budget code so that budget managers know that the funds have been marked for spending. An encumbrance is an obligation to pay a vendor for goods or services. This ensures that there is strict budgetary control.

Budget Amendments and Budgetary Level of Control

The budgetary level of control for Board approved budgets is at the Object level for revenues and at the Function level for expenditures. Any transfer of funds that increases a revenue object or modifies a function must be approved by the Board of Trustees before an expenditure can be made.

Final Amended Budget

At the last Board meeting of the fiscal year, the final amended budget is approved by the Board of Trustees.

Annual Audit

The last step in the budget cycle is the approval by the Board of Trustees of the audited financial statements, which includes a comparison of budget to actual expenditures.



Financial Structure

Summary of Significant Accounting Policies **Financial Policies**

LISD's budget should be based on financial principles that will keep the District financially viable and able to sustain its key programs over time. The following specific financial principles, based upon Texas state law, expert advice and experience, are critical to the LISD budget development.

- A. Balanced Maintenance and Operations Budget
- B. Appropriate use of one-time revenues
- C. Maximization of revenues
- D. Estimation of revenues, based upon historical trends and demographer projections
- E. Alignment of budget with expected, planned expenditures
- F. Adequate fund balance reserves
- G. Management of fund balance reserves
- H. Cost recovery through fees and charges that are market-based
- I. Multi-year capital planning and budgeting
- J. Equipment replacement
- K. Timely maintenance and repair of assets to prolong life expectancy (asset management)
- L. Prudent and responsible debt management
- M. Program sustainability
- N. Compliance with GASB

Budget Development and Administration Policies

1. Operating Budget Policies

- a. The district will cover current expenditures with current revenues. The district will avoid budgetary procedures that cover current expenditures at the expense of meeting future years' expenditures, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.
- b. The district maintains optimal staffing at all levels.
- c. The budget will provide for adequate maintenance of capital assets and equipment, and for the timely replacement of equipment.
- d. The district will maintain an interactive online, on-demand, budgetary control system to aid in the management of the budget.
- e. Periodically, the district will prepare reports, comparing actual revenues and expenditures to budgeted amounts.
- f. The district will develop alternative revenue streams as appropriate.
- g. Where possible, the district will integrate performance measurement and productivity indicators with the budget.
- h. The district will continue its practice of budgeting for indirect costs in every federal grant program to insure that the grant supports the general fund administrative costs incurred to manage the grant.

2. Capital Improvement Budget Policies

- a. The district will continue to develop and administer a multi-year plan for capital improvements and update it annually.
- b. The district will budget for major capital projects annually.
- c. The district will develop the capital improvement budget when developing the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budgets.
- d. The district will maintain all assets at a level to protect the district's capital investment and to minimize future maintenance and replacement costs.
- e. The district will continue to identify the estimated costs and potential funding sources for each capital project prior to submitting it to the Board for approval.

3. Debt Management Policies

- a. The district will only use long-term borrowing for capital projects and purchases of equipment.
- b. When issuing long-term debt, the debt payment schedule may not exceed the expected useful life of the asset acquired.
- c. The district will not use long-term debt for current operations.
- d. The district will pay all debt service obligations when due and payable.
- e. The district will maintain annual communication with bond rating agencies about its financial condition.
- f. The district will provide ongoing disclosure of annual financial information and material events that may affect the district's financial strength.
- g. The district will continue, as long as financially feasible to do so, an annual practice of defeasing debt, so as to create debt defeasance and a steady debt tax rate that is able to absorb the impact of future debt issuances.

4. Revenue Estimation Policies

- a. The CFO will estimate annual revenues by an objective, analytical process. The district will not include estimated revenue in the budget that cannot be verified with documentation of its source and amount.

- b. The district will set fees and user charges in its proprietary funds at a level that fully supports the total direct and indirect costs of the activity.
- 5. Fund Balance and Reserve Policy
 - a. In order to maintain and protect the long-term financial capacity of the district, total uncommitted fund balance will be maintained at a level of not less than 25% of total current General Fund expenditures.
- 6. Accounting, Auditing, and Financial Reporting Policies
 - a. The accounting system will report financial information on a basis consistent with Generally Accepted Accounting Principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB).
 - b. Regular financial reports will present a summary of financial activity by fund.
 - c. The Board will hire an independent certified public accounting firm to perform an annual audit and publicly issue its opinion on the district's financial statement, as required by Texas state law.
 - d. The district will seek to obtain and maintain a Certificate of Achievement for Excellence in Financial reporting from the Government Finance Officers Association. The district will also seek to obtain the Distinguished Budget Presentation Award from the Government Finance Officers Association.

The district prepares basic financial statements in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB), and all applicable statements. The district also complies with the Texas ***Financial Accountability System Resource Guide***. For all grants, the district complies with the requirements of the contracts and grants of grantor agencies.

Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

Financial Section

Governmental Funds

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. No exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Fund Accounting

The TEA Financial Accountability Resource System Guide provides guidance on the use of specific fund numbers to keep certain funds separate from one another. Each fund is a separate accounting entity, which has a balance sheet and statement of revenues and expenditures.

The District reports the following major governmental funds:

- General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.
- Debt Service Fund: This fund accounts for revenue resulting from the District's levy of the debt service tax rate. It also accounts for the payment of principal and interest on the District's general obligation bonds.

- Special Revenue fund: School Nutrition Fund: This fund accounts for revenue received from local, state and federal sources, and expenditures to operate the school breakfast and lunch program.

Other Sources and Uses of Funds

In the district's financial statements, the reader will see other sources and other uses of funds. These represent revenues and expenditures that are not regular in the course of business.

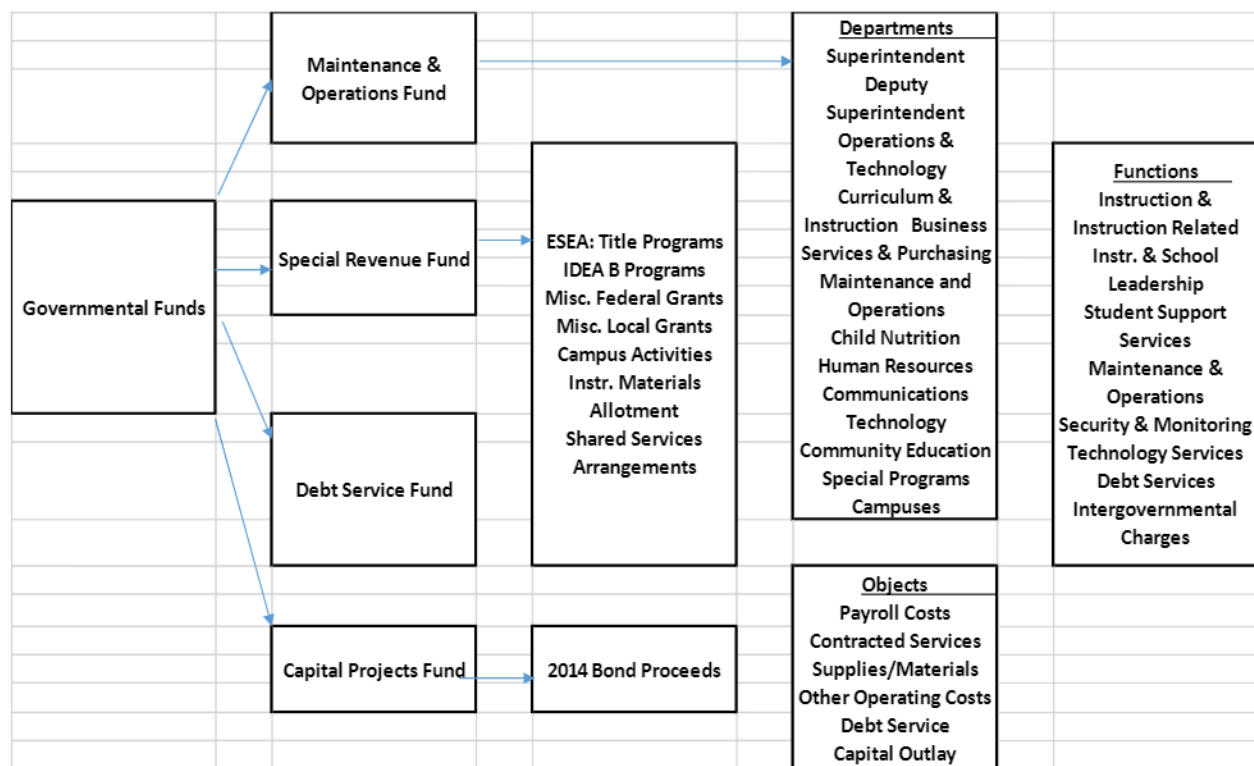
Other Sustaining Local Revenue Sources

The district charges for the rental of school facilities, athletic events, and community education programs, et. al. The revenue generated from these events helps offset the cost of the programs, such as personnel, utilities, etc.

Budgetary Basis of Accounting

Foundation School Program (FSP) revenues shall be reported on the budgetary basis of accounting when reporting PEIMS budgetary information, for the General Fund, Debt Service Fund and the School Nutrition Fund.

Fund Flowchart



Adopted Budget

Budget Summary by Object

Lockhart Independent School District 2019-2020 Adopted Budget						
		GENERAL	DEBT SERVICE	MAINT TAX NOTE	SCHOOL NUTRITION	ESTIMATED
Object	District Goals	PROPOSED	PROPOSED	PROPOSED	PROPOSED	GRAND TOTAL
ESTIMATED BEGINNING FUND BALANCE, 7/1/19		\$ 15,060,929	\$ 6,022,373	\$ 217,255	\$ 1,105,850	\$ 22,406,407
LOCAL REVENUE SOURCES		\$ 15,584,869	\$ 4,555,777	\$ 2,700	\$ 282,784	\$ 20,426,130
STATE REVENUE SOURCES		\$ 38,334,154	\$ 1,163,070	\$ -	\$ 16,323	\$ 39,513,547
FED REVENUE SOURCES		\$ 346,472	\$ -	\$ -	\$ 3,350,510	\$ 3,696,982
TRANSFERS IN		\$ -	\$ -	\$ 573,536	\$ -	\$ 573,536
		\$ 54,265,495	\$ 5,718,847	\$ 576,236	\$ 3,649,617	\$ 64,210,195
SALARIES/BENEFITS	1,2,3	\$ 38,682,025	\$ -	\$ -	\$ 1,132,380	\$ 39,814,405
CONTR/PROF SERVICES	1,2,3	\$ 8,318,239	\$ -	\$ -	\$ 2,297,339	\$ 10,615,578
SUPPLIES/MATERIALS	1,2,3	\$ 2,041,750	\$ -	\$ -	\$ 191,862	\$ 2,233,612
OTHER OPERATING COSTS	1,2,3	\$ 2,675,942	\$ -	\$ -	\$ 15,800	\$ 2,691,742
DEBT SERVICE COSTS *	1,2,3	\$ 84,989	\$ 5,715,208	\$ 576,236	\$ -	\$ 6,376,433
CAPITAL OUTLAY	1,2,3	\$ 289,937	\$ -	\$ -	\$ -	\$ 289,937
TRANSFERS OUT	1,2,3	\$ 670,712	\$ -	\$ -	\$ -	\$ 670,712
		\$ 52,763,594	\$ 5,715,208	\$ 576,236	\$ 3,637,381	\$ 62,692,419
Amount to/(from) fund balance		\$ 1,501,901	\$ 3,639	\$ -	\$ 12,236	\$ 1,517,776
ESTIMATED ENDING FUND BALANCE, 6/30/20		\$ 16,562,830	\$ 6,026,012	\$ 217,255	\$ 1,118,086	\$ 23,924,183
Optimum fund balance =Three months of operating:		\$ 13,190,899				
Amount of fund balance in excess of operating:		\$ 3,371,932				
<i>* Includes \$560,000 in estimated defeasance</i>						

Budget Summary by Function

	2018-19	2019-20	
Function	Revised Budget	Proposed Budget	Change
OPERATING TRANSFERS OUT	\$ 1,364,017	\$ 670,712	\$ (693,305)
INSTRUCTION	\$ 28,081,762	\$ 30,256,070	\$ 2,174,308
INST. RESOURCES & MEDIA SVCS	\$ 620,044	\$ 632,529	\$ 12,485
CURRICULUM DEV.& INST.STF DEV	\$ 927,667	\$ 1,049,131	\$ 121,464
INSTRUCTIONAL LEADERSHIP	\$ 602,627	\$ 620,632	\$ 18,005
SCHOOL LEADERSHIP	\$ 2,896,408	\$ 3,003,538	\$ 107,130
GUIDANCE & COUNSELING	\$ 1,018,712	\$ 1,145,569	\$ 126,857
SOCIAL WORK SERVICES	\$ 153,583	\$ 155,837	\$ 2,254
HEALTH SERVICES	\$ 517,621	\$ 541,157	\$ 23,536
PUPIL TRANSPORTATION	\$ 2,512,100	\$ 2,810,230	\$ 298,130
FOOD SERVICES	\$ 3,290,284	\$ 3,467,588	\$ 177,304
COCURR./EXTRACURR.ACTIVITIES	\$ 1,606,482	\$ 1,499,550	\$ (106,932)
GENERAL ADMINISTRATION	\$ 2,285,456	\$ 2,230,859	\$ (54,597)
PLANT MAINTENANCE & OPERATIONS	\$ 5,127,116	\$ 5,217,984	\$ 90,868
SECURITY & MONITORING SERVICES	\$ 274,090	\$ 192,781	\$ (81,309)
DATA PROCESSING SERVICES	\$ 603,777	\$ 751,818	\$ 148,041
COMMUNITY SERVICES	\$ 16,784	\$ 15,048	\$ (1,736)
DEBT SERVICES	\$ 5,855,404	\$ 6,376,433	\$ 521,029
FACILITIES ACQ. & CONSTRUCTION	\$ 832,337	\$ 142,063	\$ (690,274)
PAYMENTS TO FISCAL AGENTS\MBRS	\$ 831,302	\$ 1,543,291	\$ 711,989
INTERGOVERNMENTAL EXPENSE	\$ 373,000	\$ 369,599	\$ (3,401)
TOTAL EXPENDITURES	\$ 59,790,573	\$ 62,692,419	\$ 2,901,846

Budget Summary Compared to Last Fiscal Year Actual

	2018-19	2019-20	
Function	Actual	Proposed Budget	Change
OPERATING TRANSFERS OUT	\$ 624,847	\$ 670,712	\$ 45,865
INSTRUCTION	27,057,778	\$ 30,256,070	\$ 3,198,292
INST. RESOURCES & MEDIA SVCS	622,830	\$ 632,529	\$ 9,699
CURRICULUM DEV.& INST.STF DEV	797,891	\$ 1,049,131	\$ 251,240
INSTRUCTIONAL LEADERSHIP	565,115	\$ 620,632	\$ 55,517
SCHOOL LEADERSHIP	2,876,283	\$ 3,003,538	\$ 127,255
GUIDANCE & COUNSELING	991,313	\$ 1,145,569	\$ 154,256
SOCIAL WORK SERVICES	153,618	\$ 155,837	\$ 2,219
HEALTH SERVICES	488,590	\$ 541,157	\$ 52,567
PUPIL TRANSPORTATION	2,608,336	\$ 2,810,230	\$ 201,894
FOOD SERVICES	3,700,107	\$ 3,467,588	\$ (232,519)
COCURR./EXTRACURR.ACTIVITIES	1,520,900	\$ 1,499,550	\$ (21,350)
GENERAL ADMINISTRATION	2,148,772	\$ 2,230,859	\$ 82,087
PLANT MAINTENANCE & OPERATIONS	5,097,215	\$ 5,217,984	\$ 120,769
SECURITY & MONITORING SERVICES	264,847	\$ 192,781	\$ (72,066)
DATA PROCESSING SERVICES	583,330	\$ 751,818	\$ 168,488
COMMUNITY SERVICES	13,990	\$ 15,048	\$ 1,058
DEBT SERVICES	5,830,380	\$ 6,376,433	\$ 546,053
FACILITIES ACQ. & CONSTRUCTION	524,601	\$ 142,063	\$ (382,538)
PAYMENTS TO FISCAL AGENTS\MBRS	722,017	\$ 1,543,291	\$ 821,274
INTERGOVERNMENTAL EXPENSE	339,437	\$ 369,599	\$ 30,162
TOTAL EXPENDITURES	\$ 57,532,197	\$ 62,692,419	\$ 5,160,222

Summary of Significant Changes in the FY 2020 Budget

- House Bill 3 (HB3) of the 2019 Legislative Session infused \$5.8 million in new revenue into Lockhart ISD, starting in FY 20.
- HB3 also required LISD to reduce the M&O tax rate by seven cents, which reduced tax collections estimates for FY 20.
- HB3 also required that Lockhart ISD spend 30% of the total HB3 gain on salary increases for teachers and other staff, which was \$1.45 million on the employee compensation plan. That increased payroll and benefit costs throughout all functions of the district.
- Due to growing enrollment, the district added 32 new positions including but not limited to: instructional, fine arts, and support positions, at a cost of \$1.3 million.
- Due to a change in the Caldwell County Special Education Cooperative agreement, the payment to fiscal agents increased by \$821 thousand, while state revenues increased by \$500 thousand.

Lockhart Independent School District					
Combined Statement of Revenues, Expenditures and Changes in Fund Balance					
Governmental Funds					
For the Fiscal Year Ending June 30					
	Actual	Actual	Actual	Near Final Actual	Budget
	2016	2017	2018	2019	2020
Beginning Fund Balance, July 1	\$ 79,680,534	\$ 47,935,147	\$ 26,989,645	\$ 25,000,480	\$ 25,881,180
Revenues					
Local & Intermediate Sources	\$ 16,949,450	\$ 17,489,172	\$ 18,911,795	\$ 21,300,751	\$ 23,407,132
State Program Revenues	\$ 32,808,846	\$ 34,491,663	\$ 37,834,821	\$ 36,649,759	\$ 39,855,599
Federal Program Revenues	\$ 5,873,926	\$ 6,453,507	\$ 6,536,533	\$ 7,729,111	\$ 5,754,570
Total Revenues	\$ 55,632,222	\$ 58,434,342	\$ 63,283,149	\$ 65,679,620	\$ 69,017,301
Expenditures					
Instruction	\$ 26,780,411	\$ 28,345,147	\$ 30,118,736	\$ 31,122,688	\$ 34,909,845
Instructional Resources & Media Services	\$ 655,513	\$ 733,010	\$ 693,801	\$ 660,281	\$ 633,994
Curriculum & Staff Development	\$ 406,470	\$ 607,013	\$ 833,457	\$ 838,393	\$ 1,201,367
Instructional Leadership	\$ 674,258	\$ 645,743	\$ 766,110	\$ 834,792	\$ 879,905
School Leadership	\$ 2,931,898	\$ 3,003,332	\$ 2,948,861	\$ 2,882,084	\$ 3,025,073
Guidance, Counseling & Evaluation Services	\$ 1,759,956	\$ 1,721,684	\$ 1,818,178	\$ 1,952,747	\$ 2,761,641
Social Work Services	\$ 112,675	\$ 152,474	\$ 170,377	\$ 170,257	\$ 155,837
Health Services	\$ 425,064	\$ 428,546	\$ 468,529	\$ 490,533	\$ 544,907
Student Transportation	\$ 1,945,251	\$ 2,087,285	\$ 2,580,065	\$ 3,556,143	\$ 3,075,485
Food Service	\$ 3,496,246	\$ 3,493,029	\$ 3,637,969	\$ 3,700,107	\$ 3,483,254
Cocurricular/Extracurricular Activities	\$ 1,342,195	\$ 1,550,541	\$ 1,414,720	\$ 1,564,210	\$ 1,935,642
General Administration	\$ 1,870,799	\$ 1,852,039	\$ 2,109,836	\$ 2,369,892	\$ 2,398,688
Plant Maintenance & Operations	\$ 4,723,583	\$ 4,572,146	\$ 4,712,063	\$ 5,097,914	\$ 5,248,330
Security & Monitoring Services	\$ 231,551	\$ 357,073	\$ 257,415	\$ 333,356	\$ 286,692
Data Processing Services	\$ 311,674	\$ 405,229	\$ 493,317	\$ 583,329	\$ 799,928
Community Services	\$ 6,532	\$ 44,573	\$ 17,986	\$ 35,024	\$ 52,069
Capital Lease Principal	\$ -	\$ -	\$ 55,839	\$ 77,762	\$ 81,721
Capital Lease Interest	\$ -	\$ -	\$ 7,902	\$ 7,226	\$ 3,268
Bond Principal	\$ 2,090,000	\$ 2,360,000	\$ 1,888,863	\$ 1,759,964	\$ 2,575,000
Bond Interest	\$ 3,340,304	\$ 3,277,516	\$ 3,818,513	\$ 3,979,251	\$ 3,706,444
Bond Issuance Costs & Fees	\$ 7,455	\$ 6,050	\$ 55,351	\$ 6,177	\$ 10,000
Capital Outlay	\$ 33,051,734	\$ 22,510,695	\$ 9,312,654	\$ 1,673,204	\$ 237,603
Payments related to SSA's	\$ 847,369	\$ 784,554	\$ 782,590	\$ 847,498	\$ 1,532,581
Other Intergovernmental Charges	\$ 328,103	\$ 319,083	\$ 328,694	\$ 339,437	\$ 369,599
Total Expenditures	\$ 87,339,041	\$ 79,256,762	\$ 69,291,826	\$ 64,882,267	\$ 69,908,873
Excess of Revenues Over (Under) Expenditures	\$ (31,706,819)	\$ (20,822,420)	\$ (6,008,677)	\$ 797,353	\$ (891,572)
Sale of Real or Personal Property	\$ 29,944	\$ 4,432	\$ 705,765		
Issuance of Capital Leases			\$ 236,394		
Issuance of Non-current Debt			\$ 3,670,000		
Payment to Bond Refunding Escrow Agent			\$ (494,721)		
Other Resources	\$ 8,392				
Transfers In	\$ 460,855	\$ 460,843	\$ 525,496	\$ 582,774	\$ 573,536
Transfers Out	\$ (537,759)	\$ (588,357)	\$ (623,422)	\$ (499,427)	\$ (610,000)
Total Other Financing Sources (Uses)	\$ (38,568)	\$ (123,082)	\$ 4,019,512	\$ 83,347	\$ (36,464)
Net Change in Fund Balances	\$ (31,745,387)	\$ (20,945,502)	\$ (1,989,165)	\$ 880,700	\$ (928,036)
Ending Fund Balance, June 30	\$ 47,935,147	\$ 26,989,645	\$ 25,000,480	\$ 25,881,180	\$ 24,953,144

General Fund

Revenues

The General Fund is a governmental fund, which utilizes the modified accrual basis of accounting. The General Fund is managed by budgetary control, by function, in the Skyward accounting system. The Texas Education Agency mandates certain classifications of revenue into local, state and federal revenues. Expenditures are defined by functions, objects, organizations and program intents. These categories help the user better understand the financial statements. The General Fund is Fund 199 in the accounting system and records the local maintenance taxes, state foundation and available school fund revenues, payments in lieu of taxes, and federal indirect costs revenues, as well as School Health and Related Services (SHARS) revenues.

The 2019-2020 General Fund budgeted revenues is \$54,265,495 and is used to account for the daily operations of the school district, such as instruction, curriculum, instructional and school leadership, student support services, administration and maintenance and operations. The budgeted revenues are \$5.24 million above the actual for FY19, due to expected 3% growth in enrollment and an infusion of new state revenues from the 2019 legislative session. Additionally, property values increased by 18.9%, which increased the property tax collections projections for FY 20.

Methods Used to Estimate Revenues

The district uses several sources of information to project revenues. The district contracts with School District Strategies, a demographer, to provide a comprehensive report on the state of the district, local economy, and proposed or planning housing projects and commercial projects in the district. The district also reviews prior enrollment trends over a 3-5 year period. Additionally, the district uses mid-year projections of average daily attendance to confirm where the district will end the school year just prior to the budgeted year. Then, based upon all three of these data sets, a conservative estimate is shared with the Superintendent's cabinet for review and discussion. Once there is consensus at the cabinet level, the Chief Financial Officer (CFO) moves forward with the budget projections. Based on the enrollment and average daily attendance trends over the past 3-5 years, the CFO uses the lowest of the 3 year or the 5 year average.

Additionally, the CFO reviews the prior 3-5 year taxable value trends to project the budget year. This estimate is used until a preliminary taxable value estimate is received from the Caldwell Appraisal District in late April. The certified values are received on or before July 25 due to state law, which is after the budget adoption in June. Taxpayers may file a protest on their taxable values in May, and the Appraisal District hears the protests in June and July. Because the district only has preliminary values to base the budget on, the CFO uses only 75% of the "under protest" values, and 100% of the taxable values that are not under protest. This provides an allowance in the calculations so that taxable property values are not overstated when estimating tax revenues for the upcoming budget year. Based on the value trends over the past 3-5 years, the CFO uses the lowest of the 3 year or 5-year average.

Major Sources of Funds

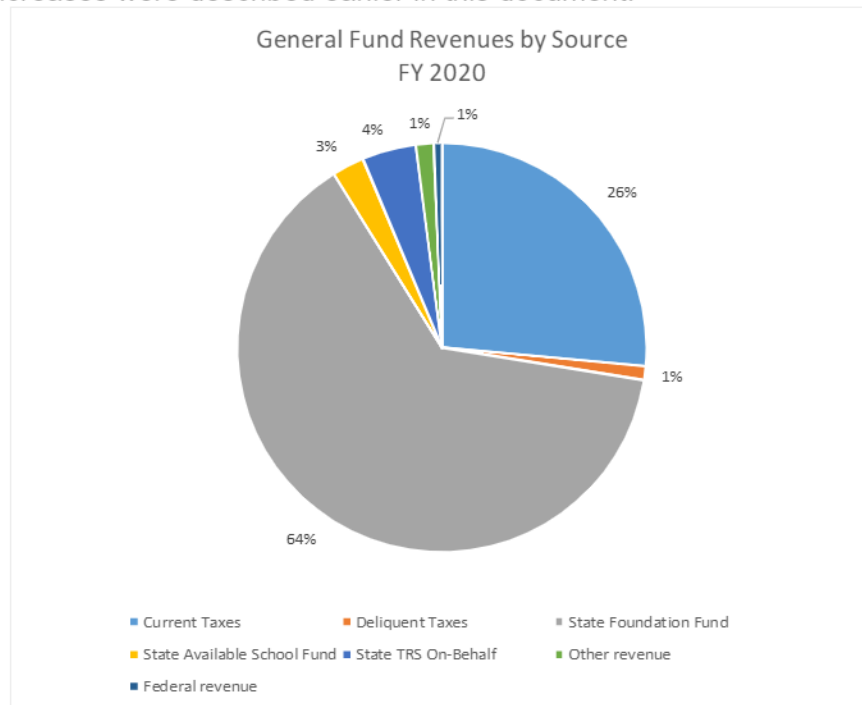
The major source of General Fund revenues is the Foundation School Fund and the Available School Fund, totaling 67%. The next highest source of revenues is current taxes at 26%. All other sources of revenues are 7%. The district is heavily dependent on state and local revenues to operate annually. Districts earn state revenue based upon a variety of factors, but mainly due to property values (i.e. wealth) and average student daily attendance.

Non-major revenue sources:

The district's General Fund receives some federal funds, consisting of indirect costs from federal funds, School Health and Related Services (SHARS), Medicaid Administrative Claims (MAC), payment in lieu of taxes, and Air Force instructor pay. In FY 20, it is estimated that the district will receive approximately \$346 thousand in General Fund federal revenues.

General Fund Expenditures

General Fund expenditures will increase by 9.2% in FY 20, for a budget of \$52,090,882. Expenditure increases were described earlier in this document.



Expenditures

General Fund budgeted expenditures increased by \$4,796,488 in FY 20, over the prior year actual.

- The Employee Compensation plan added about \$1.45 million in new payroll costs. Some of this increase was required under HB3.
- Increases in instructional budgets were due to increased enrollment projections.
- The District added about 32 new positions at a cost of \$1.3 million due to enrollment growth.
- Investments in Curriculum and Staff development increased by \$251 thousand to provide support to the campuses.
- The payments to the Caldwell County Shared Services Arrangement increased by \$821 thousand due to a change in the agreement, in the best interests of the member districts. This was offset by an increase in state revenue of \$564 thousand.
- Transportation costs increased due to increased enrollment and totaled \$202 thousand.
- Increases in maintenance of facilities and insurance costs totaled \$112 thousand.

General Fund

Lockhart Independent School District					
Combined Statement of Revenues, Expenditures and Changes in Fund Balance					
General Fund					
For the Fiscal Year Ending June 30					
	Actual 2016	Actual 2017	Actual 2018	Near Final Actual 2019	Budget 2020
Beginning Fund Balance, July 1	\$ 14,856,296	\$ 14,804,000	\$ 15,047,101	\$ 15,892,381	\$ 16,990,623
Revenues					
Local & Intermediate Sources	\$ 11,841,383	\$ 12,521,830	\$ 13,500,103	\$ 14,828,719	\$ 15,584,869
State Program Revenues	\$ 30,195,599	\$ 31,642,672	\$ 34,486,075	\$ 33,576,783	\$ 38,334,154
Federal Program Revenues	\$ 188,449	\$ 434,219	\$ 213,902	\$ 613,518	\$ 346,472
Total Revenues	\$ 42,225,431	\$ 44,598,721	\$ 48,200,080	\$ 49,019,020	\$ 54,265,495
Expenditures					
Instruction	\$ 23,505,907	\$ 24,896,419	\$ 25,658,539	\$ 27,057,771	\$ 30,256,070
Instructional Resources & Media Services	\$ 611,399	\$ 686,890	\$ 654,035	\$ 622,826	\$ 632,529
Curriculum & Staff Development	\$ 350,310	\$ 536,456	\$ 789,683	\$ 797,892	\$ 1,049,131
Instructional Leadership	\$ 483,157	\$ 449,880	\$ 567,113	\$ 565,115	\$ 620,632
School Leadership	\$ 2,931,425	\$ 3,000,637	\$ 2,948,283	\$ 2,876,283	\$ 3,003,538
Guidance, Counseling & Evaluation Services	\$ 1,281,959	\$ 1,234,822	\$ 1,169,770	\$ 991,312	\$ 1,145,569
Social Work Services	\$ 112,675	\$ 152,474	\$ 153,029	\$ 153,617	\$ 155,837
Health Services	\$ 359,316	\$ 331,767	\$ 360,542	\$ 488,590	\$ 541,157
Student Transportation	\$ 1,847,242	\$ 1,976,932	\$ 2,197,536	\$ 2,608,337	\$ 2,810,230
Food Service	\$ 49,682	\$ 51,891	\$ 33,315	\$ 11,049	\$ 15,000
Cocurricular/Extracurricular Activities	\$ 1,270,368	\$ 1,504,370	\$ 1,355,032	\$ 1,520,902	\$ 1,499,550
General Administration	\$ 1,867,029	\$ 1,848,480	\$ 1,977,576	\$ 2,148,773	\$ 2,230,859
Plant Maintenance & Operations	\$ 4,564,256	\$ 4,448,915	\$ 4,556,984	\$ 4,920,718	\$ 5,033,191
Security & Monitoring Services	\$ 207,425	\$ 353,073	\$ 202,790	\$ 264,846	\$ 192,781
Data Processing Services	\$ 311,674	\$ 405,229	\$ 493,317	\$ 583,329	\$ 751,818
Community Services	\$ -	\$ 35,437	\$ 14,576	\$ 13,992	\$ 15,048
Capital Lease Principal			\$ 55,839	\$ 77,762	\$ 81,721
Capital Lease Interest			\$ 7,902	\$ 7,226	\$ 3,268
Capital Outlay	\$ 937,205	\$ 831,089	\$ 3,428,688	\$ 524,601	\$ 142,063
Payments related to SSA's	\$ 750,780	\$ 707,851	\$ 720,294	\$ 722,017	\$ 1,543,291
Other Intergovernmental Charges	\$ 328,103	\$ 319,083	\$ 328,694	\$ 339,437	\$ 369,599
Total Expenditures	\$ 41,769,912	\$ 43,771,695	\$ 47,673,537	\$ 47,296,394	\$ 52,092,882
Excess of Revenues Over (Under) Expenditures	\$ 455,519	\$ 827,026	\$ 526,543	\$ 1,722,626	\$ 2,172,613
Sale of Real or Personal Property	\$ 29,944	\$ 4,432	\$ 705,765		
Issuance of Capital Leases			\$ 236,394		
Other Resources				\$ 463	
Transfers Out	\$ (537,759)	\$ (588,357)	\$ (623,422)	\$ (624,846)	\$ (670,712)
Total Other Financing Sources (Uses)	\$ (507,815)	\$ (583,925)	\$ 318,737	\$ (624,384)	\$ (670,712)
Net Change in Fund Balances	\$ (52,296)	\$ 243,101	\$ 845,280	\$ 1,098,242	\$ 1,501,901
Ending Fund Balance, June 30	\$ 14,804,000	\$ 15,047,101	\$ 15,892,381	\$ 16,990,623	\$ 18,492,524
Expenditures by Object					
6100 Payroll Costs	\$ 31,865,136	\$ 32,708,282	\$ 34,219,153	\$ 34,545,145	\$ 38,682,025
6200 Contracted Services	\$ 4,911,257	\$ 5,054,824	\$ 5,667,142	\$ 7,970,234	\$ 8,318,239
6300 Supplies and Materials	\$ 2,001,776	\$ 3,307,654	\$ 2,151,726	\$ 2,178,213	\$ 2,041,750
6400 Other Operating Costs	\$ 1,585,801	\$ 1,489,557	\$ 1,582,794	\$ 1,687,441	\$ 2,675,942
6500 Debt Service Costs	\$ -	\$ -	\$ 63,741	\$ 84,988	\$ 84,989
6600 Capital Outlay	\$ 1,405,945	\$ 1,211,378	\$ 3,988,975	\$ 830,373	\$ 289,937
Total Expenditures by Object	\$ 41,769,915	\$ 43,771,695	\$ 47,673,532	\$ 47,296,394	\$ 52,092,882

Capital Projects Funds

Capital Expenditures

The district defines capital expenditures as those costs that have a useful life of more than one year, and the unit or project cost is more than \$5,000. Total capital expenditures budgeted in FY 20 were \$274,937. The following projects do not have any significant operating expenses associated with them. The district expects to see some utility savings by installing the lighting retrofits and remodeling restrooms. Examples of FY 20 budgeted capital expenditures include:

- Stadium sidewalks
- Lighting retrofits
- Hot water pump and chilled water pump
- AC repair
- Remodeling restrooms
- Carpet replacements
- Baby grand piano
- Athletic clothes washer
- Softball backstop netting
- Dance room mirrors
- School sign
- ADA lift for cafeteria stage
- Enhance security vestibule

Significant capital projects that were a priority 1 or 2 that were identified by the long-range planning committee were added to a 2019 bond package. The community will vote on that package on November 5, 2019. Priorities 3-5 were recorded and are maintained by the district for future planning.

Capital Projects Fund

	Capital Projects Fund				
	For the Budget Year Ending June 30, 2020				
	2015-16	2016-17	2017-18	2018-19	2019-20
Obj	FY Activity	FY Activity	FY Activity	FY Activity	Budget
Beginning Fund Balance	\$ 59,062,983	\$ 27,189,721	\$ 5,591,741	\$ 2,971,966	\$ 37,998
Total Revenues	\$ 265,394	\$ 81,627	\$ 69,157	\$ 36,975	\$ 750
Instruction & related services	\$ -	\$ -	\$ 27,495	\$ 1,260	\$ -
Transportation	\$ -	\$ -	\$ 270,078	\$ 746,521	\$ -
Administrative Services	\$ -	\$ -	\$ 128,388	\$ 215,202	\$ -
Security & Monitoring	\$ 24,126	\$ -	\$ -	\$ -	\$ -
Debt Service costs	\$ -	\$ -	\$ 49,006	\$ -	\$ -
Capital Outlay	\$ 32,114,530	\$ 21,679,607	\$ 5,883,965	\$ 1,135,916	\$ 38,000
Total Expenditures	\$ 32,138,656	\$ 21,679,607	\$ 6,358,932	\$ 2,098,899	\$ 38,000
Transfers In	\$ -	\$ -	\$ 3,670,000	\$ -	\$ -
Transfers Out	\$ -	\$ -	\$ -	\$ (872,044)	\$ -
Total Transfers	\$ -	\$ -	\$ 3,670,000	\$ (872,044)	\$ -
Ending Fund Balance	\$ 27,189,721	\$ 5,591,741	\$ 2,971,966	\$ 37,998	\$ 748

Long Range Financial Plan

The district engaged VLK Architects in the spring of 2019 to develop a long-range facilities plan. After the plan was developed the district engaged Transcend4 to facilitate a long-range facilities committee made up of the community and staff. Based upon the long-range facilities plan, the district now has information to be able use capital planning in the future.

The district projects the General Fund out until the next legislative session and beyond, but there is a small value to project out any further because legislature can change anything for school finance every two years (odd-numbered years).

Special Revenue Funds

Governmental Funds that have special restrictions on the use of the funds are accounted for in Special Revenue Funds. These funds use the modified accrual basis of accounting. A sample list of funds are listed below:

Fund 211 ESEA, Title I Part A Improving Basic Programs

This code is used to account for funds to help LEAs improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.

Fund 224 IDEA B, Formula

This code is used to account for funds granted to operate educational programs for children with disabilities. This code includes capacity building and improvement (sliver) subgrants. (CFDA 84.027)

Fund 225 IDEA B, Preschool

This code is used to account for funds granted for preschool children with disabilities. (CFDA 84.173)

Fund 244 Career & Technical Education – Basic Grant

This code is used to account for funds granted to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment. Full participation in the basic grant is from members of special populations:

- at a limited number of campuses (sites) or
- in a limited number of program areas.

(CFDA 84.048)

Fund 255 ESEA, Title II, Part A – Teacher and Principal Training and Recruiting

This code is used to account for funds used:

- to improve student academic achievement by:
- improving teacher and principal quality and
- increasing the number of highly qualified teachers, principals, and assistant principals in schools, and
- to hold districts accountable for improving student academic achievement.

(CFDA 84.367A)

Fund 263 Title III, Part A – English Language Acquisition and Language Enhancement

This code is used to account for funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards. (CFDA 84.365A)

Fund 410 State Instructional Materials Fund

This code is used to account for funds awarded to the district under the instructional materials allotment. Instructional materials include textbooks, software, supplemental materials, DVDs and CD-ROMs, online services, open-source materials, and other means of conveying information electronically.

Fund 437 Shared Services Arrangement

This fund is used to account for the Caldwell County Special Education Cooperative, a shared services arrangement. (The member districts are Lockhart, Luling and Prairie Lea ISD's.)

Fund 461 Campus Activity Fund

This fund is used to account for campus based projects.
Special Revenue Funds

	Combined Statement of Revenues, Expenditures and Changes in Fund Balance				
	Special Revenue Funds				
	For the Year Ending June 30, 2020				
	2015-16	2016-17	2017-18	2018-19	2019-20
Fnd	FY Activity	FY Activity	FY Activity	FY Activity	Budget
FEDERAL REVENUES	\$ 1,250,669	\$ 1,123,457	\$ 1,254,902	\$ 1,271,020	\$ 1,984,266
STATE REVENUES	\$ 407,986	\$ 573,450	\$ 1,184,650	\$ 922,705	\$ 236,728
LOCAL REVENUES	\$ 2,739,509	\$ 2,899,285	\$ 3,284,379	\$ 3,681,748	\$ 4,271,949
TOTAL REVENUES	\$ 4,398,164	\$ 4,596,192	\$ 5,723,931	\$ 5,875,473	\$ 6,492,943
INSTRUCTION & RELATED SERVICES	\$ 3,374,780	\$ 3,565,400	\$ 4,515,155	\$ 4,141,626	\$ 4,380,878
INSTRUCTIONAL & SCHOOL LEADERSHIP	\$ 191,574	\$ 198,559	\$ 199,576	\$ 275,479	\$ 287,962
STUDENT SUPPORT SERVICES	\$ 713,609	\$ 740,171	\$ 945,966	\$ 1,224,609	\$ 1,751,004
ADMINISTRATIVE SUPPORT SERVICE	\$ 3,770	\$ 3,559	\$ 3,873	\$ 5,918	\$ 8,200
PLANT MAINTENANCE & OPERATIONS	\$ 1,757	\$ 74	\$ 2,750	\$ 697	\$ 2,340
SECURITY & MONITORING SERVICES	\$ -	\$ 4,000	\$ 54,625	\$ 68,510	\$ -
COMMUNITY SERVICES	\$ 6,534	\$ 9,137	\$ 3,410	\$ 21,033	\$ 32,568
CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ 12,687	\$ -
PAYMENTS TO FISCAL AGENTS\MBRS	\$ 96,589	\$ 76,703	\$ 62,296	\$ 125,481	\$ -
TOTAL EXPENDITURES	\$ 4,388,613	\$ 4,597,603	\$ 5,787,651	\$ 5,876,040	\$ 6,462,952
EXCESS/(DEFICIENCY) OF REVENUES & OTHER RESOURCES OVER EXPENDITURES AND OTHER USES	\$ 9,551	\$ (1,411)	\$ (63,720)	\$ (567)	\$ 29,991
FUND BALANCE - JULY 1 (BEGINNING)	\$ 132,618	\$ 142,169	\$ 140,758	\$ 77,038	\$ 76,471
INCREASE (DECREASE) IN FUND BALANCE	\$ 9,551	\$ (1,411)	\$ (63,720)	\$ (567)	\$ 29,991
FUND BALANCE - JUNE 30 (ENDING)	\$ 142,169	\$ 140,758	\$ 77,038	\$ 76,471	\$ 106,462
EXPENDITURES BY OBJECT					
PAYROLL COSTS	\$ 2,997,240	\$ 3,106,153	\$ 3,615,963	\$ 4,201,542	\$ 5,085,561
CONTRACTED SERVICES	\$ 787,569	\$ 818,749	\$ 774,726	\$ 732,176	\$ 874,980
SUPPLIES AND MATERIALS	\$ 290,902	\$ 362,105	\$ 1,055,487	\$ 600,403	\$ 736,555
OTHER OPERATING COSTS	\$ 304,308	\$ 306,596	\$ 320,480	\$ 329,232	\$ 244,867
DEBT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL OUTLAY	\$ 8,594	\$ 4,000	\$ 20,995	\$ 12,687	\$ -
	\$ 4,388,613	\$ 4,597,603	\$ 5,787,651	\$ 5,876,040	\$ 6,941,963

Special Revenue Funds Revenues

Lockhart ISD's special revenue funds revenues have gradually increased since the FY 17 due to receiving several new grants. Lockhart ISD received two Gear Up grants from the University of Texas at Austin, for about \$577 thousand annually for a seven-year period. The district also received a grant of Title IV Part B 21st Century Community Learning Centers for approximately \$318 thousand annually over a five-year period.

Special Revenue Funds Expenditures

Expenditures increased along with the revenues. The Gear Up grants provide support to Junior High classes of students to encourage a college or career mindset through career exploration, visiting colleges and more. The 21st Century Community Learning Centers provide after-school tutoring and enrichment activities for the lowest-performing students at the elementary campuses.

Special Revenue Funds Fund Balance

The fund balance in every special revenue fund will be \$0 with the exception of the Campus Activity Fund. The district is not allowed to draw down more revenues than expenditures in special revenue funds. The Campus Activity Fund fund balance carries over to the next fiscal year for the campus to utilize any remaining funds.

Debt Service Funds

The Debt Service (I&S) fund is a governmental fund, with a budget that is adopted by the school board. This fund is used to account for long-term debt, both principal and interest. Property taxes levied to pay the long-term debt are deposited into this fund. A separate bank account must be used to keep the funds separate from all other operations. This fund uses the modified accrual basis of accounting.

Lockhart ISD has a low debt service tax rate, compared to most of its peers, at \$0.2936 per \$100 property value. This debt tax rate has remained steady since tax year 2016. The strategy with the additional tax collections is to defease a portion of the 2014 bond series. The district receives Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) from the State of Texas to assist with lowering the amount that the taxpayers must pay towards the annual debt payment. The district expects to receive \$923 thousand in FY 20 in IFA and EDA funds.

The district has a total of three debt service funds. One of the debt service funds, fund 599 is to account for voter-approved bonded debt, as described in paragraph one above. The other two debt service funds are used to account for two maintenance tax notes. Fund 595 maintenance tax note debt service fund is used to account for a loan to purchase buses which originated in 2010. The fund 597 maintenance tax note debt service fund is used to account for a loan to purchase buses and to remodel the ML Cisneros Education Support Center, which originated in 2017. A portion of fund 597 was defeased in the spring of 2019 to refund back the amount for the buses, as the district decided to contract out the use of buses instead of purchasing them.

The maintenance tax notes are paid back by a transfer in from the operating fund, and is regularly budgeted as a line item transfer annually.

Tax Supported Debt Limitation

The district has a maximum debt service tax rate of \$0.50 per \$100 property value. At \$0.29236, the district is \$0.20764 less than the maximum tax rate. At fiscal year-end, June 30, 2019, the

district had \$69,090,000 in outstanding principal and \$44,863,138 in outstanding interest. The district is current on all obligations of payments for both principal and interest and has never defaulted.

Debt Policy

In board policy CCA (legal), the district may issue bonds for:

1. The construction, acquisition, and equipment of school buildings in the district;
2. The acquisition of property or the refinancing of property under a contract entered under the Public Property Finance Act (Local Government Code, Chapter 271, Subchapter A), regardless of whether payment obligations under the contract are due in the current year or a future year;
3. The purchase of the necessary sites for school buildings; and
4. The purchase of new school buses.

The board may levy, pledge, assess, and collect annual ad valorem taxes sufficient to pay the principal of and interest on the bonds as or before the principal and interest become due, subject to the provisions at Bond Elections, below.

Education Code 45.001(a)

All bonds shall be issued in accordance with the Public Security Procedures Act. *Gov't Code, Ch. 1201*

Bond Ratings

Fitch Ratings rated the 2014 bonds as AAA and the outstanding debt as AA rating. Lockhart ISD is very proud of these ratings as it indicates strong fiscal management, growth potential, steady tax base gains and high, but affordable debt.

Debt Service Fund Revenues and Expenditures

Debt Service Funds revenues over the past five years ranged from \$5.3 to \$6.1 million dollars. The high of \$6.1 million occurred during FY 19 when there were two maintenance tax notes. Since a portion of the 2017 maintenance tax note has been defeased, the FY 20 budgeted revenue and expenditures will be less than FY 20. There has not been any new voter-approved debt since 2014.

Debt Service Fund Balance

The Debt Service fund balance has increased since FY 18. The board approved keeping the tax rate steady since 2016. In FY 18, there were additional tax collections for the purposes of defeasing the debt. In FY 19, the district was unable to defease debt because the federal government halted the sale of SLG (State and Local Government) debt. It recently became available for defeasance in the fall of 2019. Once the FY 20 tax collection season is near the end of January, the district plans to work on a defeasance issue to reduce the amount of fund balance, while defeasing debt.

	Combined Statement of Revenues, Expenditures and Changes in Fund Balance				
	Debt Service Fund				
	Budget for the Year Ending June 30, 2020				
	2015-16	2016-17	2017-18	2018-19	2019-20
	FY Activity	FY Activity	FY Activity	FY Activity	Budget
Revenues					
Local Revenues	\$ 3,123,023	\$ 3,331,546	\$ 3,673,788	\$ 4,037,561	\$ 4,558,477
State Revenues	\$ 2,182,358	\$ 2,236,370	\$ 2,146,841	\$ 2,046,840	\$ 1,163,070
Federal Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 5,305,381	\$ 5,567,916	\$ 5,820,629	\$ 6,084,401	\$ 5,721,547
Expenditures					
Debt Service Expenditures	\$ 5,437,759	\$ 5,643,566	\$ 5,649,980	\$ 5,745,392	\$ 6,291,444
Total Expenditures	\$ 5,437,759	\$ 5,643,566	\$ 5,649,980	\$ 5,745,392	\$ 6,291,444
Excess(Deficiency) of revenues over (under) expenditures	\$ (132,378)	\$ (75,650)	\$ 170,649	\$ 339,009	\$ (569,897)
Other Resources	\$ 460,855	\$ 460,843	\$ 525,496	\$ 546,472	\$ 573,536
Other Uses	\$ -	\$ -	\$ 494,721	\$ -	\$ -
Total Other Resources and (Uses)	\$ 460,855	\$ 460,843	\$ 1,020,217	\$ 546,472	\$ 573,536
Excess(Deficiency) of revenues & Other Resources over (under) expenditures and Other Uses	\$ 328,477	\$ 385,193	\$ 1,190,866	\$ 885,481	\$ 3,639
Fund Balance - July 1 (Beginning)	\$ 4,414,486	\$ 4,742,963	\$ 5,128,156	\$ 6,319,022	\$ 7,204,503
Increase (Decrease) in Fund Balance	\$ 328,477	\$ 385,193	\$ 1,190,866	\$ 885,481	\$ 3,639
Fund Balance - June 30 (Ending)	\$ 4,742,963	\$ 5,128,156	\$ 6,319,022	\$ 7,204,503	\$ 7,208,142
Expenditures by Object					
6500 Debt Services	\$ 5,437,759	\$ 5,643,566	\$ 5,649,980	\$ 5,745,392	\$ 6,291,444
Total Expenditures by Object	\$ 5,437,759	\$ 5,643,566	\$ 5,649,980	\$ 5,745,392	\$ 6,291,444

Enterprise Funds

Enterprise Funds

An enterprise fund is a proprietary fund that is used to account for the district's activities for which outside users are charged a fee about equal to the cost of providing the goods and services for the activities. The district's Enterprise funds are the Child Nutrition Program and the Community Education Funds. The Enterprise funds are accounted for on a modified accrual basis.

Child Nutrition

The Child Nutrition Fund represents approximately \$3.9 million in revenues and is accounted for in a separate fund on the general ledger, fund 240, and a separate bank account. The district operates the Child Nutrition Fund in grades PK through 8th grade on a Community Eligibility provision. This means that these grades eat a free breakfast and a free lunch. Grades 9-12 students eat free for breakfast, and may qualify for free or reduced price lunch, or may pay full price for lunch.

Child Nutrition Fund			
Budget for the Fiscal Year Ended June 30, 2020			
	2017-18	2018-19	2019-20
Object	FY Activity	FY Activity	Original Budget
Beginning Fund Balance, July 1	\$ 1,091,433	\$ 803,890	\$ 859,448
LOCAL REVENUES	\$ 413,845	\$ 472,130	\$ 282,785
STATE REVENUES	\$ 17,256	\$ 15,141	\$ 16,323
FEDERAL REVENUES	\$ 3,038,249	\$ 3,433,843	\$ 3,350,509
TOTAL REVENUES	\$ 3,469,350	\$ 3,921,114	\$ 3,649,617
SALARIES AND BENEFITS	\$ 1,271,509	\$ 1,193,607	\$ 1,132,380
CONTRACTED/PROFESSIONAL SERV	\$ 1,971,171	\$ 2,368,105	\$ 2,297,339
SUPPLIES AND MATERIALS	\$ 296,062	\$ 292,317	\$ 191,862
OTHER OPERATING COSTS	\$ 11,639	\$ 11,527	\$ 15,800
CAPITAL OUTLAY	\$ 206,512	\$ -	\$ -
TOTAL EXPENDITURES	\$ 3,756,893	\$ 3,865,556	\$ 3,637,381
AMOUNT TO/(FROM) FUND BALANCE	\$ (287,543)	\$ 55,558	\$ 12,236
Ending Fund Balance, June 30	\$ 803,890	\$ 859,448	\$ 871,684

Community Education Funds

The district uses enterprise funds to account for the Community Education enterprises. There are six funds as follows:

- 1) Fund 712 Summer Recreation – this fund accounts for revenues and expenditures related to offering a summer camp for children. The camp provides enrichment activities for the children while their parents go to work. This program is tuition based.
- 2) Fund 713 After School Program – this fund accounts for revenues and expenditures related to offering a paid after school program. Children go to this program after school ends, until 6:20 pm each day. The program provides enrichment activities for the children. This program is tuition based.
- 3) Fund 714 – Cub House for Teen parents – This is an in-house day care center that exists to provide day care for teen parents' children while the teen is attending school.
- 4) Fund 715 – GED and Adult Education – This fund accounts for revenues and expenditures related to providing GED (general education diploma) and Adult Education services for the community. This program is tuition based.
- 5) Fund 716 – Cub House for Employee's children - This is an in-house day care center that exists to provide day care for children of current employees of the district. This program is tuition based.
- 6) Fund 717 – Community Education – This fund accounts for revenues and expenditures of general community education activities, including the administration of all six programs. This fund accounts for activities such as Karate, basketball and volleyball, for a tuition fee.

Campus Budgets

Campus budgets are prepared by allocating dollars per estimated student for the next fiscal year. The principal uses the allocated dollars to prepare their budget requests for contracted services, supplies, and other operating costs.

Schools and Programs

George W. Carver Early Education Center

Campus Name	George W. Carver Early Education Center		
Campus Address	371 Carver Street, Lockhart, TX 78644		
Principal	Karen Nixon		
<u>Campus Demographics</u>			
Campus Type	Early Education		
Campus Size	344 Students		
Grade Span	PK		
Percent Economically Disadvantaged	83.1%		
Percent English Language Learners	26.2%		
Mobility Rate	N/A		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	PK	PK	PK
Total Students	232	329	344
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	13.5	19.0	18.0
Professional Support	1.5	1.0	1.0
School Leadership	1.0	1.0	1.0
Educational Aides	6.8	7.7	11.0
Total	22.8	28.7	31.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 1,174,133	\$ 1,459,890	\$ 1,624,361
6200 Contracted Services	\$ 43,956	\$ 47,787	\$ 44,900
6300 Supplies & Materials	\$ 17,359	\$ 47,177	\$ 33,143
6400 Other Operating Costs	\$ 3,538	\$ 5,915	\$ 11,295
6600 Capital Outlay	\$ -	\$ 31,641	\$ 34,127
Total Expenditures	\$ 1,238,986	\$ 1,592,410	\$ 1,747,826
Expenditures per Student	\$ 5,340.46	\$ 4,840.15	\$ 5,080.89
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	Not rated	Not rated	Not rated
Student Progress	Not rated	Not rated	Not rated
Closing Performance Gaps	Not rated	Not rated	Not rated
Accountability Rating	68	77	78
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not eligible	Not eligible	Not rated
Mathematics	Not eligible	Not eligible	Not rated
Science	Not eligible	Not eligible	Not rated
Social Studies	Not eligible	Not eligible	Not rated
Comparative Academic Growth	Not eligible	Not eligible	Not rated
Post Secondary Readiness	Not eligible	Not eligible	Not rated
Comparative Closing the Gaps	Not eligible	Not eligible	Not rated

Elementaries

Alma Brewer Straw Elementary

Campus Name	Alma Brewer Strawn Elementary		
Campus Address	9000 FM 1854, Dale, TX 78616		
Principal	Analesa Holmes		
Campus Demographics			
Campus Type	Elementary		
Campus Size	496 Students		
Grade Span	K-5		
Percent Economically Disadvantaged	85.3%		
Percent English Language Learners	69.4%		
Mobility Rate	17.2%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	PK-5	K-5	K-5
Total Students	503	498	496
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	28.8	29.7	35.5
Professional Support	5.2	3.1	3.1
School Leadership	2.0	2.0	2.0
Educational Aides	2.9	1.9	4.0
Total	38.9	36.7	44.6
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 2,417,132	\$ 2,191,184	\$ 2,720,356
6200 Contracted Services	\$ 145,727	\$ 143,133	\$ 146,100
6300 Supplies & Materials	\$ 70,071	\$ 44,871	\$ 56,437
6400 Other Operating Costs	\$ 6,718	\$ 8,114	\$ 10,465
6600 Capital Outlay	\$ 10,528	\$ -	\$ -
Total Expenditures	\$ 2,650,176	\$ 2,387,302	\$ 2,933,358
Expenditures per Student	\$ 5,268.74	\$ 4,793.78	\$ 5,914.03
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	53	60	56
Student Progress	35	86	65
Closing Performance Gaps	27	73	58
Post Secondary Readiness	19	N/A	N/A
Accountability Rating	46	82	59
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Not earned	Not earned
Social Studies	Not eligible	Earned	Not eligible
Comparative Academic Growth	Not earned	Not earned	Not earned
Post Secondary Readiness	Not earned	Not earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Bluebonnet Elementary

Campus Name	Bluebonnet Elementary		
Campus Address	211 Mockingbird, Lockhart, TX 78644		
Principal	Belinda Vasquez		
Campus Demographics			
Campus Type	Elementary		
Campus Size	547 Students		
Grade Span	K-5		
Percent Economically Disadvantaged	74.1%		
Percent English Language Learners	20.5%		
Mobility Rate	16.7%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	K-5	K-5	K-5
Total Students	579	572	547
Employee FTE's			
Description	2017-2018	2018-2019	2019-20
Teachers	37.7	38.2	40.5
Professional Support	4.8	3.0	3.0
School Leadership	2.0	2.0	2.0
Educational Aides	3.9	4.8	6.0
Total	48.4	48.0	51.5
General Fund Expenditures by Object			
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 2,940,170	\$ 2,786,197	\$ 2,888,357
6200 Contracted Services	\$ 117,262	\$ 121,413	\$ 119,940
6300 Supplies & Materials	\$ 53,193	\$ 43,354	\$ 69,837
6400 Other Operating Costs	\$ 14,705	\$ 8,376	\$ 12,055
6600 Capital Outlay	\$ -	\$ 20,731	\$ 7,500
Total Expenditures	\$ 3,125,330	\$ 2,980,071	\$ 3,097,689
Expenditures per Student	\$ 5,397.81	\$ 5,209.91	\$ 5,663.05
Texas Education Agency Accountability Summary			
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	58	58	58
Student Progress	32	72	70
Closing Performance Gaps	27	66	66
Post Secondary Readiness	30	N/A	N/A
Accountability Rating	55	70	69
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Not earned	Not earned
Social Studies	Not eligible	Not eligible	Not eligible
Comparative Academic Growth	Not earned	Not earned	Not earned
Post Secondary Readiness	Not earned	Not earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Clear Fork Elementary

Campus Name	Clear Fork Elementary		
Campus Address	1102 Clear Fork Street, Lockhart, TX 78644		
Principal	Rebecca Leonard		
Campus Demographics			
Campus Type	Elementary		
Campus Size	459 Students		
Grade Span	K-5		
Percent Economically Disadvantaged	66.0%		
Percent English Language Learners	4.0%		
Mobility Rate	14.8%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	K-5	K-5	K-5
Total Students	475	450	459
Employee FTE's			
Description	2017-2018	2018-2019	2019-20
Teachers	29.4	30.1	32.5
Professional Support	4.3	3.7	3.7
School Leadership	1.9	2.0	2.0
Educational Aides	3.7	4.8	6.0
Total	39.3	40.6	44.2
General Fund Expenditures by Object			
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 2,144,724	\$ 1,943,284	\$ 2,049,668
6200 Contracted Services	\$ 89,224	\$ 111,023	\$ 101,800
6300 Supplies & Materials	\$ 31,166	\$ 79,533	\$ 99,058
6400 Other Operating Costs	\$ 9,321	\$ 9,130	\$ 12,394
6600 Capital Outlay	\$ 14,344	\$ 16,012	
Total Expenditures	\$ 2,288,779	\$ 2,158,982	\$ 2,262,920
Expenditures per Student	\$ 4,818.48	\$ 4,797.74	\$ 4,930.11
Texas Education Agency Accountability Summary			
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	64	69	69
Student Progress	36	79	70
Closing Performance Gaps	29	74	69
Post Secondary Readiness	26	N/A	N/A
Accountability Rating	63	78	70
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not Earned	Not Earned	Not Earned
Mathematics	Not Earned	Not Earned	Not Earned
Science	Not Earned	Not Earned	Not Earned
Social Studies	Not Eligible	Not Eligible	Not Eligible
Comparative Academic Growth	Not Earned	Not Earned	Not Earned
Post Secondary Readiness	Not Earned	Not Earned	Not Earned
Comparative Closing the Gaps	Not Earned	Not Earned	Not Earned

Navarro Elementary

Campus Name	Navarro Elementary		
Campus Address	715 Medina, Lockhart, TX 78644		
Principal	Deanna Juarez		
Campus Demographics			
Campus Type	Elementary		
Campus Size	504 Students		
Grade Span	K-5		
Percent Economically Disadvantaged	73.7%		
Percent English Language Learners	24.6%		
Mobility Rate	16.7%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	K-5	K-5	K-5
Total Students	531	518	504
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	33.7	33.7	36.5
Professional Support	4.4	4.5	4.5
School Leadership	2.0	2.0	2.0
Educational Aides	4.8	2.9	4.0
Total	44.9	43.1	47.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 2,546,167	\$ 2,447,596	\$ 2,633,324
6200 Contracted Services	\$ 83,519	\$ 103,007	\$ 88,825
6300 Supplies & Materials	\$ 41,622	\$ 60,474	\$ 56,004
6400 Other Operating Costs	\$ 9,002	\$ 7,067	\$ 9,797
6600 Capital Outlay	\$ 25,903	\$ 86,391	\$ 23,863
Total Expenditures	\$ 2,706,213	\$ 2,704,535	\$ 2,811,813
Expenditures per Student	\$ 5,096.45	\$ 5,221.11	\$ 5,578.99
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	69	62	62
Student Progress	42	74	74
Closing Performance Gaps	37	64	63
Post Secondary Readiness	33	N/A	N/A
Accountability Rating	82	71	71
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Not earned	Not earned
Social Studies	Not eligible	Not eligible	Not eligible
Comparative Academic Growth	Not earned	Not earned	Not earned
Post Secondary Readiness	Not earned	Not earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Plum Creek Elementary

Campus Name	Plum Creek Elementary		
Campus Address	710 Flores Street, Lockhart, TX 78644		
Principal	Jamee Griebel		
Campus Demographics			
Campus Type	Elementary		
Campus Size	559 Students		
Grade Span	K-5		
Percent Economically Disadvantaged	84.1%		
Percent English Language Learners	44.7%		
Mobility Rate	18.9%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	K-5	K-5	K-5
Total Students	578	574	559
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	35.8	38.2	40.5
Professional Support	3.5	5.0	5.0
School Leadership	2.0	2.0	2.0
Educational Aides	3.4	3.4	4.0
Total	45	49	52
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 2,713,373	\$ 2,765,874	\$ 2,844,238
6200 Contracted Services	\$ 90,737	\$ 100,171	\$ 99,215
6300 Supplies & Materials	\$ 54,950	\$ 60,193	\$ 70,838
6400 Other Operating Costs	\$ 11,330	\$ 8,393	\$ 10,369
6600 Capital Outlay	\$ 52,474	\$ 8,960	\$ 6,500
Total Expenditures	\$ 2,922,864	\$ 2,943,591	\$ 3,031,160
Expenditures per Student	\$ 5,056.86	\$ 5,128.21	\$ 5,422.47
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	63	72	72
Student Progress	42	85	79
Closing Performance Gaps	33	78	77
Post Secondary Readiness	30	N/A	N/A
Accountability Rating	71	83	78
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Earned	Earned
Social Studies	Not eligible	Not eligible	Not eligible
Comparative Academic Growth	Not earned	Earned	Not earned
Post Secondary Readiness	Not earned	Not earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Lockhart Junior High

Campus Name	Lockhart Junior High School		
Campus Address	500 City Line Drive, Lockhart, TX 78644		
Principal	Edgar Torres		
Campus Demographics			
Campus Type	Junior High		
Campus Size	1,529 students		
Grade Span	6-8		
Percent Economically Disadvantaged	70.9%		
Percent English Language Learners	21.7%		
Mobility Rate	12.0%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	6-8	6-9	6-10
Total Students	1,392	1,491	1,529
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	73.9	76.3	
Professional Support	9.1	8.5	
School Leadership	4.0	4.0	4.0
Educational Aides	9.5	7.7	
Total	96.5	96.5	4.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 6,124,899	\$ 5,983,034	\$ 6,620,599
6200 Contracted Services	\$ 241,459	\$ 281,313	\$ 238,640
6300 Supplies & Materials	\$ 139,725	\$ 281,381	\$ 209,231
6400 Other Operating Costs	\$ 97,357	\$ 80,429	\$ 95,105
6600 Capital Outlay	\$ 10,773	\$ 68,226	\$ 68,390
Total Expenditures	\$ 6,614,213	\$ 6,694,383	\$ 7,231,965
Expenditures per Student	\$ 4,751.59	\$ 4,489.86	\$ 4,729.87
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	62	69	70
Student Progress	35	72	72
Closing Performance Gaps	32	62	67
Post Secondary Readiness	29	N/A	N/A
Accountability Rating	61	69	71
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Not earned	Not earned
Social Studies	Not earned	Not earned	Not earned
Comparative Academic Growth	Not earned	Not earned	Not earned
Post Secondary Readiness	Not earned	Not earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Lockhart High School

Campus Name	Lockhart High School		
Campus Address	906 Center St., Lockhart, TX 78644		
Principal	Luciano Castro		
Campus Demographics			
Campus Type	High School		
Campus Size	1,696 Students		
Grade Span	9-12		
Percent Economically Disadvantaged	63.5%		
Percent English Language Learners	17.1%		
Mobility Rate	14.4%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	9-12	9-12	9-12
Total Students	1,566	1,641	1,696
Description	Employee FTE's		
	2017-2018	2018-2019	2019-20
Teachers	91.8	94.7	
Professional Support	9.4	7.3	
School Leadership	6.0	4.0	4.0
Educational Aides	7.7	9.6	
Total	115	116	4
Description	General Fund Expenditures by Object		
	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 8,472,504	\$ 8,257,461	\$ 8,983,173
6200 Contracted Services	\$ 588,377	\$ 729,542	\$ 671,171
6300 Supplies & Materials	\$ 599,221	\$ 339,581	\$ 430,535
6400 Other Operating Costs	\$ 314,278	\$ 328,956	\$ 396,844
6600 Capital Outlay	\$ 840,818	\$ 281,528	\$ 423,964
Total Expenditures	\$ 10,815,198	\$ 9,937,068	\$ 10,905,687
Expenditures per Student	\$ 6,906.26	\$ 6,055.50	\$ 6,430.24
Performance Index Summary	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
	2016-2017	2017-2018	2018-2019
Student Achievement	65	77	76
Student Progress	20	78	79
Closing Performance Gaps	37	71	72
Post Secondary Readiness	74	N/A	N/A
Accountability Rating	70	76	77
Distinction Designations	Distinction Earned	Distinction Earned	Distinction Earned
	2016-2017	2017-2018	2018-2019
ELA/Reading	Not earned	Not earned	Not earned
Mathematics	Not earned	Not earned	Not earned
Science	Not earned	Not earned	Not earned
Social Studies	Not earned	Not earned	Not earned
Comparative Academic Growth	Not earned	Not earned	Not earned
Post Secondary Readiness	Not earned	Earned	Not earned
Comparative Closing the Gaps	Not earned	Not earned	Not earned

Pride High School

Campus Name	Pride High School		
Campus Address	500 Pecos Street, Lockhart, TX 78644		
Principal	Barry Bacom		
Campus Demographics			
Campus Type	Alternative High School		
Campus Size	60 students		
Grade Span	9-12		
Percent Economically Disadvantaged	75.5%		
Percent English Language Learners	6.1%		
Mobility Rate	85.7%		
Description	2017-2018	2018-2019	2019-20
Grade Levels Taught	9-12	9-12	9-12
Total Students	45	49	60
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Teachers	4.1	4.0	
Professional Support	0.5	0.5	
School Leadership	0.5	1.0	2.0
Educational Aides	-	-	
Total	5.1	5.5	2.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 417,262	\$ 392,623	\$ 414,404
6200 Contracted Services	\$ 12,690	\$ 2,250	\$ 450
6300 Supplies & Materials	\$ 3,526	\$ 26,406	\$ 8,321
6400 Other Operating Costs	\$ 2,882	\$ 3,982	\$ 8,300
6600 Capital Outlay	\$ -	\$ -	\$ 8,500
Total Expenditures	\$ 436,360	\$ 425,261	\$ 439,975
Expenditures per Student	\$ 9,696.89	\$ 8,678.80	\$ 7,332.92
	Texas Education Agency Accountability Summary		
	Index Score	Domain Score	Domain Score
Performance Index Summary	2016-2017	2017-2018	2018-2019
Student Achievement	60	78	87
Student Progress	N/A	Not rated	81
Closing Performance Gaps	31	Not rated	Not rated
Post Secondary Readiness	78		
Accountability Rating	83	78	92
	Distinction Earned	Distinction Earned	Distinction Earned
Distinction Designations	2016-2017	2017-2018	2018-2019
ELA/Reading	Not Eligible	Not Eligible	Not Eligible
Mathematics	Not Eligible	Not Eligible	Not Eligible
Science	Not Eligible	Not Eligible	Not Eligible
Social Studies	Not Eligible	Not Eligible	Not Eligible
Comparative Academic Growth	Not Eligible	Not Eligible	Not Eligible
Post Secondary Readiness	Not Eligible	Not Eligible	Not Eligible
Comparative Closing the Gaps	Not Eligible	Not Eligible	Not Eligible

Departments

Major Department Budgets

Office of the Superintendent

The Superintendent is the CEO of the school district, and reports to the Board of Trustees. The superintendent is responsible for managing day-to-day operations, preparing and administering the district's budget, organizing the district's central administration, and ensuring that the district focuses on its primary mission—student academic achievement and progress.

Department Name	Superintendent's Office		
Campus Address	419 Bois Darc, Lockhart, TX 78644		
Budget Officer	Mark Estrada, Superintendent		
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Superintendent	1.0	1.0	1.0
Executive Director of Communications & Community Services	1.0	1.0	1.0
Support Personnel	1.0	1.0	1.0
Total	3.0	3.0	3.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 346,837	\$ 377,317	\$ 409,689
6200 Contracted Services	\$ 109,379	\$ 99,231	\$ 123,400
6300 Supplies & Materials	\$ 12,642	\$ 9,907	\$ 10,200
6400 Other Operating Costs	\$ 10,990	\$ 17,759	\$ 17,400
6600 Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 479,848	\$ 504,214	\$ 560,689
Total Students	5,901	6,118	6,192
General Fund Expenditures/Student	\$ 81.32	\$ 82.41	\$ 90.55

Office of the Deputy Superintendent

The Office of the Deputy Superintendent is responsible for several leadership functions within Lockhart ISD including supervising and coaching all campus administrators to ensure strong, responsive, and effective leadership at our schools to provide the support to students and staff to be successful. The Deputy Superintendent also develops, implements, and tracks districtwide initiatives and professional development programs to improve supports for LISD staff to best serve students. The Deputy Superintendent investigates critical concerns, incidents, or issues on behalf of the superintendent. The Deputy Superintendent leads the human resources department in recruiting, retaining, training, and monitoring the performance of high quality staff to serve LISD students. The Deputy Superintendent provides leadership in the areas of elections, health services, safety and security, student registration and transfers, handbooks, and discipline.

Department Name	Deputy Superintendent		
Campus Address	419 Bois Darc, Lockhart, TX 78644		
Budget Officer	Kim Brents, Deputy Superintendent		
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Professional Support	1.0	1.0	1.0
Support Personnel	1.0	1.0	1.0
Total	2.0	2.0	2.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 141,297	\$ 207,489	\$ 213,653
6200 Contracted Services	\$ -	\$ -	\$ -
6300 Supplies & Materials	\$ 4,202	\$ 5,007	\$ 3,865
6400 Other Operating Costs	\$ 10,790	\$ 13,668	\$ 20,500
6600 Capital Outlay		\$ -	\$ -
Total Expenditures	\$ 156,290	\$ 226,164	\$ 238,018
Total Students	5,901	6,118	6,192
General Fund Expenditures/Student	\$ 26.49	\$ 36.97	\$ 38.44

Office of Curriculum and Instruction

The Lockhart ISD Curriculum and Instruction Department is committed to the academic success of all students and ensuring that each student makes 1.5 years progress. The department provides services and resources to ensure teachers and administrators are equipped to grow all learners. The department also includes special education, bilingual/ESL, and special programs to provide the best support to all campuses.

Department Name	Asst. Supt., Curriculum & Instruction		
Campus Address	419 Bois Darc, Lockhart, TX 78644		
Budget Officer	Dr. Stephaine Camarillo		
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Professional Support	7.0	12.0	12.0
Support Personnel	1.0	1.0	1.0
Total	8.0	13.0	13.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 764,646	\$ 1,055,326	\$ 1,145,598
6200 Contracted Services	\$ 271,331	\$ 202,699	\$ 232,560
6300 Supplies & Materials	\$ 17,422	\$ 16,301	\$ 34,584
6400 Other Operating Costs	\$ 35,493	\$ 55,847	\$ 88,875
6600 Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,088,892	\$ 1,330,173	\$ 1,501,617
Total Students	5,901	6,118	6,192
General Fund Expenditures/Student	\$ 184.53	\$ 217.42	\$ 242.51

Office of the Assistant Superintendent of Operations and Technology

The purpose of LISD's Operation & Technology Division is to provide quality service and experience to the students, staff and community members who utilize the school district facilities.

The department goal is to meet those needs by maintaining and exceeding the standards for all buildings, grounds, athletic programs, energy management, child nutrition and transportation areas. The department strives to provide a safe and positive learning environment for our students, parents, staff and community members.

Department Name	Asst. Supt. Operations & Technology		
Campus Address	419 Bois Darc, Lockhart, TX 78644		
Budget Officer	Adam Galvan		
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Professional Support	3.0	3.0	5.0
Support Personnel	3.0	3.0	3.0
Total	6.0	6.0	8.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 673,220	\$ 634,507	\$ 794,499
6200 Contracted Services	\$ 759,763	\$ 1,079,955	\$ 970,776
6300 Supplies & Materials	\$ 144,853	\$ 222,722	\$ 101,645
6400 Other Operating Costs	\$ 16,719	\$ 17,372	\$ 16,000
6600 Capital Outlay	\$ 32,288	\$ 76,598	\$ -
Total Expenditures	\$ 1,626,843	\$ 2,031,154	\$ 1,882,920
Total Students	5,901	6,118	6,192
General Fund Expenditures/Student	\$ 275.69	\$ 332.00	\$ 304.09

Office of the Chief Financial Officer

The Office of the Chief Financial Officer effectively manages the financial resources of Lockhart ISD. Key functions include: finance, budgeting, accounting, investments, accounts payable, payroll and benefits, purchasing, and records management.

This department has been recognized by the Government Finance Officers Association with a Certificate of Achievement for Excellence in Financial Reporting for 14 consecutive years. This department has also been recognized for 16 consecutive "Superior" ratings for the Texas Education Agency's Schools FIRST (financial integrity rating system of Texas) rating.

Department Name	Chief Financial Officer		
Campus Address	419 Bois Darc, Lockhart, TX 78644		
Budget Officer	Tina Knudsen, CPA, CFO		
	Employee FTE's		
Description	2017-2018	2018-2019	2019-20
Professional Support	4.0	4.0	4.0
Support Personnel	3.0	4.0	4.0
Total	7.0	8.0	8.0
	General Fund Expenditures by Object		
Description	2017-2018	2018-2019	2019-20
6100 Payroll costs	\$ 507,519	\$ 546,623	\$ 606,203
6200 Contracted Services	\$ 36,266	\$ 49,645	\$ 51,825
6300 Supplies & Materials	\$ 6,846	\$ 12,258	\$ 6,200
6400 Other Operating Costs	\$ 8,390	\$ 8,808	\$ 10,350
6600 Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 559,021	\$ 617,334	\$ 674,578
Total Students	5,901	6,118	6,192
General Fund Expenditures/Student	\$ 94.73	\$ 100.90	\$ 108.94

Informational

The Economy

Lockhart Independent School District (ISD) is located in and around the city of Lockhart which is the county seat and principal commercial center of Caldwell County. Lockhart is located about 30 miles southeast of Austin and 60 miles northeast of San Antonio. Over the past century, Caldwell County's economy has changed from cattle to cotton to oil. Within Lockhart ISD is the City of Lockhart. The county seat and commercial center is in the City of Lockhart.

Though some of Caldwell County's employment still remains in the oil and gas industry, the local economy is primarily engaged in services, local government and agriculture. Caldwell County is a prime location for business. The economic base includes minerals such as sand, oil, gravel and gas. Agricultural industries consist of nurseries, hay, eggs, cotton, broiler production and beef cattle.

Lockhart is just twenty-five miles south of Austin-Bergstrom International airport. Lockhart is home to the BBQ Capital of Texas, attracting over 1.5 million visitors per year. The Caldwell County Courthouse square is one of the most visited and photographed squares in the state. Lockhart has attracted musicians, artists, artisans and local events, which attract out-of-town visitors regularly.

There are several higher learning institutions within 30 miles of Lockhart, including Texas State University in San Marcos, The University of Texas at Austin, and Austin Community College (ACC). Lockhart is an easy commute for those seeking higher education. ACC will begin delivering vocational training at the Lockhart ISD ML Cisneros campus in late 2018, as a result of a memorandum of understanding between ACC, Lockhart ISD, and the Lockhart Economic Development Corporation.

State Highway 130 (SH130) toll road bypass passes through Caldwell County and provides a thoroughfare for NAFTA-based traffic. The county is traversed by Interstate Highway 10, U.S. Highway 183 and State Highways 21, 80 and 304. With land being less expensive than Austin, the county is an affordable location for industries interested in moving to the Austin area but unwilling to pay the higher costs associated with being within the city. Lockhart has a small town quality of life, two industrial parks, job training, productive labor supply, and state and local incentives. The Lockhart Chamber of Commerce, Hispanic Chamber of Commerce and the Lockhart Economic Development Corporation is attracting residential, commercial and industrial developments to the city, ETJ and Caldwell County.

The Board of Trustees approved a Freeport Tax Exemption in April 2009. All three taxing entities: city, county and school district, have approved the exemption, offering businesses a "Triple Freeport Exemption", which should give Lockhart the additional tools needed to compete regionally and nationally to recruit companies to the area. The exemption gives companies the ability to store inventory in the county, tax-free, as long as it is shipped out within 175 days of the date that it is acquired.

Population, Personal Income and Unemployment Rate

Caldwell County, Texas

The county population has increased by 5,843 residents in ten years, or 15.6%. Per capita income is gradually increasing as well. The unemployment rate has decreased by 4.8% in the past ten years.

DEMOGRAPHIC AND ECONOMIC STATISTICS				
LAST TEN CALENDAR YEARS				
		PERSONAL	PER	
		INCOME	CAPITA	
CALENDAR	COUNTY	(THOUSANDS	PERSONAL	UNEMPLOYMENT
YEAR	POPULATION	OF DOLLARS)	INCOME	RATE
2010	37,533	957,644	25,674	8.6%
2011	38,066	957,644	26,773	8.8%
2012	38,444	1,029,708	27,587	8.5%
2013	38,701	1,123,432	29,029	6.9%
2014	39,232	1,057,000	27,312	6.0%
2015	39,232	1,100,000	28,017	4.5%
2016	39,810	1,166,000	29,283	4.2%
2017	40,522	1,253,147	30,925	4.3%
2018	41,161	1,293,669	31,429	3.8%
2019	43,376	1,392,457	32,889	3.8%
SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS, TEXAS LMI TRACER, US CENSUS BUREAU				
AND FEDERAL RESERVE BANK OF ST. LOUIS				

Current Public School Finance System

The public school finance system was overhauled in the spring of 2019. House Bill 3 was passed through both sides of the legislature in May 2019 and signed by the governor in June 2019. It infused \$6B in new money into school finance, and reduced property taxes as well. Here are some key points:

- Increased the basic allotment from \$5,140 to \$6,030 per student.
- Requires districts to use 30% of the revenue gain for compensation increases for full-time employees other than administrators. Of this amount, 75% must be used for full-time teachers, counselors, nurses and librarians, prioritizing differentiated compensation for classroom teachers with more than five years of experience. The other 25% may be used for increased compensation paid to full-time employees.
- Creates a Teacher incentive allotment for high-needs or rural school campuses, which is based on an evaluation of the effectiveness of the educator. Requires 90% of the allotment to be spent on the campus where the teacher is employed.
- Creates a Local Optional Teacher Designation System in which a school may designate a certified teacher as exemplary, master, or recognized. Commissioner to develop standards, with Texas Tech to monitor quality and fairness. Commissioner may not require a district to use STAAR to evaluate teacher performance.
- Creates a mentor program allotment, and the commissioner shall adopt a formula to determine the amount awarded to each district.
- Requires districts to provide full-day pre-K to eligible 4 year-old students
- Provides uniform tax relief for the biennium, \$0.07 compression on Tier 1 M&O (\$1.00 down to \$0.93) and additional tax rate compression in the copper penny tier due to an increase in the yield.

- An additional provision creates an automatic reduction (buy-down) from local school district property value growth in the second year of the biennium, a 2.5% tax collections cap. This relief will be on a district-by-district basis and not uniform. This reduction creates an on-going obligation for the state, to replace the revenue lost as a result of the tax rate reduction.
- Prohibits school districts from increasing M&O rates to create surplus to pay off I&S
- HB3 no longer links the golden penny yield to the Austin ISD wealth level.
- The increase in the basic allotment will reduce the amount of recapture to the state by approximately \$3.6 billion in the biennium.
- State Compensatory Education Allotment is no longer tied to free and reduced lunch counts in each district. It will be based upon census block information based upon where a student lives. Weights range from 0.225 to 0.275 and creates a Compensatory Education Allotment Committee. 55% of the allotment must be spent on direct supplemental services.
- HB3 created a College, Career and Military Readiness outcomes bonus that funds students who achieve minimum standards on the ACT, SAT, TSIA or Armed Services exam.
- HB3 created reading standards for kindergarten through third grade. School districts must provide a phonics curriculum that uses systematic direct instruction in kindergarten through third grade to ensure all students obtain necessary early literacy skills. Each classroom teacher in grades K-3 and each principal shall attend a teacher literacy achievement academy no later than the 2021-22 school year.
- Repeals the gifted and talented allotment, but adds it to the basic allotment. Gifted and Talented instruction is still required, and expenditures related to it are still required to be coded to program intent 21.
- Blended Learning Grants were created to help school districts develop and implement effective blended learning models.
- HB3 requires local school boards to develop and post online a five-year early childhood literacy plan, a mathematics proficiency plan, and a college, career, and military readiness plan. Schools must set annual and quantifiable goals for student performance.
- School districts must conduct an efficiency audit before seeking voter approval to adopt an M&O tax rate. The Legislative Budget Board shall develop guidelines identifying the scope of the audit.
- HB3 created dyslexia and dual language weights. It also extended the Career and Technical Education program down to 7th grade (was originally just grades 9-12).
- The New Instructional Facility Allotment (NIFA) state appropriation was increased to \$100 million per year.
- State funding for school districts moved to using current-year property values for determining the Foundation School Program allotment.
- It repealed the High School Allotment, staff allotment and the cost of education index, when determining local school district funding.

Information above compliments of Raise Your Hand Texas, 5/25/19

Tax Information

General

A portion of the General Fund and Debt Service fund revenues is generated from property tax revenue. In the General Fund, 27% of the revenues are generated from property taxes. In the Debt Service Fund, 79.7% of the revenues are generated from property taxes.

Appraisal and Collection of Property Taxes

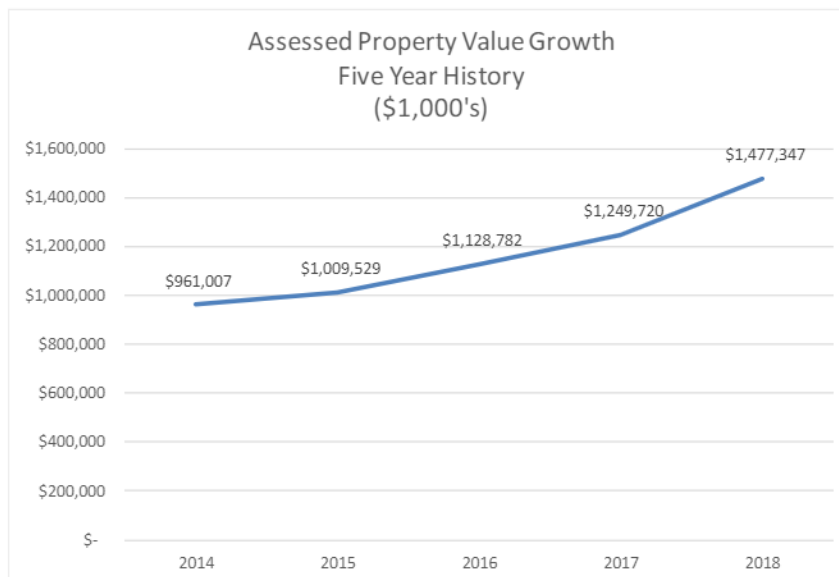
The school district contracts with Caldwell County Appraisal District for both appraisal services and the collection of property taxes. This is a centralized system in the county for all taxing entities. The annual cost of the services in FY 19 was \$427 thousand.

Property Value Growth

Property values in Lockhart ISD grew by 53.7% since 2014. Some of the increase is due to business investments in the area. Additionally, the State of Texas Comptroller monitors property values in the county by reviewing samples every other year. State law requires that the property values reflect sales values.

The Comptroller has access to sales values that the local appraisers do not have access to. In Texas, buyers and sellers of real estate do not have to disclose the final selling price of real estate. This places the local appraisers at a disadvantage. Because of the disparity between local values and state values, the Comptroller mandates that the local tax roll must be within +5% to -5 % of the sales price. When the local rolls do not agree, the local appraisals have a 2-year grace period to get the appraisals within the acceptable range. School districts can file appeals with the state for the sampled properties, providing information as to why the values should be assigned local values. Lockhart ISD uses an attorney to file the appeals on its behalf.

If the appraisals do not get in line, the school district gets “assigned” the state values. The assigned values are a part of the school district funding formulas. As property values increase (indicating wealth), state funding decreases.



Tax Rate Limitations

Prior to 2019, Lockhart ISD was limited to \$1.04 per \$100 property value for M&O taxes, and \$0.50 for Debt Service. HB3 reduced the Lockhart ISD M&O tax rate to \$0.97 per \$100. The 2.5 percent cap limitation on local property tax collections will start in 2020. Depending on the 2020 values, the M&O tax rate may be reduced further next year.

If the voters approve a bond issue proposition, a school district is authorized to levy a property tax sufficient to pay the debt service payments due during the fiscal period. Texas Education Code 45.003(b)(1), as amended, provides a tax unlimited as to rate or amount for the support of school district bonded indebtedness. Texas Education Code 45, as amended, requires that the school district demonstrate that it has the prospective ability to pay debt service on a proposed issue of bonds, together with existing debt service on any other outstanding new debt of the district, from a tax levied at \$0.50 per \$100 of assessed valuation before bonds may be issued. Districts may take into account any state assistance with the bond payments when providing the assurance. Once the prospective ability to pay such tax has been shown and the bonds are issued, the district may levy an unlimited tax to pay debt service.

Rollback Tax Rate

HB3 changed the calculation of the rollback tax rate to equal the maximum tax rate, which is currently \$0.97 per \$100 of assessed value. Lockhart ISD did not exceed the rollback tax rate for 2019. The district adopted a tax rate in August 2019.

Property Subject to Taxation by the District

Texas Property Tax Code, Title 1, Subtitle D, Chapter 23 governs appraisal and assessments. All taxable property is appraised at its market value as of January 1. The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

Levy and Tax Collection

The district is responsible for collection of its taxes. As described in a prior paragraph, those duties have been contracted out with Caldwell County Appraisal District. Taxes are due on receipt of the tax bill and become delinquent after January 31, annually. After January 31, delinquent penalties are applied to the original tax bill. If the bill is not paid by June 30, the delinquent accounts are turned over to a delinquent tax collections attorney firm, Linebarger Goggan Sampson and Blair, LLC.

Comparison of Levy on Average Residence				
Description	FY 2016	FY 2017	FY 2018	FY 2019
Average Market Value of residences	\$ 114,422	\$ 119,979	\$ 128,717	\$ 153,415
Average Taxable Value of Residences	\$ 89,604	\$ 94,779	\$ 103,601	\$ 118,350
Tax Rate per \$100 Value	\$ 1.33236	\$ 1.33236	\$ 1.33236	\$ 1.26236
Tax on Avg Residence	\$ 1,193.84	\$ 1,262.79	\$ 1,380.33	\$ 1,494.00

Collection of Delinquent Taxes

Owners of property are personally obligated to pay property taxes levied by the district. A tax lien is attached to property to secure the payment of all taxes, penalties, and interest as of January 1 each year. A tax lien has priority over the claim of most creditors. The district may file suit to foreclose on the lien securing the payment of the delinquent tax, except with respect to taxpayers who are 65 years of age or older.

Property Tax Collections

	FY 17	FY 18	FY 19
Revenues			
Maintenance & Operating	\$ 10,907,995	\$ 12,219,317	\$ 13,482,575
Debt Service	\$ 3,066,571	\$ 3,434,101	\$ 3,789,628
Total Revenues	\$ 13,974,566	\$ 15,653,418	\$ 17,272,203

Top Ten Taxpayers

PRINCIPAL PROPERTY TAX PAYERS			
CURRENT YEAR AND NINE YEARS AGO			
		2018-2019	
			PERCENTAGE
			OF TOTAL
	TAXABLE		TAXABLE
TAXPAYER	VALUE	RANK	VALUE
LCRA Transmission SRV Corp	\$ 36,470,020	1	2.91%
FHR Corpus Christi, LLC	\$ 16,468,950	2	1.31%
Wal-Mart Stores Texas LP	\$ 9,714,150	3	0.78%
Bluebonnet Electric Cooperative	\$ 8,913,930	4	0.71%
Union Pacific RR Company	\$ 8,350,740	5	0.67%
Economy Realty Ltd	\$ 7,666,680	6	0.61%
Echostar Broadcasting Corp	\$ 7,399,120	7	0.59%
North South Oil LLC	\$ 6,832,003	8	0.55%
Lockhart DMA Housing LLC	\$ 5,180,220	9	0.41%
H.E. Butt Grocery	\$ 4,795,340	10	0.38%
Total	\$ 111,791,153		8.92%

Past and Current Student Enrollment

A ten-year history of enrollment shows an increase of 1,487 students, or a 32% increase.

FISCAL YEAR	ENROLLMENT
2010	4,636
2011	4,709
2012	4,767
2013	4,969
2014	5,130
2015	5,365
2016	5,397
2017	5,661
2018	5,925
2019	6,123

Debt Schedules

Lockhart Independent School District			
Aggregate Unlimited Tax Supported Debt Service			
On a 6/30 Annual Basis			
Aggregate Debt Service			
Date	Principal	Interest	Total P+I
06/30/2019	-	-	-
06/30/2020	2,090,000.00	3,055,207.50	
06/30/2021	2,170,000.00	2,974,013.00	
06/30/2022	2,250,000.00	2,887,868.25	
06/30/2023	2,340,000.00	2,796,300.75	
06/30/2024	2,340,000.00	2,695,414.50	
06/30/2025	2,455,000.00	2,586,030.50	
06/30/2026	2,560,000.00	2,479,897.50	
06/30/2027	2,665,000.00	2,376,115.50	
06/30/2028	2,765,000.00	2,259,159.50	
06/30/2029	1,910,000.00	2,156,937.50	
06/30/2030	1,985,000.00	2,079,037.50	
06/30/2031	2,065,000.00	1,998,037.50	
06/30/2032	2,145,000.00	1,903,112.50	
06/30/2033	2,255,000.00	1,793,112.50	
06/30/2034	2,365,000.00	1,677,612.50	
06/30/2035	2,485,000.00	1,556,362.50	
06/30/2036	2,610,000.00	1,428,987.50	
06/30/2037	2,740,000.00	1,295,237.50	
06/30/2038	2,880,000.00	1,154,737.50	
06/30/2039	3,020,000.00	1,007,237.50	
06/30/2040	3,170,000.00	852,487.50	
06/30/2041	3,330,000.00	689,987.50	
06/30/2042	3,500,000.00	519,237.50	
06/30/2043	3,670,000.00	359,631.25	
06/30/2044	3,815,000.00	212,568.75	
06/30/2045	3,510,000.00	68,806.25	
Total	\$69,090,000.00	\$44,863,138.25	\$113,953,138
Yield Statistics			
Base date for Avg. Life & Avg. Coupon Calculations			
9/01/2018			
Average Life			
Average Coupon			
Par Amounts Of Selected Issues			
6			
3,625,000.00			
7			
8			
14 \$63.915M voted w/t (7/28) FINAL2 6-30-def			
TOTAL			
69,090,000.00			

Information provided by Specialized Public Finance, July 2019

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of %	Ovlp	Ovlp Amt
Caldwell Co	\$16,625,000	* 06/30/19	64.74	\$10,763,025
Lockhart, City of	\$23,330,000	* 06/30/19	100.00	\$23,330,000
Mustang Ridge, City	\$427,000	* 06/30/19	29.38	\$125,453

Total Overlapping Debt: \$34,218,478

Lockhart ISD 06/30/19 \$72,325,000*

Total Direct and Overlapping Debt: \$106,543,478

Total Direct and Overlapping Debt % of A.V.: 8.42%

Total Direct and Overlapping Debt per Capita: \$3,319

* Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self-supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

Note: Information provided by Texas Municipal Reports, 7/15/19

Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAXRATE

The Lockhart ISD will hold a public meeting at 6:30 PM 06/24/2019 in ML Cisneros Education Support Center, 419 Bois D'Arc, 2nd Floor Lockhart, Texas. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$0.970000 /\$100 (Proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	\$0.292360 /\$100 (Proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	8.001000% (increase) or	% (decrease)
Debt service	0.309000% (increase) or	% (decrease)
Total expenditures	7.190000% (increase) or	% (decrease)

Total Appraised Value and Total Taxable Value (as calculated under section 26.04, Tax Code)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$1,751,271,448	\$2,081,479,963
Total appraised value* of new property**	\$43,959,660	\$55,456,430
Total taxable value*** of all property	\$1,443,792,902	\$1,712,421,477
Total taxable value*** of new property**	\$42,532,515	\$54,410,488

* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness: \$69,090,000

* Outstanding principal

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$1.040000	\$0.292360*	\$1.332360	\$3,187	\$6,120
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$1.160490	\$0.278490*	\$1.438980	\$3,769	\$5,375
Proposed Rate	\$0.970000	\$0.292360*	\$1.262360	\$3,328	\$6,403

* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$128,717	\$153,415
Average Taxable Value of Residences	\$103,601	\$118,350
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.332360	\$1.262360
Taxes Due on Average Residence	\$1,380.33	\$1,494.00
Increase (Decrease) in Taxes	\$0.00	\$113.67

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is 1.271000. This election will be automatically held if the district adopts a rate in excess of the rollback rate of 1.271000.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$8,228,255
Interest & Sinking Fund Balance(s)	\$2,384,854

Acronyms Definitions

▪ ACC	Austin Community College
▪ ADA	Average daily attendance
▪ AP	Advanced Placement
▪ ASF	Available School Fund
▪ ACT	American College Test
▪ CCAD	Caldwell County Appraisal District
▪ CFDA	Catalog of Federal Domestic Assistance
▪ EDA	Existing Debt Allotment
▪ EduHero	Education Hero
▪ EOP	Emergency Operations Plan
▪ FIRST	Financial Integrity Rating System of Texas
▪ FSP	Foundation School Program
▪ FTE	Full-time Equivalent
▪ FY	Fiscal Year
▪ GAAP	Generally Accepted Accounting Principals
▪ GASB	Governmental Accounting Standards Board
▪ GED	General Education Diploma
▪ GFOA	Government Finance Officers Association
▪ HB3	House Bill 3
▪ IFA	Instructional Facilities Allotment
▪ I&S	Interest and Sinking
▪ LCRA	Lower Colorado River Authority
▪ LISD	Lockhart Independent School District
▪ M&O	Maintenance and Operations
▪ MAC	Medicaid Administrative Claims
▪ NIFA	New Instructional Facilities Allotment
▪ PEIMS	Public Education Information Management System
▪ PLC	Professional Learning Community
▪ PSAT	Preliminary Standardized Achievement Tests
▪ SAT	Standardized Achievement Tests
▪ SH130	State Highway 130
▪ SHARS	School Health and Related Services
▪ SLG	State and Local Government
▪ STAAR	State of Texas Assessment of Academic Readiness
▪ TASB	Texas Association of School Boards
▪ TEA	Texas Education Agency
▪ TPESS	Texas Principal Evaluation Support System
▪ TTESS	Texas Teacher Evaluation Support System

Glossary of Terms

This glossary of terms will help the reader better understand the operations of the school district.

Accounting period – The period or date for which the financial statements are prepared, e.g. June 30

Accrual – The recording of a transaction into the proper accounting period.

Administration – The activities whose general purpose is the regulation, direction and control of the operations of the school district that are system-wide, and not one particular school or area.

Allocation – The portion of an appropriation which is designated for a specific campus or program.

Amendment – A change to a budget appropriation.

Appraisal – (1) the act of appraising, (2) the estimated value resulting from the action

Appraise – To estimate a value, e.g. a property value

Appropriation – An authorization by the school board to make expenditures and to incur obligations for specific purposes. It is usually limited in amount and as to the time when it may be expended.

Assess – To value property officially for the purposes of taxation.

Balanced budget – A budget where the revenues are equal to, or exceed expenditures.

Bond – A written promise to pay a specified sum of money, called the face value, at a fixed time in the future, called a maturity date.

Bonds Authorized and Un-issued – Bonds that the voters have approved, but the bonds have not been issued or sold to investors.

Bonds issued – Bonds sold

Budget – A budget is a financial plan, or roadmap, with proposed expenditures for an accounting period.

Capital Budget – A plan of proposed capital outlays that result in the acquisition of or addition to fixed assets.

Capital Program – A plan for capital expenditures over a multi-year program.

Capital Projects Fund – A separate fund from all other funds that is used to account for the capital program for which the expenditures were specifically authorized.

Community Services – Services which are offered to the community for free, or on a tuition basis which are not restricted to the public schools or adult education programs.

Credit Rating – A published rating by a credit rating agency that reviews the financial history, especially as it relates to the entity's ability to meet debt obligations. The highest rating is a AAA, and the lowest is a D. Lenders use this information to decide whether to approve a loan.

Debt – An obligation to pay money after borrowing money.

Debt Service – The semi-annual amount of money needed to pay the interest and principal payments on a bond issue.

Debt Service Fund – A separate fund from all other funds that is used to account for the principal and interest payments, as well as tax collections and state revenue, for which the expenditures were specifically authorized.

Defease – To pay an older debt earlier than what is required under the bond terms. It renders null and void an agreement in a written document.

Delinquent taxes – Taxes that are unpaid on or after the date that they were due.

Encumbrances – A reservation of a budgeted amount for an obligation that was issued agreeing to spend money.

Enterprise fund – A fund used to account for the District's activities for which users are charged a fee approximately equal to the cost of providing the goods or services.

Expenditures – This represents the costs of the school district, paid or unpaid, for all types of expenses such as payroll, contracted services, supplies and materials, other operating, debt service and capital outlay costs.

Fiscal Year – A twelve-month period of time for which the budget is applied, and at the end, the entity calculates its financial position and the results of the operations.

Fixed Assets – Assets that have a useful life of more than one year and the district intends to hold or continue in use over a specified period of time. Examples include land, buildings, infrastructure, furniture and other equipment. "Fixed" means the probability or intent to continue use or possession and does not indicate immobility of an asset.

Function – Functions represent a general operational area in a school district, such as instruction, maintenance and operations, or health services.

Fund – Resources set aside in a separate, complete entity, on the books.

Fund Balance – The net equity of a fund. Fund balance occurs at the end of a fiscal period, and is represented by beginning fund balance plus revenues less expenditures = fund balance.

General Fund – This fund may also be called the Maintenance and Operations Fund. This fund accounts for the ordinary, basic operations of a school district.

General Obligation Debt – Bonds that carry a pledge of general taxing power for the payment of debt obligations. General obligation bonds are backed by the full faith and credit of the issuing governmental agency.

Instruction – Activities that are directly teaching of students or improving the quality of teaching.

Instructional Facilities Allotment – This is an allotment from the State of Texas that provides a guaranteed level of state and local funds per student per penny of tax effort applicable to debt service on eligible bonds. Districts must apply for funding because there is only a set amount of funding for each biennium. The applications are ranked based on relative property wealth and funds are awarded up to the dollar limit available.

Interest – A borrower must pay a fee for the use of money.

Inventory – A detailed list or record showing quantities, descriptions, values, frequency, units of measure, and unit prices of property on hand.

Levy – To impose taxes or special assessments. This is also the total of taxes or special assessments imposed by a governmental unit.

Long-term – A period of time that is in excess of one year.

Modified Accrual Basis of Accounting – Basis of accounting according to which revenues are recognized in the accounting period in which they become available and measurable, and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions include unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

Object – To identify the purpose of an account, transaction, or source.

Payroll – Payroll is a list of employees and the amount of money they are to be paid, or the total amount of wages and salaries paid by an entity to its employees.

Principal – The administrative head of a school that is delegated the responsibility for the coordination and supervision of the school activities.

Principal of Bonds – The face value of bonds.

Program – A set of related measures or activities with a particular long-term goal.

Property Taxes – Property tax is any tax on real estate or certain other forms of property. The proceeds from property taxes represent one of the principal sources of income for local and state governments in the U.S.

Purchase Order - A purchase order is a written authorization from a buyer to acquire goods or services. The document authorizes a supplier to deliver to the buyer at the price, quality level, delivery date, and certain other terms specified in the agreement.

Refund – To pay back.

School – An institution for educating children.

Special Revenue Fund – A governmental fund type used to account for the proceeds of specific revenue sources, except capital projects, that are legally restricted to expenditure for specified purposes.

Supplies – Material items that are expendable or consumable in nature.

Taxes - A compulsory contribution to state revenue, levied by the government on real property.