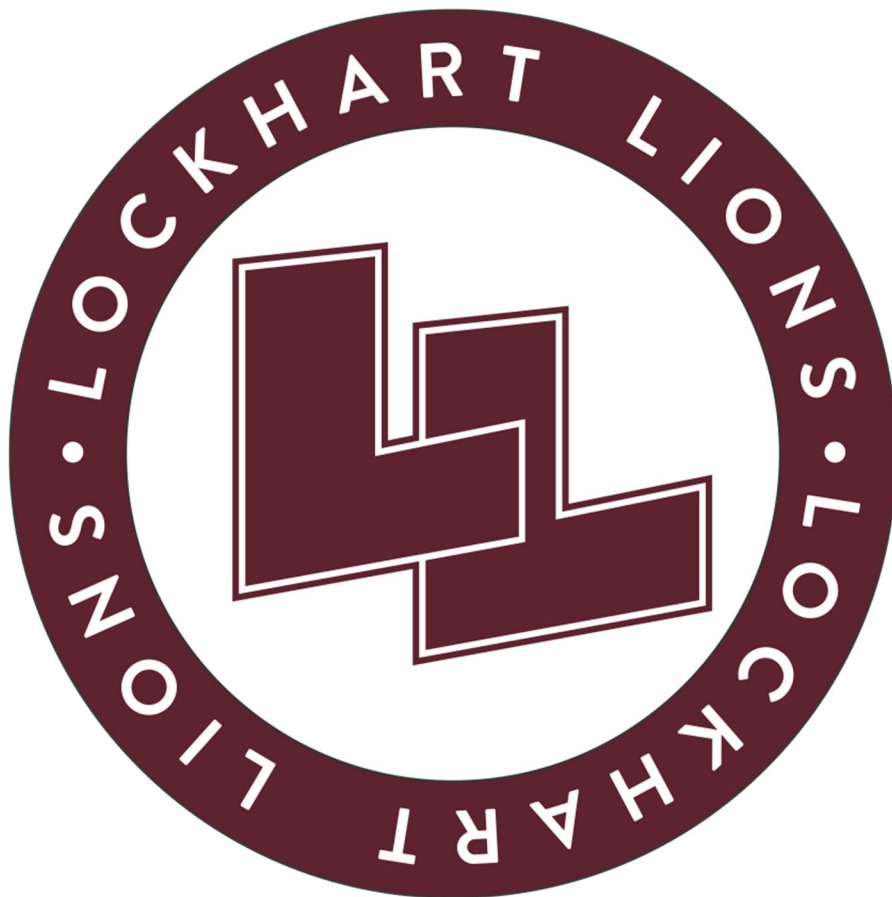


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Lockhart Independent School District  
Business & Finance Office  
P.O. Box 120  
Lockhart, TX 78644  
Phone: 512-398-0000  
Fax: 512-398-0025



Lockhart Independent School District  
Comprehensive Annual Financial Report  
For The Year Ended June 30, 2020

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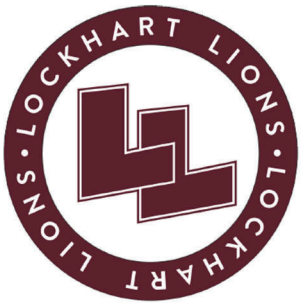
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## *Introductory Section*



## OFFICE OF BUSINESS AND FINANCE

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[www.lockhartisd.org](http://www.lockhartisd.org)

November 11, 2020

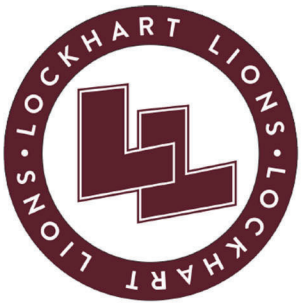
Board of Trustees  
Lockhart Independent School District  
P.O. Box 120  
Lockhart, TX 78644

Dear Board of Trustees:

The Comprehensive Annual Financial Report of the Lockhart Independent School District (the District) for the twelve months ended June 30, 2020 is hereby submitted. The District's Business Office prepared the report. This report conforms to generally accepted accounting principles and standards as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with school district management. We believe the data, as presented, are accurate in all material aspects; that it is presented in a manner designed to fairly present the financial position and the results of operations of the District as measured by the financial activity of its various funds. Furthermore, we believe that all disclosures necessary to enable the reader to gain the full understanding of the District's financial affairs have been included in this report. Management's discussion and analysis beginning on page 15 provides further information.

The District is required to be audited under an annual single audit in conformity with the provisions of the Single Audit Act, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Texas Education Agency also requires a Schedule of Expenditures of Federal Awards, findings and questioned costs, status of prior findings and the auditor's reports on compliance with applicable laws and regulations and the District's internal control structure. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be acquired; and (2) the valuation of costs and benefits requires estimates and judgments by management. All areas were found to be acceptable and the auditor's opinions in this regard were unmodified. The auditor's opinion is included in this report.

The District's independent certified public accountants, West, Davis and Company, LLP, have examined the accompanying financial statements, and their opinion is included in the financial section. The statistical section (unaudited) includes selected financial and demographic information presented on a multi-year basis.



# OFFICE OF BUSINESS AND FINANCE

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## The Reporting Entity and Its Services

### Basic Information

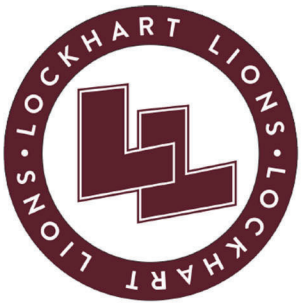
This report includes all of the funds and account groups of the District. The District provides elementary and secondary education (Pre-Kindergarten to 12<sup>th</sup> grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2019-2020 total enrollment was 6,160 as of the Public Education Information Management System (PEIMS) snapshot date in October 2019. The District has 376 certified teachers, 130 other professional staff, and 195 paraprofessional and other auxiliary staff.

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.

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, food service, administrative support, technology, maintenance and custodial services. The District does not operate any component units.



# OFFICE OF BUSINESS AND FINANCE

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## **Budgetary Control**

Budgetary control is initiated when the Board adopts the annual appropriated budget for the General Fund, School Nutrition Fund and the Debt Service Funds. To ensure budgetary compliance, the Texas Education Agency (TEA) and the District have established spending regulations and policies. The District's local policies can be found at the District's website at <http://pol.tasb.org/Home/Index/245> in the Board of Trustees policy manual. For all administrators with line item or program responsibility, TEA regulations set the level of budgetary control at the major functional expenditure level. Budgetary control is more restrictive at the district level. District Administrators are held responsible for maintaining and managing their budgets at the program, function and object level. All requested revisions that indicate a change in function require prior approval by the Board of Trustees. In addition, the Business Office conducts annual training for all staff to ensure District-wide compliance with budgetary controls.

## **Economic Condition and Outlook**

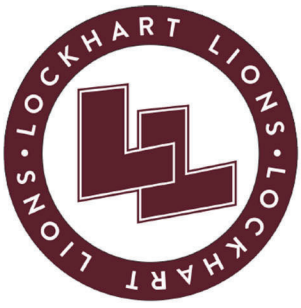
### **Local Economy**

Lockhart Independent School District (the District) 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 the District 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.





## OFFICE OF BUSINESS AND FINANCE

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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 began delivering vocational training at the District's ML Cisneros campus in late 2018, as a result of a memorandum of understanding between ACC, the District, and the Lockhart Economic Development Corporation.

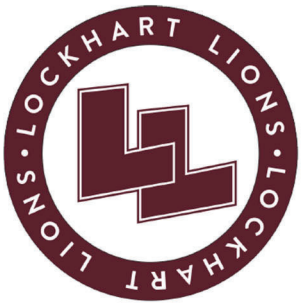
State Highway 130 (SH130) toll road bypass passes through Caldwell County and provides a thoroughfare for NAFTA-based traffic. The county is traversed by Interstate Highway 10, U.S. Highway 183 and State Highways 21, 80 and 304.

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.

### **Projections**

Enrollment is currently at 6,064 in 2020-2021, a decrease of 96 students from 2019-2020, a 1.56% decrease. The adopted 2020-2021 General Fund budget is \$57,562,854, an increase from \$52,763,594 in 2019-2020 of \$4,799,260. The increase in funding is attributable to an infusion of new state funds for school districts in the 2019 legislative session. The budget increase is also attributed to a projected increase in student enrollment, which generates higher average daily attendance that generates additional state funding. The District was able to maintain a balanced budget for 2020-2021.



## OFFICE OF BUSINESS AND FINANCE

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### **Long-term Financial Policies**

The District's General Fund balance has been constantly increasing over the past few years. The District has a policy of paying cash (pay as you go) when appropriate, for capital projects. The District maintains a list of deferred capital improvement projects and when funds are available, initiates the completion of the projects. Additionally, the Administration and the Board review multi-year forecasting annually and adjust the budget to compensate for projected revenue decreases and increases. In 2019-2020, the District invested \$863 thousand in one-time capital improvement projects, using General Fund balance.

General Fund balance as of June 30, 2020 increased due to lower expenses because of the state-wide shut-down of schools during COVID-19. Some expenses such as student transportation were lower by \$983 thousand and contracted services of \$843 thousand.

### **Relevant Financial Policies**

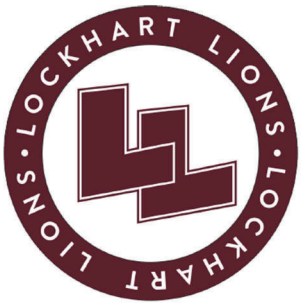
The 2019-2021 bank depository agreement provides for a floor of 1.0% in interest income and is secured by collateral. In the 2019-2021 bank depository agreement, additional terms included above average certificates of deposit interest rates.

The District prioritizes capital spending plans based on safety, security and quality of education needs. Additional financial policies include one-time spending plans for non-recurring revenue, staffing ratio analyses, demographic studies, debt affordability reviews, and user fee cost-recovery analysis and implementation.

### **Awards and Acknowledgements**

#### **Awards**

The Texas Education Agency has a Financial Accountability Rating System named Schools FIRST (Financial Integrity Rating System of Texas). This rating system was required in SB 218 of the 77<sup>th</sup> Texas Legislature (2001). The primary goal of Schools FIRST is to improve the management of school districts' financial resources. The rating system uses base indicators that are simple and understandable. Schools FIRST is a model for increased financial management efficiency in public schools.



## OFFICE OF BUSINESS AND FINANCE

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Lockhart Independent School District has received the Schools FIRST Superior Achievement ratings for each of the thirteen consecutive school years 2001-2002 through 2012-2013. The Superior Achievement rating was the highest that a school district could receive through 2012-2013. Due to legislative changes to the FIRST program, for the 2013-2014 school year, there was only a pass or fail rating. The District passed the FIRST accountability rating. For the 2015-2016 through 2018-2019 school years, the District received a Schools FIRST Superior Achievement rating. This makes eighteen consecutive years of receiving the highest rating possible.

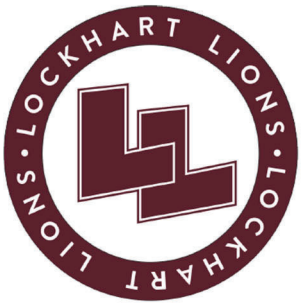
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lockhart Independent School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the fifteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A GFOA Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate. This will be the fifteenth submission for the District.

### **Acknowledgements**

We respectfully acknowledge the responsible and sincere involvement and participation of the school board, superintendent, principals, program directors, coordinators and other staff in the financial affairs of the District.

Sincere appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining and monitoring the financial records of the District. Individual recognition is directed to Michelle Wylie, Melissa Kelley, Brande Sifuentes, Tina Ramirez, Tanya Homann, Crystal Flores and Nancy Arana for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports throughout the year and at year-end.



## OFFICE OF BUSINESS AND FINANCE

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Lockhart Independent School District publicly solicits the active involvement of all citizens and the District's personnel in its financial affairs. The financial records are available on the District website for public inspection, and discussion by appointment, during normal office hours.

Respectfully submitted,

*Tina Knudsen, CPA*

Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Lockhart Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

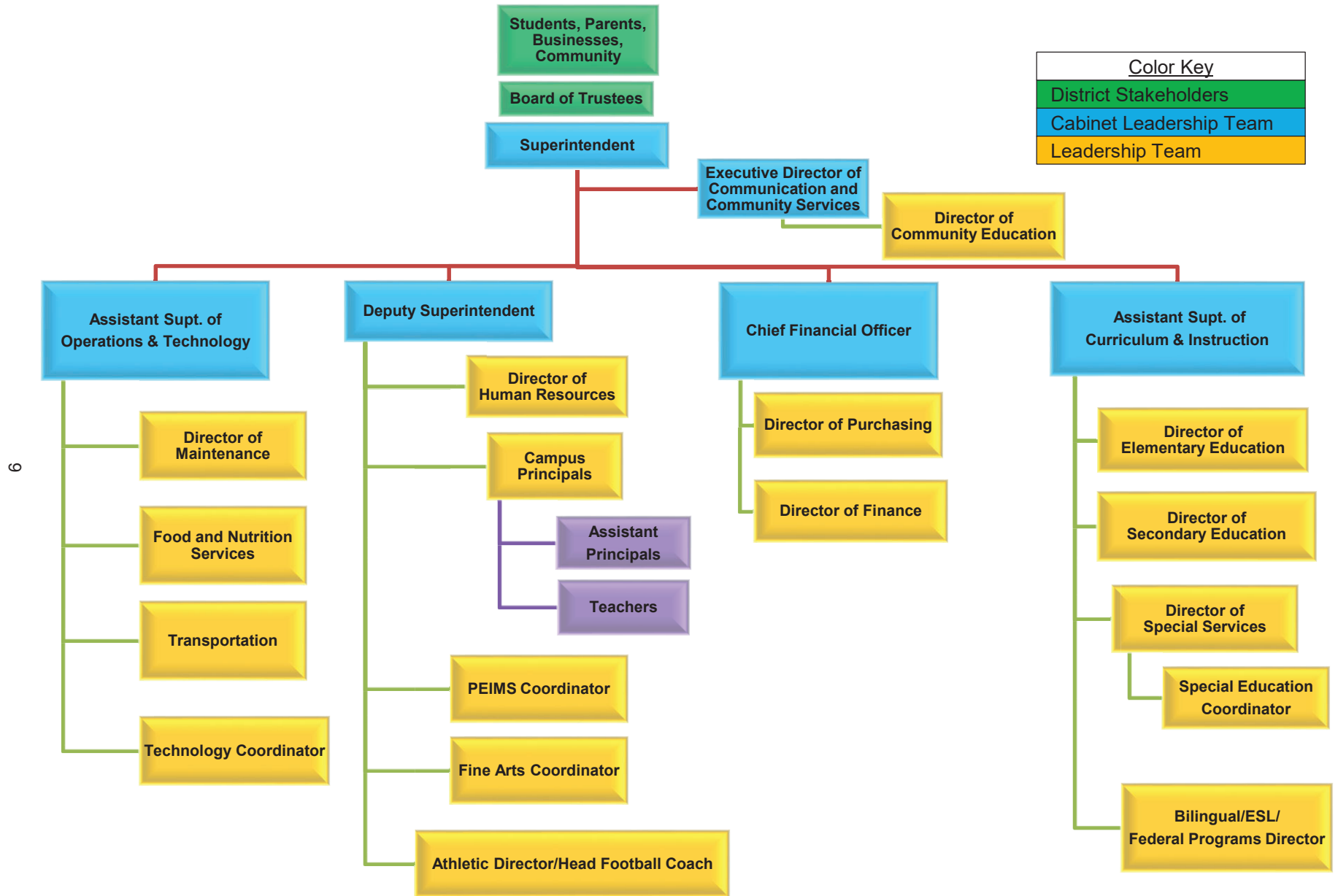
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Lockhart Independent School District

October 2019



# LOCKHART INDEPENDENT SCHOOL DISTRICT

## LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2020

### 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 Spillman	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 Administration and Operations
Tina Knudsen	Chief Financial Officer
Melissa Corona	Executive Director of Special Programs

CERTIFICATE OF BOARD


Lockhart Independent School District  
Name of School District

Caldwell  
County

028-902  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2020, at a meeting of the board of trustees of such school district on the 16<sup>th</sup> day of November, 2020.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

If the board of trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):  
(attach list as necessary)



## *Financial Section*

**West, Davis & Company, LLP**  
11824 Jollyville Road, Suite 100  
Austin, Texas 78759

**Independent Auditors' Report**

To the Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lockhart Independent School District ("the District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lockhart Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020 on our consideration of Lockhart Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lockhart Independent School District's internal control over financial reporting and compliance.



West, Davis & Company, LLP  
Austin, Texas  
November 11, 2020

## **Lockhart Independent School District**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of Lockhart Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended June 30, 2020. Please read it in conjunction with the independent auditors' report on page 12, and the District's Basic Financial Statements, which begin on page 21. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 21 through 22). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise. Fund financial statements (starting on page 24) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The sections labeled TEA (Texas Education Agency) Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

#### **Reporting the District as a Whole**

##### ***The Statement of Net Position and the Statement of Activities***

The analysis of the District's overall financial condition and operations begins on page 21. Its primary purpose is to show whether the District is better off or worse off as a result of this year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. The District's revenues are divided into those provided by outside parties, who share the costs of some programs, such as grants provided by the U.S. Department of Education to assist

children with disabilities from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. All liabilities are considered regardless of whether they must be paid in the current or future years.

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

In the Statement of Net Position and the Statement of Activities, we classify the District's activities as:

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

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin on page 24 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Elementary and Secondary Education Act (ESEA) from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds—governmental and proprietary—use different accounting approaches.

- **Governmental funds**—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- **Proprietary funds**—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs. The District, at present, maintains seven Community Education proprietary funds.

## The District as Trustee

### *Reporting the District's Fiduciary Responsibilities*

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 31 and 32. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I below) and changes in net position (Table II below) of the District's governmental and business-type activities.

Net position of the District's governmental activities decreased from \$(470) thousand to \$(682) thousand. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was a deficit of \$(19.6) million at June 30, 2020. The decrease in governmental net position was a result of the implementation of GASB 75. More information is presented in the paragraph following Table II on the next page.

**Table I**  
**Lockhart Independent School District**

### NET POSITION in thousands

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	35,520	30,908	53	63	35,573	30,971
Capital assets	80,321	85,259	-	-	80,321	85,259
Total Assets	115,841	116,167	53	63	115,894	116,230
Deferred Outflow Accounting Loss/Refund	125	-	-	-	125	-
Deferred Outflow Related to Pensions	7,989	9,420	-	-	7,989	9,420
Deferred Outflow Related to OPEB	4,108	3,796	-	-	4,108	3,796
Total Deferred Outflows	12,222	13,216	-	-	12,222	13,216
Long-term Liabilities	108,820	115,274	-	-	108,820	115,274
Other liabilities	8,718	7,218	53	63	8,771	7,281
Total liabilities	117,538	122,492	53	63	117,591	122,555
Deferred Inflow Related to Pensions	2,709	961	-	-	2,709	961
Deferred Inflow Related to OPEB	8,498	6,400	-	-	8,498	6,400
	11,207	7,361	-	-	11,207	7,361
Net Position:						
Net investment in capital assets	12,007	12,869	-	-	12,007	12,869
Restricted	6,952	7,171	-	-	6,952	7,171
Unrestricted	(19,641)	(20,510)	-	-	(19,641)	(20,510)
Total net position	(682)	(470)	-	-	(682)	(470)

**Table II**  
**Lockhart Independent School District**

**CHANGES IN NET POSITION**  
in thousands

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	388	602	-	-	388	602
Operating grants and contributions	11,693	9,891	-	-	11,693	9,891
General Revenues:						
Maintenance and operations taxes	15,750	14,360	-	-	15,750	14,360
Debt Service taxes	4,733	4,003	-	-	4,733	4,003
Grants and Contributions not restricted to specific functions	39,114	35,855	98	88	39,212	35,943
Investment Earnings	417	470	-	-	417	470
Miscellaneous	2,324	1,329	411	655	2,735	1,984
Total Revenue	<u>74,419</u>	<u>66,510</u>	<u>509</u>	<u>743</u>	<u>74,928</u>	<u>67,253</u>
Expenses:						
Instruction, curriculum and media services	41,978	38,518	-	-	41,978	38,518
Instructional and school leadership	4,622	4,438	-	-	4,622	4,438
Student support services	6,795	6,153	-	-	6,795	6,153
Child Nutrition	4,307	3,815	-	-	4,307	3,815
Co-curricular activities	1,652	1,708	-	-	1,652	1,708
General administration	2,681	2,772	-	-	2,681	2,772
Plant maintenance, security and data processing	7,490	6,796	-	-	7,490	6,796
Community services	101	19	-	-	101	19
Debt services	2,902	3,068	-	-	2,902	3,068
Payments related to SSA	1,420	848	-	-	1,420	848
Intergovernmental Charges	374	339	-	-	374	339
Business-type activities	-	-	819	821	819	821
Total Expenses	<u>74,322</u>	<u>68,474</u>	<u>819</u>	<u>821</u>	<u>75,141</u>	<u>69,295</u>
Change in net position before transfers	97	(1,964)	(310)	(78)	(213)	(2,042)
Transfers	(310)	(78)	310	78	-	-
Change in Net Position	<u>(213)</u>	<u>(2,042)</u>	<u>-</u>	<u>-</u>	<u>(213)</u>	<u>(2,042)</u>
Net Position-Beginning	(470)	1,572	-	-	(470)	21,089
Prior Period Adjustment	1	-	-	-	1	-
Net Position-Beginning as Restated	<u>(469)</u>	<u>1,572</u>	<u>-</u>	<u>-</u>	<u>(469)</u>	<u>21,089</u>
Net Position-Ending	<u>(682)</u>	<u>(470)</u>	<u>-</u>	<u>-</u>	<u>(682)</u>	<u>19,047</u>



## **THE DISTRICT'S FUNDS**

As the District completed this annual period, its General fund (as presented in the balance sheet on page 24) reported a fund balance of \$20 million, which is \$3 million more than last years' total of \$17 million. The increase in fund balance is mainly attributable to an increase in student enrollment.

The District's Debt Service fund reported a fund balance of \$5.2 million compared to \$6 million in the prior year.

The District's other governmental funds reported a fund balance of \$1.7 million as compared to \$1.2 million in the prior year, which is approximately \$0.5 million more than the previous year.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into two categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts estimated in June 2019). The second category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of June 2020, the District had \$80.3 million (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Compared to the previous years' \$85.3 million, the District recorded a decrease of \$5 million. The decrease was due to the depreciation of assets.

The District's fiscal year 2019-2020 General Fund capital budget provided no funds for new instructional facilities. The District budgeted \$3.1 million in capital outlay. More detailed information about the District's capital assets is presented in Note D to the financial statements.

### **Debt**

At year-end, the District had \$68.44 million in bonds and maintenance tax notes outstanding versus \$72.325 million last year. The decrease of \$3.885 million is attributable to payments made on the bond debt during fiscal 2020 plus the cash defeasance of \$1.31 million in bonds.

More detailed information about the District's long-term liabilities is presented in Note F to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2020-2021 budget and tax rates. Those factors include property values, increases in enrollment, the economy, projections of future budget years, and legislative mandates.

A steadily increasing enrollment population, coupled with a moderate increase in property values, has led to a General Fund budget of \$57.6 million for the 2020-2021 fiscal year. The budget increased from 2019-2020 to 2020-2021 by \$4.8 million, a direct result from House Bill 3, and a 1.9% enrollment growth expected from demographer. Since the 2020-2021 school year began, the District has been experiencing lower student enrollment, which was mainly due to COVID-19. The district is managing the lower enrollment by freezing some open positions and employee and student overnight travel. The 2020-2021 adopted budget included a competitive pay and benefits plan.

Future enrollments are forecasted to have low enrollment growth and property values are forecast to gradually increase, which will continue to produce revenues that will support projected expenditures in the near future. For the 2020-2021 budget year, the District has lowered its maintenance and operations tax rate to \$0.9094 per hundred of taxable value, due to House Bill 3. The District has the capability to call a tax ratification election which could authorize up to 13 additional cents for maintenance and operations. The District has no current plans to call a tax ratification election.

The debt service tax rate for 2020 was approved at \$0.2577 per \$100 property value. The District is discontinuing its' tax rate strategy of maintaining the tax rate and dedicating the tax collections through a board resolution to defease debt. Due to rising property values, the District has experienced a decline in state revenues. This means that the local taxpayer will have to pick up more of the cost of debt service, through the debt service tax rate.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Lockhart Independent School District, P. O. Box 120, Lockhart, Texas 78644, or by calling 512-398-0000.

## *Basic Financial Statements*

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF NET POSITION**

JUNE 30, 2020

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ 1,675,967	\$ 65,089	\$ 1,741,056
1120 Current Investments	27,604,868	--	27,604,868
1225 Property Taxes Receivable (Net)	1,170,816	--	1,170,816
1240 Due from Other Governments	4,600,703	--	4,600,703
1250 Accrued Interest	1,547	--	1,547
1260 Internal Balances	13,065	(13,065)	--
1267 Due from Fiduciary	104,760	--	104,760
1290 Other Receivables (Net)	195,519	1,031	196,550
1410 Unrealized Expenses	152,610	--	152,610
Capital Assets:			
1510 Land	4,075,205	--	4,075,205
1520 Buildings and Improvements, Net	72,471,860	--	72,471,860
1530 Furniture and Equipment, Net	3,162,952	--	3,162,952
1550 Capital Lease Assets, Net	59,099	--	59,099
1580 Construction in Progress	552,362	--	552,362
1000 Total Assets	115,841,333	53,055	115,894,388
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflow Accounting Losses on Debt Refundings	125,217	--	125,217
Deferred Outflow Related to Pensions	7,988,644	--	7,988,644
Deferred Outflow Related to OPEB	4,108,199	--	4,108,199
1700 Total Deferred Outflows of Resources	12,222,060	--	12,222,060
<b>LIABILITIES:</b>			
2110 Accounts Payable	1,212,765	1,621	1,214,386
2140 Interest Payable	1,280,929	--	1,280,929
2165 Accrued Liabilities	5,738,630	49,505	5,788,135
2177 Due to Fiduciary	104,523	233	104,756
2180 Due to Other Governments	39,317	--	39,317
2300 Unearned Revenue	341,945	1,696	343,641
Noncurrent Liabilities:			
2501 Due Within One Year	2,485,000	--	2,485,000
2502 Due in More Than One Year	70,822,345	--	70,822,345
2540 Net Pension Liability	16,624,983	--	16,624,983
2545 Net OPEB Liability	18,887,885	--	18,887,885
2000 Total Liabilities	117,538,322	53,055	117,591,377
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflow Related to Pensions	2,708,949	--	2,708,949
Deferred Inflow Related to OPEB	8,498,479	--	8,498,479
2600 Total Deferred Inflows of Resources	11,207,428	--	11,207,428
<b>NET POSITION:</b>			
3200 Net Investment in Capital Assets	12,006,945	--	12,006,945
Restricted For:			
3820 Federal and State Programs	1,440,037	--	1,440,037
3850 Debt Service	5,444,951	--	5,444,951
3870 Campus Activities	66,656	--	66,656
3900 Unrestricted	(19,640,946)	--	(19,640,946)
3000 Total Net Position	\$ (682,357)	\$ --	\$ (682,357)

The accompanying notes are an integral part of this statement.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	1	3	4
		Program Revenues	
Data Control Codes	Functions/Programs	Charges for Services	Operating Grants and Contributions
	Expenses		
	Governmental Activities:		
11	Instruction	\$ --	\$ 4,442,120
12	Instructional Resources and Media Services	--	34,697
13	Curriculum and Staff Development	--	67,994
21	Instructional Leadership	--	36,657
23	School Leadership	--	172,876
31	Guidance, Counseling, & Evaluation Services	--	1,161,827
32	Social Work Services	--	2,567
33	Health Services	--	41,953
34	Student Transportation	--	480,640
35	Food Service	236,020	4,840,341
36	Cocurricular/Extracurricular Activities	93,470	47,243
41	General Administration	--	114,873
51	Facilities Maintenance and Operations	58,571	119,076
52	Security and Monitoring Services	--	5,019
53	Data Processing Services	--	98,625
61	Community Services	--	9,554
72	Interest on Long-term Debt	--	--
73	Bond Issuance Costs and Fees	--	--
93	Payments Related to Shared Services Arrangements	--	17,277
99	Other Intergovernmental Charges	--	--
TG	Total Governmental Activities	388,061	11,693,339
	Business-type Activities:		
01	Summer Recreation	--	--
02	After School Program	--	--
03	Cubhouse Students	--	--
04	GED Adult Ed.	--	--
06	Cubhouse Employees	--	--
07	Community Ed. Adm.	--	--
TB	Total Business-type Activities	--	--
TP	Total Primary Government	\$ 388,061	\$ 11,693,339
	General Revenues:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
IE	Investment Earnings		
GC	Grants and Contributions Not Restricted to Specific Programs		
MI	Miscellaneous		
FR	Transfers		
TR	Total General Revenues and Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Prior Period Adjustment		
	Net Position - Beginning, as Restated		
NE	Net Position - Ending		

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (35,887,631)		\$ (35,887,631)
(705,754)		(705,754)
(839,322)		(839,322)
(873,775)		(873,775)
(3,538,747)		(3,538,747)
(1,607,267)		(1,607,267)
(203,786)		(203,786)
(647,808)		(647,808)
(2,649,530)		(2,649,530)
769,572		769,572
(1,511,281)		(1,511,281)
(2,566,133)		(2,566,133)
(6,083,427)		(6,083,427)
(322,887)		(322,887)
(802,914)		(802,914)
(91,107)		(91,107)
(2,885,943)		(2,885,943)
(15,633)		(15,633)
(1,403,205)		(1,403,205)
(374,024)		(374,024)
<u>(62,240,602)</u>		<u>(62,240,602)</u>
--	\$ (57,343)	(57,343)
--	(188,885)	(188,885)
--	(161,725)	(161,725)
--	(51,991)	(51,991)
--	(181,026)	(181,026)
--	(178,049)	(178,049)
--	(819,019)	(819,019)
<u>(62,240,602)</u>	<u>(819,019)</u>	<u>(63,059,621)</u>
15,750,406	--	15,750,406
4,732,542	--	4,732,542
416,634	--	416,634
39,113,647	97,670	39,211,317
2,324,073	411,076	2,735,149
(310,273)	310,273	--
<u>62,027,029</u>	<u>819,019</u>	<u>62,846,048</u>
(213,573)	--	(213,573)
(469,926)	--	(469,926)
1,142	--	1,142
(468,784)	--	(468,784)
<u>\$ (682,357)</u>	<u>\$ --</u>	<u>\$ (682,357)</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT****BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 198,976	\$ 451,281	\$ 1,025,709	\$ 1,675,966
1120 <i>Current Investments</i>	22,045,031	4,617,678	942,159	27,604,868
1225 <i>Taxes Receivable, Net</i>	914,010	256,806	--	1,170,816
1240 <i>Due from Other Governments</i>	2,207,439	126,833	2,266,431	4,600,703
1250 <i>Accrued Interest</i>	1,547	--	--	1,547
1260 <i>Due from Other Funds</i>	1,295,810	--	288,759	1,584,569
1290 <i>Other Receivables</i>	169,056	13,842	12,621	195,519
1410 <i>Unrealized Expenditures</i>	152,610	--	--	152,610
1000 <b>Total Assets</b>	<b>26,984,479</b>	<b>5,466,440</b>	<b>4,535,679</b>	<b>36,986,598</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 877,000	\$ --	\$ 335,765	\$ 1,212,765
2150 <i>Payroll Deductions &amp; Withholdings</i>	917,253	--	101,493	1,018,746
2160 <i>Accrued Wages Payable</i>	4,176,020	--	543,864	4,719,884
2170 <i>Due to Other Funds</i>	49,716	--	1,521,551	1,571,267
2180 <i>Due to Other Governments</i>	32	--	39,285	39,317
2300 <i>Unearned Revenue</i>	930,855	256,806	325,099	1,512,760
2000 <b>Total Liabilities</b>	<b>6,950,876</b>	<b>256,806</b>	<b>2,867,057</b>	<b>10,074,739</b>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	1,440,037	1,440,037
3470 <i>Capital Acquisitions &amp; Contractual Obligations</i>	--	--	249	249
3480 <i>Retirement of Long-Term Debt</i>	--	5,209,634	161,680	5,371,314
3490 <i>Other Restrictions of Fund Balance</i>	--	--	66,656	66,656
Committed Fund Balances:				
3510 <i>Construction</i>	4,990,240	--	--	4,990,240
3545 <i>Other Committed Fund Balance</i>	634,525	--	--	634,525
3600 <i>Unassigned</i>	14,408,839	--	--	14,408,839
3000 <b>Total Fund Balances</b>	<b>20,033,603</b>	<b>5,209,634</b>	<b>1,668,622</b>	<b>26,911,859</b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 26,984,479</b>	<b>\$ 5,466,440</b>	<b>\$ 4,535,679</b>	<b>\$ 36,986,598</b>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

Total fund balances - governmental funds balance sheet	\$ 26,911,859
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	80,321,478
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,170,815
Payables for bond principal which are not due in the current period are not reported in the funds.	(68,440,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(1,280,929)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(4,867,346)
Equity in a joint venture is not reported in the funds.	125,217
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(16,624,983)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,708,949)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	7,988,644
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(18,887,885)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(8,498,479)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	4,108,199
Rounding difference	2
Net position of governmental activities - Statement of Net Position	\$ <u>(682,357)</u>

The accompanying notes are an integral part of this statement.



**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 16,288,537	\$ 4,759,889	\$ 2,172,643	\$ 23,221,069
5800 <i>State Program Revenues</i>	38,372,653	1,021,275	473,363	39,867,291
5900 <i>Federal Program Revenues</i>	319,846	--	8,913,153	9,232,999
5020 <b>Total Revenues</b>	<u>54,981,036</u>	<u>5,781,164</u>	<u>11,559,159</u>	<u>72,321,359</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	29,730,928	--	4,064,486	33,795,414
0012 <i>Instructional Resources and Media Services</i>	619,449	--	(5,414)	614,035
0013 <i>Curriculum and Staff Development</i>	731,173	--	39,948	771,121
0021 <i>Instructional Leadership</i>	511,627	--	274,691	786,318
0023 <i>School Leadership</i>	3,062,378	--	(49)	3,062,329
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	1,080,335	--	1,295,589	2,375,924
0032 <i>Social Work Services</i>	155,147	--	29,159	184,306
0033 <i>Health Services</i>	575,620	--	1,071	576,691
0034 <i>Student Transportation</i>	2,097,856	--	780,218	2,878,074
0035 <i>Food Service</i>	5,441	--	4,135,928	4,141,369
0036 <i>Cocurricular/Extracurricular Activities</i>	1,713,888	--	4,349	1,718,237
0041 <i>General Administration</i>	2,244,715	--	8,115	2,252,830
0051 <i>Facilities Maintenance and Operations</i>	4,946,927	--	201,125	5,148,052
0052 <i>Security and Monitoring Services</i>	242,968	--	49,356	292,324
0053 <i>Data Processing Services</i>	706,984	--	63,492	770,476
0061 <i>Community Services</i>	25,470	--	15,228	40,698
0071 <i>Principal on Long-term Debt</i>	71,030	2,090,000	485,000	2,646,030
0072 <i>Interest on Long-term Debt</i>	--	3,055,207	72,671	3,127,878
0073 <i>Bond Issuance Costs and Fees</i>	--	15,633	--	15,633
0081 <i>Capital Outlay</i>	863,480	--	38,764	902,244
0093 <i>Payments to Shared Service Arrangements</i>	1,403,205	--	17,277	1,420,482
0099 <i>Other Intergovernmental Charges</i>	374,024	--	--	374,024
6030 <b>Total Expenditures</b>	<u>51,162,645</u>	<u>5,160,840</u>	<u>11,571,004</u>	<u>67,894,489</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>3,818,391</u>	<u>620,324</u>	<u>(11,845)</u>	<u>4,426,870</u>
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	94,178	--	--	94,178
7915 <i>Transfers In</i>	--	49	525,494	525,543
8911 <i>Transfers Out</i>	(835,767)	--	(49)	(835,816)
8940 <i>Payment to Bond Refunding Escrow Agent</i>	--	(1,435,217)	--	(1,435,217)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>(741,589)</u>	<u>(1,435,168)</u>	<u>525,445</u>	<u>(1,651,312)</u>
1200 <b>Net Change in Fund Balances</b>	<u>3,076,802</u>	<u>(814,844)</u>	<u>513,600</u>	<u>2,775,558</u>
0100 <b>Fund Balances - Beginning</b>	16,956,801	6,024,478	1,153,880	24,135,159
1300 <b>Prior Period Adjustment</b>	--	--	1,142	1,142
<b>Fund Balances - Beginning, as Restated</b>	16,956,801	6,024,478	1,155,022	24,136,301
3000 <b>Fund Balances - Ending</b>	<u>\$ 20,033,603</u>	<u>\$ 5,209,634</u>	<u>\$ 1,668,622</u>	<u>\$ 26,911,859</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds	\$ 2,775,558
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,314,106
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,802,827)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(448,945)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	296,470
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,575,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	102,792
Defeasance of bond principal is an other use in the funds but is not in the SOA.	1,435,217
(Increase) decrease in accrued interest from beginning of period to end of period.	39,129
Bond premiums are reported in the funds but not in the SOA.	202,806
GASB 68 required certain expenditures be de-expended & recorded as deferred resource outflows.	(932,420)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	1,058,304
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(2,391,817)
GASB 75 required certain expenditures be de-expended & recorded as deferred resource outflows.	(204,665)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	225,380
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(457,663)
Rounding difference	2
Change in net position of governmental activities - Statement of Activities	\$ <u>(213,573)</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF NET POSITION****ENTERPRISE FUNDS****JUNE 30, 2020**

Data Control Codes		Nonmajor Enterprise Funds
<b>ASSETS:</b>		
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 65,089
	Receivables:	
1290	<i>Other Receivables (net)</i>	1,031
	Total Current Assets	66,120
1000	Total Assets	66,120
<b>LIABILITIES:</b>		
	Current Liabilities:	
2110	<i>Accounts Payable</i>	\$ 1,621
2150	<i>Payroll Deduction &amp; Withholdings</i>	9,004
2160	<i>Accrued Wages Payable</i>	40,501
2170	<i>Due to Other Funds</i>	13,298
2300	<i>Unearned Revenues</i>	1,696
	Total Current Liabilities	66,120
2000	Total Liabilities	66,120
<b>NET POSITION:</b>		
3000	Total Net Position	\$ --

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF REVENUES, EXPENSES, AND CHANGES****IN FUND NET POSITION - ENTERPRISE FUNDS****FOR THE YEAR ENDED JUNE 30, 2020**

Data Control Codes		Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>		
5700	<i>Local and Intermediate Sources</i>	\$ 411,076
5800	<i>State Program Revenues</i>	97,670
5020	Total Revenues	<u>508,746</u>
<b>OPERATING EXPENSES:</b>		
6100	<i>Payroll Costs</i>	740,674
6200	<i>Professional and Contracted Services</i>	32,939
6300	<i>Supplies and Materials</i>	39,944
6400	<i>Other Operating Costs</i>	5,462
6030	Total Expenses	<u>819,019</u>
	Income (Loss) before Contributions and Transfers	(310,273)
7915	<i>Transfers In</i>	325,955
8911	<i>Transfers Out</i>	(15,682)
1300	Change in Net Position	<u>--</u>
0100	Total Net Position - Beginning	--
3300	Total Net Position - Ending	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE YEAR ENDED JUNE 30, 2020**

	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$ 425,981
<i>Cash Received from Grants</i>	90,414
<i>Cash Payments to Employees for Services</i>	(747,369)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(80,189)
Net Cash Provided (Used) by Operating Activities	<u>(311,163)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Transfers From Other Funds</i>	310,273
<i>Transfers (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>310,273</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (890)
Cash and Cash Equivalents at Beginning of Year	65,979
Cash and Cash Equivalents at End of Year	<u>\$ 65,089</u>
 <b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (310,273)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	14,905
<i>Decrease (Increase) in Interfund Receivables</i>	812
<i>Decrease (Increase) in Unrealized Expenses</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	(1,991)
<i>Increase (Decrease) in Payroll Deductions</i>	977
<i>Increase (Decrease) in Accrued Wages Payable</i>	(1,841)
<i>Increase (Decrease) in Interfund Payables</i>	(6,464)
<i>Increase (Decrease) in Unearned Revenue</i>	(7,288)
Total Adjustments	<u>(890)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (311,163)</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS**

JUNE 30, 2020

Data Control Codes	Private-purpose Trust Funds		
	Scholarship Fund		Custodial Funds
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ 41,456		\$ 109,981
1120 <i>Current Investments</i>	176,197		--
1250 <i>Accrued Interest</i>	134		--
1800 <i>Restricted Assets</i>	130,137		--
1000 <i>Total Assets</i>	<u>347,924</u>		<u>109,981</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 148		\$ 5,548
2190 <i>Due to Student Groups</i>	--		104,433
2300 <i>Unearned Revenues</i>	10		--
2000 <i>Total Liabilities</i>	<u>158</u>		<u>109,981</u>
<b>NET POSITION:</b>			
3800 <i>Held in Trust</i>	347,766		--
3000 <i>Total Net Position</i>	<u>\$ 347,766</u>		<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT***STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**FIDUCIARY FUNDS**FOR THE YEAR ENDED JUNE 30, 2020*

	Private- Purpose Trusts	Scholarship Funds
<b>Additions:</b>		
Investment Income	\$ 8,840	
Gifts and Bequests	3,625	
Total Additions	12,465	
<b>Deductions:</b>		
Personnel costs	--	
Scholarships and Awards	52,616	
Supplies and Materials	--	
Professional Services	--	
Total Deductions	52,616	
<b>Change in Net Assets</b>	(40,151)	
Net Position-Beginning of the Year	387,917	
Net Position-End of the Year	\$ 347,766	

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**A. Summary of Significant Accounting Policies**

The basic financial statements of Lockhart Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**1. Reporting Entity**

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

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.



# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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 its debt service tax rate. It also accounts for the payment of principal and interest on the District's general obligation bonds.

In addition, the District reports the following fund types:

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

**Agency Funds:** These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

**b. Measurement Focus, 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District 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.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### 3. Financial Statement Amounts

#### a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

#### b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

#### c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	5-20
Buildings	30
Building Improvements	5-20
Vehicles	10
Office Equipment	5
Computer Equipment	5

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide and proprietary Statements of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

**GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements**

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**GASB Statement No. 83, *Certain Asset Retirement Obligations***

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

The District does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

**GASB Statement No. 92, *Omnibus 2020***

Although the effective date for the majority of GASB Statement No. 92, Omnibus 2020 has been postponed by GASB Statement No. 95 for one year, the District has adopted paragraph 11 of Statement 92 with respect to reinsurance recoveries. Paragraph 11 states that "amounts that (a) are recoverable from reinsurers or excess insurers and (b) relate to paid claims and claim adjustment expenses may be reported as reductions of expenses but are not required to be. The District has also adopted paragraph 13 of Statement 92 in regards to changing all uses of the terms *derivative* and *derivatives* in existing standards to *derivative instrument* and *derivative instruments*, respectively. The provisions in paragraphs 11 and 13 were excluded from the scope of Statement 95 because paragraph 11 retains the reporting option, and thus only clarifies that an option exists, and paragraph 13 imposes no burden on the District. As such, this statement does not impact the District.

**GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.***

The District has adopted paragraphs 4 and 5 of GASB Statement No. 92. Paragraph 4 states that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), if the primary government performs the duties that a governing board typically would perform, the absence of a governing board should be treated the

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

same as the appointment of a voting majority of a governing board. Paragraph 5 states that the financial burden criterion in paragraph 7 of Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. The requirements in paragraphs 6 - 9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

### 7. Future Implementation of New Standards

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates for the following pronouncements are postponed by one year:

Statement No. 84, *Fiduciary Activities*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 90, *Majority Equity Interests*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

The effective dates for the following pronouncements are postponed by 18 months:

Statement No. 87, *Leases*

## B. Compliance and Accountability

### 1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Expenditures in Function 35 Food Services exceeded the budget by \$176,265	As a result of the pandemic, food services were expanded to include off-site meals to a larger population of participants.

### 2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

#### 1. Cash Deposits:

At June 30, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,741,053 and the bank balance was \$2,233,671. The District's cash deposits at June 30, 2020 and during the year ended June 30, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

#### 2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

\* Not all assets meeting the definition of an investment are required to be reported at fair value. Included among excepted investments are certain investments held by 2a7-like external investment pools. As detailed below, the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

\*\* Certificates of deposit ("CD's") and time deposits at FDIC insured banks are not subject to the fair value hierarchy levels.

The District's investments at June 30, 2020 are shown below.

<u>Investment or Investment Type</u>	<u>Rating</u>	<u>Maturity</u>	<u>Using Level</u>	<u>Fair Value</u>
TexPool Prime	AAAm	49 days	*	\$ 12,265,856
Texas TERM DAILY	AAAm	54 days	*	6,094,013
Texas TERM	AAAf	60 days	*	9,000,000
Texas TERM CD Program			**	245,000
Total Investments				<u>\$ 27,604,869</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At June 30, 2020, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality above.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.



# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

### Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

### Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

### TexPool

The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

### TexasTERM

The Texas Term Local Government Investment Pool (TexasTERM) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC, which also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares. Investment options include TexasDAILY, a money market portfolio, is rated AAAM by Standard & Poor's, and TexasTERM CD Purchase Program, a fixed rate, fixed-term investment option enabling investors to invest in FDIC insured CD's from banks throughout the United States.

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

### **D. Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 700,990	\$ --	\$ --	\$ 700,990
Construction in progress	5,451,535	554,099	5,453,272	552,362
Total capital assets not being depreciated	6,152,525	554,099	5,453,272	1,253,352
<i>Capital assets being depreciated:</i>				
Land improvements	3,281,809	92,406	--	3,374,215
Buildings and improvements	118,020,865	5,644,916	--	123,665,781
Furniture and equipment	9,983,878	475,957	1,555,469	8,904,366
Capital lease assets	236,394	--	--	236,394
Total capital assets being depreciated	131,522,946	6,213,279	1,555,469	136,180,756
Less accumulated depreciation for:				
Land improvements	(1,034,747)	(265,714)	--	(1,300,461)
Buildings and improvements	(45,222,575)	(4,670,884)	--	(49,893,459)
Furniture and equipment	(6,040,808)	(807,130)	(1,106,524)	(5,741,414)
Capital lease assets	(118,197)	(59,099)	--	(177,296)
Total accumulated depreciation	(52,416,327)	(5,802,827)	(1,106,524)	(57,112,630)
Total capital assets being depreciated, net	79,106,619	410,452	448,945	79,068,126
Governmental activities capital assets, net	\$ 85,259,144	\$ 964,551	\$ 5,902,217	\$ 80,321,478

Depreciation was charged to functions as follows:

Instruction	\$ 3,560,536
Instructional Resources and Media Services	74,184
Curriculum and Staff Development	87,564
Instructional Leadership	61,272
School Leadership	366,747
Guidance, Counseling, & Evaluation Services	129,379
Social Work Services	18,580
Health Services	68,936
Student Transportation	251,237
Food Services	652
Extracurricular Activities	205,310
General Administration	268,824
Plant Maintenance and Operations	592,791
Security and Monitoring Services	29,098
Data Processing Services	84,667
Community Services	3,050
	<u>\$ 5,802,827</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**E. Interfund Balances and Activities**

**1. Due To and From Other Funds**

Balances due to and due from other funds at June 30, 2020, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 1,282,512	Temporary advances
General Fund	Enterprise Funds	13,298	Temporary advances
Other Governmental Funds	Other Governmental Funds	239,043	Temporary advances
Other Governmental Funds	General Fund	49,716	Temporary advances
	Total	<u>\$ 1,584,569</u>	

All amounts due are scheduled to be repaid within one year.

**2. Transfers To and From Other Funds**

Transfers to and from other funds at June 30, 2020, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Enterprise Funds	\$ 325,955	General Fund support for Internal Service Funds
General fund	Other Governmental Funds	509,764	General Fund tax collections for maintenance note debt service
General fund	Other Governmental Funds	48	Reimburse expenditures
Enterprise Funds	Other Governmental Funds	15,682	Reimburse expenditures
Other Governmental Funds	Debt Service Fund	49	Reimburse expenditures
	Total	<u>\$ 851,498</u>	

**F. Long-Term Obligations**

**1. Long-Term Obligation Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 72,325,000	\$ --	\$ 3,885,000	\$ 68,440,000	\$ 2,485,000
Capital leases	102,793	--	102,793	--	--
Premium on bonds	5,070,151	--	202,806	4,867,345	--
	<u>77,497,944</u>	<u>--</u>	<u>4,190,599</u>	<u>73,307,345</u>	<u>2,485,000</u>
Net Pension Liability *	17,538,416	205,958	1,119,391	16,624,983	--
Net OPEB Liability *	20,237,284	(1,065,939)	283,460	18,887,885	--
Total governmental activities	<u>\$ 115,273,644</u>	<u>\$ (859,981)</u>	<u>\$ 5,593,450</u>	<u>\$ 108,820,213</u>	<u>\$ 2,485,000</u>

\* Other long-term liabilities

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General
Net OPEB Liability *	Governmental	General

The following table displays total principal debt outstanding by issuance as of year end.

Date of Issue	Description	Interest Rates	Original Issue	Final Maturity Date	Debt Principal
2/15/2006	Series 2006	3.66%	\$ 9,524,997	8/1/2022	\$ 2,765,000
3/15/2007	Series 2007	3.92	8,834,988	8/1/2027	6,730,000
8/27/2008	Series 2008	3.75	2,345,000	8/1/2022	530,000
7/15/2014	Series 2014	3.00	58,500,000	8/1/2044	55,665,000
12/7/2017	Series 2017	2.14	3,670,000	8/1/2027	2,750,000
					<u>\$ 68,440,000</u>

Series	Purpose	Rating	Issued	Unissued	Spent	Unspent
2006	Refunding Building Bonds	AAA	\$ 9,524,997	\$ --	\$ 9,524,997	\$ --
2007	Refunding Building Bonds	AAA	8,834,988	--	8,834,988	--
2008	Refunding Building Bonds	AAA	2,345,000	--	2,345,000	--
2012	Refunding Building Bonds	AA	2,930,000	--	2,930,000	--
2014	Refunding Building Bonds	AAA	58,500,000	--	58,500,000	--
2017	Tax & Revenue Notes	AA	3,670,000	--	3,670,000	--
					<u>\$ 85,804,985</u>	<u>\$ --</u>

### 2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2020, are as follows:

Year Ending June 30,	Governmental Activities		Total
	Principal	Interest	
2021	\$ 2,485,000	\$ 2,977,093	\$ 5,462,093
2022	2,575,000	2,884,100	5,459,100
2023	2,675,000	2,785,470	5,460,470
2024	2,675,000	2,677,415	5,352,415
2025	2,800,000	2,560,755	5,360,755
2026-2030	12,980,000	11,124,725	24,104,725
2031-2035	11,315,000	8,666,237	19,981,237
2036-2040	14,420,000	5,476,688	19,896,688
2041-2045	16,515,000	1,615,631	18,130,631
Totals	<u>\$ 68,440,000</u>	<u>\$ 40,768,114</u>	<u>\$ 109,208,114</u>

### 3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2020, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Series 2002	\$ 6,675,000
Total	<u>\$ 6,675,000</u>

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

In May 2020, the District used \$1,444,505 in cash to defease \$1.31million in the District's Series 2014 bonds. The funds were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the defeasance, the District decreased its aggregate debt service payment to maturity by \$2.5 million and realized an economic gain (difference between the present value of debt service payments on the old debt and the new debt) of \$1.1 million. The accounting loss (\$125 thousand) will be amortized over the life of the bonds.

#### G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

#### H. Pension Plan

##### 1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

##### 2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

##### 3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1.) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

### 4. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

<b><u>Contribution Rates</u></b>		
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
District's 2019 Employer Contributions	\$ 1,250,665	
District's 2019 Member Contributions	\$ 2,698,777	
2019 NECE On-Behalf Contributions (state)	\$ 1,427,785	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

### 5. Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

### 6. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by

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adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

<b>Asset Class</b>	<b>FY 2019 Target Allocation *</b>	<b>New Target Allocation **</b>	<b>Long-Term Expected Geometric Real Rate of Return ***</b>
<b>Global Equity</b>			
USA	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries ****	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	0.0%	0.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds ****	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources & Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8%/6.5%*****
<b>Leverage</b>			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
<b>Expected Return</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7.23%</b>
<p>* Target allocations are based on the Strategic Asset Allocation as of FY2019</p> <p>** New allocations are based on the Strategic Asset Allocation to be implemented FY2020</p> <p>*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%</p> <p>**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds</p> <p>***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility</p>			

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 25,555,014	\$ 16,624,983	\$ 9,389,934

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$16,624,983 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount



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recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 16,624,983
State's proportionate share that is associated with District	<u>21,206,089</u>
Total	<u>\$ 37,831,072</u>

The net pension liability was measured as of June 30, 2018 and rolled forward to June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0319814987% which was an increase (decrease) of 0.0001180493% from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial Valuation -**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended June 30, 2020, the District recognized pension expense of \$6,655,415 and revenue of \$3,331,178 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 69,840	\$ 577,246
Changes in actuarial assumptions	5,157,886	2,131,483
Difference between projected and actual investment earnings	166,934	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	<u>1,535,680</u>	220
Total as of August 31, 2019 measurement date	6,930,340	
Contributions paid to TRS subsequent to the measurement date	<u>1,058,304</u>	<u>--</u>
Total	<u>\$ 7,988,644</u>	<u>\$ 2,708,949</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Pension Expense Amount
2021	\$ 1,060,340
2022	\$ 869,728
2023	\$ 1,070,316
2024	\$ 1,001,423
2025	\$ 370,155
Thereafter	\$ (150,570)

### I. Defined Other Post-Employment Benefit Plans

#### 1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

#### 2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

#### 3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

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4. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2019	2020
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
District's 2020 Employer Contributions	\$	269,292
District's 2020 Member Contributions	\$	227,822
2019 NECE On-Behalf Contributions (state)	\$	376,632

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation *
Healthcare Trend Rates	7.30% **
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. ***
Ad Hoc Post-Employment Benefit Changes	None

\* Includes inflation at 2.5%.

\*\*7.3% for FY2020, 7.4% for FY 2021, 7.0% for FY 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for FY 2027 and later years.

\*\*\* 25% of pre-65 retirees are assumed to discontinue coverage at age 65.

6. Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was an increase of 1.06% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of net OPEB liability	\$ 22,803,739	\$ 18,887,886	\$ 15,824,511

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### 8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$18,887,885 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$	18,887,885
State's proportionate share that is associated with the District	\$	<u>25,097,775</u>
Total	\$	<u><u>43,985,660</u></u>

The Net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2020 the District's proportion of the collective net OPEB liability was 0.039939515 which is an increase (decrease) of (0.005910547%) from its porportion measured as of August 31, 2018.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of net OPEB liability	\$ 15,408,075	\$ 18,887,886	\$ 23,549,235

### 9. Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,323,802 and revenue of \$661,474 for support provided by the State.

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At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 926,611	\$ 3,090,802
Changes in actuarial assumptions	1,049,075	5,080,378
Differences between projected and actual investment earnings	2,038	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,905,095	327,299
Total as of August 31, 2019 measurement date	3,882,819	
Contributions paid to TRS subsequent to the measurement date	225,380	
Total	\$ 4,108,199	\$ 8,498,479

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	OPEB Expense Amount
2021	\$ (812,231)
2022	\$ (812,231)
2023	\$ (812,890)
2024	\$ (813,268)
2025	\$ (813,164)
Thereafter	\$ (551,876)

**10. Medicare Part D Subsidies**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the current fiscal year ended June 30, 2020, the subsidy payment received by TRS-Care on behalf of the District was \$167,937.

**J. Employee Health Care Coverage**

During the period ended June 30, 2019, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of \$487 per month per employee for TRS Active Care 1HD and \$487 per month for TRS Active Care Select per employee.

Employees, at their option may authorize payroll withholdings to pay premiums for dependent coverage. The Teacher Retirement System of Texas (TRS) manages TRS Active Care. The Plan is administered by Aetna.

The latest financial information on the state-wide plan is available from TRS (see note on pension plan).

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### K. Commitments and Contingencies

#### 1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

#### 2. Litigation

No reportable litigation was pending against the District at June 30, 2020.

### L. Shared Services Arrangements

#### Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Member Districts	Expenditures
Lockhart ISD	\$ 1,477,369
Luling ISD	320,026
Prairie Lea ISD	53,656
Total	<u>\$ 1,851,051</u>

### M. Prior Period Adjustment

The District adjusted beginning fund balance in the Campus Activity Funds in the amount of \$1,412 for revenue relating to the prior year.

### N. Subsequent Events

Subsequent to year end on October 2020, the District issued \$53 million in Refunding Bonds to refund the District's Series 2014 bonds. The proceeds of the refunding bonds net of the related debt service costs amounted to \$60.2 million and were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$14.7 million and realized an economic gain (difference between the present value of debt service payments on the old debt and the new debt) of \$11.6 million.

### O. Infectious Disease Outbreak - COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

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On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, The Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency (including TEA) that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation, which among other things, imposed limitations on social gatherings of more than 10 people, ordered closure of in-person classroom attendance at school districts through the remainder of the 2019-2020 school year and maintained certain mandates regarding the minimization of in-person contact with people who are not in the same household. These include, for example, the issuance on June 3, 2020 of Executive Order GA-26 which, among other things, provided that public schools may resume operations for the summer as provided by, and under the minimum standard health protocols found in, guidance issued by the TEA. Notwithstanding anything therein to the contrary, schools may conduct graduation ceremonies consistent with the minimum standard health protocols found in guidance issued by TEA. Prior orders permitted public school districts to offer summer school programs, special education evaluations, specialized assessments, and individualized tutoring, under the minimum standard health protocols found in guidance issued by the TEA. Executive Order GA-26 remains in place until amended, rescinded or superseded by the Governor. In addition to the actions by the state and federal officials, certain local officials have declared a local state of disaster and have issued "shelter-in-place" orders. Many of the federal, state and local actions and policies under the aforementioned disaster declarations and orders are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of schools.

On July 7, 2020, TEA issued public planning health guidance to support school systems in planning for the 2020-2021 school year, addressing on campus and virtual instruction, administrative and extracurricular activities, and school visits. Within the guidance, TEA instructs schools to provide parental and public notices of the school district's plan to follow in order to mitigate COVID-19 within their facilities and confirms the attendance requirements for promotion (which may be completed by virtual education). The guidance further details screening mechanisms, identification of symptoms, and procedures for confirmed, suspected, and exposed cases. Certain actions, such as notification to health department officials and closure of high-traffic areas, will be required in the instance of confirmed cases. Schools are highly encouraged to engage in mitigation practices promoting health and hygiene consistent with CDC guidelines (including social distancing, facial coverings, frequent disinfecting of all areas, limiting visitations, etc.) to avoid unnecessary exposure to others to prevent the spread of COVID-19.

The District continues to monitor the spread of COVID-19 and is working with local, State and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the District. A reduction in property values may require an increase in the ad valorem tax rate required to pay debt as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Additionally, State funding of District operations and maintenance in future fiscal years could be adversely impacted by the negative effects on economic growth and financial markets resulting from the Pandemic as well as ongoing disruptions in the global oil markets.



### *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 15,584,869	\$ 16,187,368	\$ 16,288,537	\$ 101,169
5800	State Program Revenues	38,334,154	36,666,511	38,372,653	1,706,142
5900	Federal Program Revenues	346,472	540,622	319,846	(220,776)
5020	Total Revenues	54,265,495	53,394,501	54,981,036	1,586,535
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	29,873,393	30,906,942	29,730,928	1,176,014
0012	Instructional Resources and Media Services	632,529	633,304	619,449	13,855
0013	Curriculum and Staff Development	1,431,808	1,074,960	731,173	343,787
	Total Instruction & Instr. Related Services	31,937,730	32,615,206	31,081,550	1,533,656
Instructional and School Leadership:					
0021	Instructional Leadership	620,632	540,364	511,627	28,737
0023	School Leadership	3,003,538	3,097,185	3,062,378	34,807
	Total Instructional & School Leadership	3,624,170	3,637,549	3,574,005	63,544
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	1,145,569	1,189,415	1,080,335	109,080
0032	Social Work Services	155,837	155,837	155,147	690
0033	Health Services	541,157	693,008	575,620	117,388
0034	Student (Pupil) Transportation	2,810,230	3,080,130	2,097,856	982,274
0035	Food Services	15,000	15,000	5,441	9,559
0036	Cocurricular/Extracurricular Activities	1,499,550	1,889,339	1,713,888	175,451
	Total Support Services - Student (Pupil)	6,167,343	7,022,729	5,628,287	1,394,442
Administrative Support Services:					
0041	General Administration	2,230,859	2,415,379	2,244,715	170,664
	Total Administrative Support Services	2,230,859	2,415,379	2,244,715	170,664
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	5,033,191	5,198,286	4,946,927	251,359
0052	Security and Monitoring Services	192,781	291,063	242,968	48,095
0053	Data Processing Services	751,818	806,305	706,984	99,321
	Total Support Services - Nonstudent Based	5,977,790	6,295,654	5,896,879	398,775
Ancillary Services:					
0061	Community Services	15,048	33,288	25,470	7,818
	Total Ancillary Services	15,048	33,288	25,470	7,818
Debt Service:					
0071	Principal on Long-Term Debt	81,721	81,721	71,030	10,691
0072	Interest on Long-Term Debt	3,268	3,268	-	3,268
	Total Debt Service	84,989	84,989	71,030	13,959
Capital Outlay:					
0081	Capital Outlay	142,063	3,097,397	863,480	2,233,917
	Total Capital Outlay	142,063	3,097,397	863,480	2,233,917

# LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	1,543,291	1,571,173	1,403,205	167,968
0099	Other Intergovernmental Charges	369,599	369,599	374,024	(4,425)
	Total Intergovernmental Charges	1,912,890	1,940,772	1,777,229	163,543
6030	Total Expenditures	52,092,882	57,142,963	51,162,645	5,980,318
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	2,172,613	(3,748,462)	3,818,391	7,566,853
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	94,179	94,178	(1)
8911	Transfers Out	(670,712)	(670,712)	(835,767)	(165,055)
7080	Total Other Financing Sources and (Uses)	(670,712)	(576,533)	(741,589)	(165,056)
1200	Net Change in Fund Balance	1,501,901	(4,324,995)	3,076,802	7,401,797
0100	Fund Balance - Beginning	--	--	16,956,801	16,956,801
3000	Fund Balance - Ending	\$ 1,501,901	\$ (4,324,995)	\$ 20,033,603	\$ 24,358,598

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## *SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS LAST TEN FISCAL YEARS \**

	Measurement Year Ended August 31,				
	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0319815%	0.0318634%	0.0292449%	0.0287948%	0.0292538%
District's proportionate share of the net pension liability (asset)	\$ 16,624,983	\$ 17,538,416	\$ 9,350,942	\$ 10,881,118	\$ 10,340,829
State's proportionate share of the net pension liability (asset) associated with the District	21,206,089	23,582,936	14,653,093	16,826,316	16,271,958
Total	<u>\$ 37,831,072</u>	<u>\$ 41,121,352</u>	<u>\$ 24,004,035</u>	<u>\$ 27,707,434</u>	<u>\$ 26,612,787</u>
District's covered payroll	\$ 32,358,591	\$ 31,692,894	\$ 29,968,151	\$ 28,764,071	\$ 27,754,797
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.38%	55.34%	31.20%	37.83%	37.26%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Measurement Year Ended August 31,				
2014	2013	2012	2011	2010
0.0197780%	--	--	--	--
\$ 5,282,977	\$ --	\$ --	\$ --	\$ --
13,744,870	--	--	--	--
<u>\$ 19,027,847</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 26,227,055	\$ --	\$ --	\$ --	\$ --
20.14%	--	--	--	--
83.25%	--	--	--	--

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF DISTRICT CONTRIBUTIONS TEACHER RETIREMENT SYSTEM OF TEXAS LAST TEN FISCAL YEARS \*

	Fiscal Year				
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,250,665	\$ 1,116,036	\$ 1,043,672	\$ 927,988	\$ 903,438
Contributions in relation to the contractually required contribution	(1,250,665)	(1,116,036)	(1,043,672)	(927,988)	(903,438)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 35,049,035	\$ 32,154,893	\$ 31,186,506	\$ 29,668,119	\$ 28,456,580
Contributions as a percentage of covered-employee payroll	3.57%	3.47%	3.35%	3.13%	3.17%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

		Fiscal Year			
	2015	2014	2013	2012	2011
\$	810,976	\$ --	\$ --	\$ --	\$ --
	(810,976)	--	--	--	--
\$	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$	27,582,011	\$ --	\$ --	\$ --	\$ --
	2.94%	--	--	--	--

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS LAST TEN FISCAL YEARS \*

	Measurement Year Ended August 31,				
	2019	2018	2017	2016	2015
District's proportion of the collective net OPEB liability	0.0399395150%	0.0405305697%	0.0365625296%	--	--
District's proportionate share of the collective net OPEB liability	\$ 18,887,885	\$ 20,237,284	\$ 15,899,673	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	\$ 25,097,775	\$ 26,359,820	\$ 22,917,035	\$ --	\$ --
Total	\$ 43,985,660	\$ 46,597,104	\$ 38,816,708	\$ --	\$ --
District's covered payroll	\$ 32,358,651	\$ 31,692,894	\$ 29,968,151	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	58.37%	63.85%	53.06%	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%	--	--

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.



Measurement Year Ended August 31,									
2014		2013		2012		2011		2010	
	--		--		--		--		--
\$	--	\$	--	\$	--	\$	--	\$	--
\$	--	\$	--	\$	--	\$	--	\$	--
\$	--	\$	--	\$	--	\$	--	\$	--
\$	--	\$	--	\$	--	\$	--	\$	--
\$	--	\$	--	\$	--	\$	--	\$	--
	--		--		--		--		--
	--		--		--		--		--

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

### TEACHER RETIREMENT SYSTEM OF TEXAS

#### LAST TEN FISCAL YEARS \*

	Fiscal Year Ended				
	2020	2019	2018	2017	2016
Statutorily or contractually required District contribution	\$ 269,292	\$ 246,418	\$ 239,614	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(269,292)	(246,418)	(239,614)	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 35,049,487	\$ 32,148,410	\$ 31,192,689	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	0.77%	0.77%	0.77%	--	--

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Fiscal Year Ended				
2015	2014	2013	2012	2011
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2020

### Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

### Defined Benefit Pension Plan

#### *Changes of benefit terms*

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

#### *Changes of assumptions*

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

*Combining Statements and Budget Comparisons  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****COMBINING BALANCE SHEET****NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2020

Data Control Codes		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 861,222	\$ 161,680	\$ 2,807	\$ 1,025,709
1120	Current Investments	942,159	--	--	942,159
1240	Due from Other Governments	2,266,431	--	--	2,266,431
1260	Due from Other Funds	288,759	--	--	288,759
1290	Other Receivables	12,621	--	--	12,621
1000	Total Assets	4,371,192	161,680	2,807	4,535,679
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 335,765	\$ --	\$ --	\$ 335,765
2150	Payroll Deductions & Withholdings	101,493	--	--	101,493
2160	Accrued Wages Payable	543,864	--	--	543,864
2170	Due to Other Funds	1,518,993	--	2,558	1,521,551
2180	Due to Other Governments	39,285	--	--	39,285
2300	Unearned Revenue	325,099	--	--	325,099
2000	Total Liabilities	2,864,499	--	2,558	2,867,057
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	1,440,037	--	--	1,440,037
3470	Capital Acquisitions & Contractual Obligations	--	--	249	249
3480	Retirement of Long-Term Debt	--	161,680	--	161,680
3490	Other Restrictions of Fund Balance	66,656	--	--	66,656
3000	Total Fund Balances	1,506,693	161,680	249	1,668,622
4000	Total Liabilities and Fund Balances	\$ 4,371,192	\$ 161,680	\$ 2,807	\$ 4,535,679

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 2,168,311	\$ 3,270	\$ 1,062	\$ 2,172,643
5800	State Program Revenues	473,363	--	--	473,363
5900	Federal Program Revenues	8,913,153	--	--	8,913,153
5020	Total Revenues	11,554,827	3,270	1,062	11,559,159
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	4,064,486	--	--	4,064,486
0012	Instructional Resources and Media Services	(5,414)	--	--	(5,414)
0013	Curriculum and Staff Development	39,948	--	--	39,948
0021	Instructional Leadership	274,691	--	--	274,691
0023	School Leadership	(49)	--	--	(49)
0031	Guidance, Counseling, & Evaluation Services	1,295,589	--	--	1,295,589
0032	Social Work Services	29,159	--	--	29,159
0033	Health Services	1,071	--	--	1,071
0034	Student Transportation	780,218	--	--	780,218
0035	Food Service	4,135,928	--	--	4,135,928
0036	Cocurricular/Extracurricular Activities	4,349	--	--	4,349
0041	General Administration	8,115	--	--	8,115
0051	Facilities Maintenance and Operations	201,125	--	--	201,125
0052	Security and Monitoring Services	49,356	--	--	49,356
0053	Data Processing Services	63,492	--	--	63,492
0061	Community Services	15,228	--	--	15,228
0071	Principal on Long-term Debt	--	485,000	--	485,000
0072	Interest on Long-term Debt	--	72,671	--	72,671
0081	Capital Outlay	--	--	38,764	38,764
0093	Payments to Shared Service Arrangements	17,277	--	--	17,277
6030	Total Expenditures	10,974,569	557,671	38,764	11,571,004
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	580,258	(554,401)	(37,702)	(11,845)
Other Financing Sources and (Uses):					
7915	Transfers In	--	525,494	--	525,494
8911	Transfers Out	--	--	(49)	(49)
7080	Total Other Financing Sources and (Uses)	--	525,494	(49)	525,445
1200	Net Change in Fund Balances	580,258	(28,907)	(37,751)	513,600
0100	Fund Balances - Beginning	925,293	190,587	38,000	1,153,880
1300	Prior Period Adjustment	1,142	--	--	1,142
	Fund Balances - Beginning, as Restated	926,435	190,587	38,000	1,155,022
3000	Fund Balances - Ending	\$ 1,506,693	\$ 161,680	\$ 249	\$ 1,668,622

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes		206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 2,514	\$ 4,122	\$ 682	\$ (188)
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	2,745	311,912	--	472,786
1260	Due from Other Funds	--	--	--	102,957
1290	Other Receivables	--	--	--	--
1000	Total Assets	<u>5,259</u>	<u>316,034</u>	<u>682</u>	<u>575,555</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 2,514	\$ --	\$ --	\$ 9,808
2150	Payroll Deductions & Withholdings	--	22,235	--	24,698
2160	Accrued Wages Payable	--	132,079	--	172,635
2170	Due to Other Funds	2,745	161,720	682	368,414
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>5,259</u>	<u>316,034</u>	<u>682</u>	<u>575,555</u>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,259</u>	<u>\$ 316,034</u>	<u>\$ 682</u>	<u>\$ 575,555</u>



225	226	240	244	255
IDEA-B Preschool Grant	IDEA-B Discretionary	National School Breakfast/Lunch Program	Vo Ed Basic Grant	ESEA Title II Training & Recruiting
\$ (2,064)	\$ --	\$ 245,554	\$ 1,170	\$ (22)
20,391	--	918,253	--	--
14,280	63,004	558,996	7,880	47,766
14	--	53,063	--	52
--	--	--	--	--
<u>32,621</u>	<u>63,004</u>	<u>1,775,866</u>	<u>9,050</u>	<u>47,796</u>
\$ --	\$ --	\$ 283,234	\$ 2,040	\$ --
443	--	11,603	92	5,344
5,516	--	--	--	18,636
26,662	63,004	40,982	6,918	23,816
--	--	10	--	--
--	--	--	--	--
<u>32,621</u>	<u>63,004</u>	<u>335,829</u>	<u>9,050</u>	<u>47,796</u>
--	--	1,440,037	--	--
--	--	--	--	--
--	--	<u>1,440,037</u>	--	--
<u>\$ 32,621</u>	<u>\$ 63,004</u>	<u>\$ 1,775,866</u>	<u>\$ 9,050</u>	<u>\$ 47,796</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes		263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	266 Cares Act Coronavirus Relief Fund (CRF)	270 GEAR UP
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 2,700	\$ 7,169	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	6,913	96,126	533,948	58,877
1260	Due from Other Funds	--	1,682	--	(2,285)
1290	Other Receivables	--	750	--	--
1000	Total Assets	<u>9,613</u>	<u>105,727</u>	<u>533,948</u>	<u>56,592</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 4,700	\$ 7,215	\$ --	\$ 10,059
2150	Payroll Deductions & Withholdings	214	3,847	--	1,432
2160	Accrued Wages Payable	2,044	21,923	--	125
2170	Due to Other Funds	2,655	72,742	533,948	44,976
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>9,613</u>	<u>105,727</u>	<u>533,948</u>	<u>56,592</u>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 9,613</u>	<u>\$ 105,727</u>	<u>\$ 533,948</u>	<u>\$ 56,592</u>

274	289	315	385	397
Gear UP Grant #2	Limited English Proficient Summer School	IDEA-B Discretionary	Supplemental Visually Impaired	Advanced Placement Incentives
\$ (32)	\$ --	\$ --	\$ 3,436	\$ --
--	--	--	--	3,515
63,549	25,958	--	1,691	--
7,246	--	--	--	--
--	--	--	--	--
<u>70,763</u>	<u>25,958</u>	<u>--</u>	<u>5,127</u>	<u>3,515</u>
\$ --	\$ --	\$ --	\$ 1,899	\$ --
1,509	59	--	--	--
125	4,816	--	--	--
69,129	16,076	--	3,228	--
--	--	--	--	--
--	5,007	--	--	3,515
<u>70,763</u>	<u>25,958</u>	<u>--</u>	<u>5,127</u>	<u>3,515</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>70,763</u>	<u>25,958</u>	<u>--</u>	<u>5,127</u>	<u>3,515</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes		410 State Textbook Fund	429 State Funded Special Revenue Fund	437 Special Education	450 Medicaid Coop
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 18,873	\$ 22,516	\$ 193,315	\$ 1,069
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	--	--	--
1260	Due from Other Funds	--	--	126,030	--
1290	Other Receivables	--	--	11,871	--
1000	Total Assets	<u>18,873</u>	<u>22,516</u>	<u>331,216</u>	<u>1,069</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 12,597	\$ --	\$ 295	\$ --
2150	Payroll Deductions & Withholdings	--	31	29,984	--
2160	Accrued Wages Payable	--	160	185,805	--
2170	Due to Other Funds	--	4,177	76,926	--
2180	Due to Other Governments	--	--	38,206	1,069
2300	Unearned Revenue	6,276	18,148	--	--
2000	Total Liabilities	<u>18,873</u>	<u>22,516</u>	<u>331,216</u>	<u>1,069</u>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 18,873</u>	<u>\$ 22,516</u>	<u>\$ 331,216</u>	<u>\$ 1,069</u>

461 Campus Activity Funds	480 Education Foundation	483 Hogg Foundation Grant	484 Lions Club	487 HEB
\$ 68,023	\$ 82,950	\$ 82,623	\$ 2,112	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>68,023</u>	<u>82,950</u>	<u>82,623</u>	<u>2,112</u>	<u>--</u>
\$ 1,294	\$ 110	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
73	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>82,840</u>	<u>82,623</u>	<u>2,112</u>	<u>--</u>
<u>1,367</u>	<u>82,950</u>	<u>82,623</u>	<u>2,112</u>	<u>--</u>
--	--	--	--	--
<u>66,656</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>66,656</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 68,023</u>	<u>\$ 82,950</u>	<u>\$ 82,623</u>	<u>\$ 2,112</u>	<u>\$ --</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT****COMBINING BALANCE SHEET****NONMAJOR SPECIAL REVENUE FUNDS**

JUNE 30, 2020

Data Control Codes	488 Mitchell Ward	490 Kinder Morgan	492 Texas State University
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 50,000	\$ 49,155
1120 <i>Current Investments</i>	--	--	--
1240 <i>Due from Other Governments</i>	--	--	--
1260 <i>Due from Other Funds</i>	--	--	--
1290 <i>Other Receivables</i>	--	--	--
1000 <b>Total Assets</b>	<u>--</u>	<u>50,000</u>	<u>49,155</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ --	\$ --	\$ --
2150 <i>Payroll Deductions &amp; Withholdings</i>	--	--	--
2160 <i>Accrued Wages Payable</i>	--	--	--
2170 <i>Due to Other Funds</i>	--	--	--
2180 <i>Due to Other Governments</i>	--	--	--
2300 <i>Unearned Revenue</i>	--	50,000	49,155
2000 <b>Total Liabilities</b>	<u>--</u>	<u>50,000</u>	<u>49,155</u>
<b>FUND BALANCES:</b>			
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--
3000 <b>Total Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ 49,155</u>

494 Parent Teacher Organization	495 Miscellaneous Grants Fund	496 Athletic Program Donations	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 16,507	\$ 6,375	\$ 2,663	\$ --	\$ 861,222
--	--	--	--	942,159
--	--	--	--	2,266,431
--	--	--	--	288,759
--	--	--	--	12,621
<u>16,507</u>	<u>6,375</u>	<u>2,663</u>	<u>--</u>	<u>4,371,192</u>
\$ --	\$ --	\$ --	\$ --	\$ 335,765
--	2	--	--	101,493
--	--	--	--	543,864
--	120	--	--	1,518,993
--	--	--	--	39,285
<u>16,507</u>	<u>6,253</u>	<u>2,663</u>	<u>--</u>	<u>325,099</u>
<u>16,507</u>	<u>6,375</u>	<u>2,663</u>	<u>--</u>	<u>2,864,499</u>
--	--	--	--	1,440,037
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>66,656</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,506,693</u>
<u>\$ 16,507</u>	<u>\$ 6,375</u>	<u>\$ 2,663</u>	<u>\$ --</u>	<u>\$ 4,371,192</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	3,996	909,012	1,310,939	27,954
5020 <i>Total Revenues</i>	3,996	909,012	1,310,939	27,954
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	683	680,892	792,673	27,954
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	4,925	12,195	--
0021 <i>Instructional Leadership</i>	2	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	215,170	505,492	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	218	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0061 <i>Community Services</i>	3,311	8,025	361	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 <i>Total Expenditures</i>	3,996	909,012	1,310,939	27,954
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>	--	--	--	--
1100 <i>Expenditures</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
1300 <i>Prior Period Adjustment</i>	--	--	--	--
<i>Fund Balances - Beginning, as Restated</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	\$ --	\$ --	\$ --	\$ --



226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement
\$ --	\$ 279,682	\$ --	\$ --	\$ --
--	21,950	--	--	--
63,004	4,833,643	54,408	138,846	125,903
63,004	5,135,275	54,408	138,846	125,903
63,004	--	52,408	138,846	108,332
--	--	--	--	--
--	--	--	--	16,425
--	--	2,000	--	849
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	249,795	--	--	--
--	4,127,947	--	--	--
--	--	--	--	--
--	--	--	--	--
--	176,939	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	297
--	--	--	--	--
63,004	4,554,681	54,408	138,846	125,903
--	580,594	--	--	--
--	580,594	--	--	--
--	859,443	--	--	--
--	--	--	--	--
--	859,443	--	--	--
\$ --	\$ 1,440,037	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	265 21st Century Community Learning Centers	266 Cares Act Coronavirus Relief Fund (CRF)	270 GEAR UP	274 Gear UP Grant #2
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	374,145	533,948	167,464	278,959
5020 Total Revenues	374,145	533,948	167,464	278,959
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	339,848	--	26,128	34,175
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	113	--	808	4,866
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	140,528	238,785
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	1,121
0034 Student Transportation	34,184	446,270	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	12
0041 General Administration	--	--	--	--
0051 Facilities Maintenance and Operations	--	24,186	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	63,492	--	--
0061 Community Services	--	--	--	--
0093 Payments to Shared Service Arrangements	--	--	--	--
6030 Total Expenditures	374,145	533,948	167,464	278,959
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
1300 Prior Period Adjustment	--	--	--	--
Fund Balances - Beginning, as Restated	--	--	--	--
3000 Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

289 Limited English Proficient Summer School	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	3,724	545	335,248	23,039
69,863	--	--	--	--
69,863	3,724	545	335,248	23,039
69,863	3,724	--	335,248	21,757
--	--	--	--	--
--	--	545	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	1,282
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
69,863	3,724	545	335,248	23,039
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	480 Education Foundation
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 1,708,095	\$ --	\$ (25,736)	\$ 57,148
5800	State Program Revenues	88,857	--	--	--
5900	Federal Program Revenues	--	21,069	--	--
5020	Total Revenues	<u>1,796,952</u>	<u>21,069</u>	<u>(25,736)</u>	<u>57,148</u>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	1,310,490	3,792	(9,976)	56,181
0012	Instructional Resources and Media Services	--	--	(8,014)	--
0013	Curriculum and Staff Development	6	--	--	--
0021	Instructional Leadership	271,840	--	--	--
0023	School Leadership	--	--	(49)	--
0031	Guidance, Counseling, & Evaluation Services	158,308	--	48	--
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	(50)	--
0034	Student Transportation	49,751	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	(9,210)	--
0041	General Administration	6,557	--	1,558	--
0051	Facilities Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	(200)	--
0053	Data Processing Services	--	--	--	--
0061	Community Services	--	--	493	967
0093	Payments to Shared Service Arrangements	--	17,277	--	--
6030	Total Expenditures	<u>1,796,952</u>	<u>21,069</u>	<u>(25,400)</u>	<u>57,148</u>
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	(336)	--
1100	Expenditures	--	--	(336)	--
1200	Net Change in Fund Balances	--	--	(336)	--
0100	Fund Balances - Beginning	--	--	65,850	--
1300	Prior Period Adjustment	--	--	1,142	--
	Fund Balances - Beginning, as Restated	--	--	66,992	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 66,656</u>	<u>\$ --</u>

483 Hogg Foundation Grant	484 Lions Club	487 HEB	488 Mitchell Ward	492 Texas State University
\$ 63,935	\$ 411	\$ 1,354	\$ 7,981	\$ 49,556
--	--	--	--	--
--	--	--	--	--
63,935	411	1,354	7,981	49,556
--	411	1,354	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
34,776	--	--	--	--
29,159	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	7,981	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	49,556
--	--	--	--	--
--	--	--	--	--
63,935	411	1,354	7,981	49,556
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		494 Parent Teacher Organization	495 Miscellaneous Grants Fund
<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 7,053	\$ 4,511
5800	State Program Revenues	--	--
5900	Federal Program Revenues	--	--
5020	Total Revenues	7,053	4,511
<b>EXPENDITURES:</b>			
Current:			
0011	Instruction	4,388	2,311
0012	Instructional Resources and Media Services	2,600	--
0013	Curriculum and Staff Development	65	--
0021	Instructional Leadership	--	--
0023	School Leadership	--	--
0031	Guidance, Counseling, & Evaluation Services	--	1,200
0032	Social Work Services	--	--
0033	Health Services	--	--
0034	Student Transportation	--	--
0035	Food Service	--	--
0036	Cocurricular/Extracurricular Activities	--	1,000
0041	General Administration	--	--
0051	Facilities Maintenance and Operations	--	--
0052	Security and Monitoring Services	--	--
0053	Data Processing Services	--	--
0061	Community Services	--	--
0093	Payments to Shared Service Arrangements	--	--
6030	Total Expenditures	7,053	4,511
1100	Excess (Deficiency) of Revenues Over (Under)	--	--
1100	Expenditures	--	--
1200	Net Change in Fund Balances	--	--
0100	Fund Balances - Beginning	--	--
1300	Prior Period Adjustment	--	--
	Fund Balances - Beginning, as Restated	--	--
3000	Fund Balances - Ending	\$ --	\$ --

496 Athletic Program Donations	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 12,547	\$ 1,774	\$ 2,168,311
--	--	473,363
--	--	8,913,153
12,547	1,774	11,554,827
--	--	4,064,486
--	--	(5,414)
--	--	39,948
--	--	274,691
--	--	(49)
--	--	1,295,589
--	--	29,159
--	--	1,071
--	--	780,218
--	--	4,135,928
12,547	--	4,349
--	--	8,115
--	--	201,125
--	--	49,356
--	--	63,492
--	1,774	15,228
--	--	17,277
12,547	1,774	10,974,569
--	--	580,258
--	--	580,258
--	--	925,293
--	--	1,142
--	--	926,435
\$ --	\$ --	\$ 1,506,693

**LOCKHART INDEPENDENT SCHOOL DISTRICT***COMBINING BALANCE SHEET**NONMAJOR DEBT SERVICE FUNDS**JUNE 30, 2020*

Data Control Codes		595 Maintenance Tax Notes 2012 Series	597 Maintenance Tax Notes 2017 Series	Total Nonmajor Debt Service Funds (See Exhibit H-1)
<b>ASSETS:</b>				
1110	<i>Cash and Cash Equivalents</i>	\$ 1	\$ 161,679	\$ 161,680
1000	<b>Total Assets</b>	<u>1</u>	<u>161,679</u>	<u>161,680</u>
<b>LIABILITIES:</b>				
2000	<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3480	<i>Retirement of Long-Term Debt</i>	\$ 1	\$ 161,679	\$ 161,680
3000	<b>Total Fund Balances</b>	<u>1</u>	<u>161,679</u>	<u>161,680</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1</u>	<u>\$ 161,679</u>	<u>\$ 161,680</u>



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	595 Maintenance Tax Notes 2012 Series	597 Maintenance Tax Notes 2017 Series	Total Nonmajor Debt Service Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 3,270	\$ --	\$ 3,270
5020 <i>Total Revenues</i>	<u>3,270</u>	<u>--</u>	<u>3,270</u>
<b>EXPENDITURES:</b>			
0071 <i>Principal on Long-term Debt</i>	450,000	35,000	485,000
0072 <i>Interest on Long-term Debt</i>	6,750	65,921	72,671
6030 <i>Total Expenditures</i>	<u>456,750</u>	<u>100,921</u>	<u>557,671</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>(453,480)</u>	<u>(100,921)</u>	<u>(554,401)</u>
<i>Other Financing Sources and (Uses):</i>			
7915 <i>Transfers In</i>	453,481	72,013	525,494
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>453,481</u>	<u>72,013</u>	<u>525,494</u>
1200 <i>Net Change in Fund Balances</i>	<u>1</u>	<u>(28,908)</u>	<u>(28,907)</u>
0100 <i>Fund Balances - Beginning</i>	--	190,587	190,587
3000 <i>Fund Balances - Ending</i>	<u>\$ 1</u>	<u>\$ 161,679</u>	<u>\$ 161,680</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT***COMBINING BALANCE SHEET**NONMAJOR CAPITAL PROJECTS FUNDS**JUNE 30, 2020*

Data Control Codes		614 2014 Bond Projects	698 Bus Fleet & MLC Renov Acq	Total Nonmajor Capital Projects Funds (See Exhibit H-1)
<b>ASSETS:</b>				
1110	<i>Cash and Cash Equivalents</i>	\$ --	\$ 2,807	\$ 2,807
1000	<b>Total Assets</b>	<u>--</u>	<u>2,807</u>	<u>2,807</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2170	<i>Due to Other Funds</i>	\$ --	\$ 2,558	\$ 2,558
2000	<b>Total Liabilities</b>	<u>--</u>	<u>2,558</u>	<u>2,558</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3470	<i>Capital Acquisitions &amp; Contractual Obligations</i>	--	249	249
3000	<b>Total Fund Balances</b>	<u>--</u>	<u>249</u>	<u>249</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ --</u>	<u>\$ 2,807</u>	<u>\$ 2,807</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	614 2014 Bond Projects	698 Bus Fleet & MLC Renov Acq	Total Nonmajor Capital Projects Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 813	\$ 249	\$ 1,062
5020 <i>Total Revenues</i>	<u>813</u>	<u>249</u>	<u>1,062</u>
<b>EXPENDITURES:</b>			
0081 <i>Capital Outlay</i>	38,764	--	38,764
6030 <i>Total Expenditures</i>	<u>38,764</u>	<u>--</u>	<u>38,764</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>(37,951)</u>	<u>249</u>	<u>(37,702)</u>
<i>Other Financing Sources and (Uses):</i>			
8911 <i>Transfers Out</i>	(49)	--	(49)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>(49)</u>	<u>--</u>	<u>(49)</u>
1200 <i>Net Change in Fund Balances</i>	<u>(38,000)</u>	<u>249</u>	<u>(37,751)</u>
0100 <i>Fund Balances - Beginning</i>	38,000	--	38,000
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ 249</u>	<u>\$ 249</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2020

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
<b>ASSETS:</b>				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 10,432	\$ 12,461	\$ 18,627
Receivables:				
1290	Other Receivables (net)	597	--	--
	Total Current Assets	11,029	12,461	18,627
1000	Total Assets	11,029	12,461	18,627
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 1,621	\$ --	\$ --
2150	Payroll Deduction & Withholdings	110	1,101	4,179
2160	Accrued Wages Payable	2,950	8,663	14,020
2170	Due to Other Funds	4,652	2,697	428
2300	Unearned Revenues	1,696	--	--
	Total Current Liabilities	11,029	12,461	18,627
2000	Total Liabilities	11,029	12,461	18,627
<b>NET POSITION:</b>				
3000	Total Net Position	\$ --	\$ --	\$ --

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-1)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	
\$ 3,130	\$ 20,201	\$ 238	\$ 65,089
434	--	--	1,031
3,564	20,201	238	66,120
3,564	20,201	238	66,120
\$ --	\$ --	\$ --	\$ 1,621
--	3,361	253	9,004
--	14,868	--	40,501
3,564	1,972	(15)	13,298
--	--	--	1,696
3,564	20,201	238	66,120
3,564	20,201	238	66,120
\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
<b>OPERATING REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 46,536	\$ 186,035	\$ --
5800	State Program Revenues	2,831	18,532	43,457
5020	Total Revenues	49,367	204,567	43,457
<b>OPERATING EXPENSES:</b>				
6100	Payroll Costs	49,136	177,725	139,947
6200	Professional and Contracted Services	2,863	4,062	17,953
6300	Supplies and Materials	4,912	6,993	3,142
6400	Other Operating Costs	432	105	683
6030	Total Expenses	57,343	188,885	161,725
	Income (Loss) before Contributions and Transfers	(7,976)	15,682	(118,268)
7915	Transfers In	7,976	--	118,268
8911	Transfers Out	--	(15,682)	--
1300	Change in Net Position	--	--	--
0100	Total Net Position - Beginning	--	--	--
3300	Total Net Position - Ending	\$ --	\$ --	\$ --

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-2)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	
\$ 44,880	\$ 99,015	\$ 34,610	\$ 411,076
--	18,508	14,342	97,670
44,880	117,523	48,952	508,746
47,970	163,610	162,286	740,674
--	1,000	7,061	32,939
679	16,116	8,102	39,944
3,342	300	600	5,462
51,991	181,026	178,049	819,019
(7,111)	(63,503)	(129,097)	(310,273)
7,111	63,503	129,097	325,955
--	--	--	(15,682)
--	--	--	--
--	--	--	--
\$ --	\$ --	\$ --	\$ --

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Summer Recreation	After School Program	Cubhouse Students
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 46,039	\$ 186,035	\$ --
Cash Received from Grants	(3,685)	18,532	43,457
Cash Payments to Employees	(54,963)	(177,651)	(137,478)
Cash Payments to Suppliers for Goods and Services	(9,492)	(12,486)	(20,538)
Net Cash Provided (Used) by Operating Activities	<u>(22,101)</u>	<u>14,430</u>	<u>(114,559)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers From (To) Other Funds	7,976	(15,682)	118,268
Net Cash Provided (Used) by Non-capital Financing Activities	<u>7,976</u>	<u>(15,682)</u>	<u>118,268</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,125)	(1,252)	3,709
Cash and Cash Equivalents at Beginning of Year	24,557	13,713	14,918
Cash and Cash Equivalents at End of Year	<u>\$ 10,432</u>	<u>\$ 12,461</u>	<u>\$ 18,627</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (7,976)	\$ 15,682	\$ (118,268)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	--	--	--
Provision for Uncollectible Accounts	--	--	--
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(497)	--	--
Decrease (Increase) in Interfund Receivables	--	--	812
Decrease (Increase) in Unrealized Expenses	--	--	--
Increase (Decrease) in Accounts Payable	(1,285)	--	--
Increase (Decrease) in Payroll Deductions	96	(114)	900
Increase (Decrease) in Accrued Wages Payable	(92)	188	1,569
Increase (Decrease) in Interfund Payables	(5,799)	(1,326)	428
Increase (Decrease) in Unearned Revenue	(6,548)	--	--
Total Adjustments	<u>(14,125)</u>	<u>(1,252)</u>	<u>3,709</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (22,101)</u>	<u>\$ 14,430</u>	<u>\$ (114,559)</u>



GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 60,282	\$ 99,015	\$ 34,610	\$ 425,981
--	18,508	13,602	90,414
(50,993)	(163,478)	(162,806)	(747,369)
(4,073)	(17,417)	(16,183)	(80,189)
<u>5,216</u>	<u>(63,372)</u>	<u>(130,777)</u>	<u>(311,163)</u>
7,111	63,503	129,097	310,273
<u>7,111</u>	<u>63,503</u>	<u>129,097</u>	<u>310,273</u>
12,327	131	(1,680)	(890)
(9,197)	20,070	1,918	65,979
<u>\$ 3,130</u>	<u>\$ 20,201</u>	<u>\$ 238</u>	<u>\$ 65,089</u>
\$ (7,111)	\$ (63,503)	\$ (129,097)	\$ (310,273)
--	--	--	--
--	--	--	--
15,402	--	--	14,905
--	--	--	812
--	--	--	--
(301)	--	(405)	(1,991)
--	(83)	178	977
(3,023)	215	(698)	(1,841)
249	(1)	(15)	(6,464)
--	--	(740)	(7,288)
<u>12,327</u>	<u>131</u>	<u>(1,680)</u>	<u>(890)</u>
<u>\$ 5,216</u>	<u>\$ (63,372)</u>	<u>\$ (130,777)</u>	<u>\$ (311,163)</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED JUNE 30, 2020

EXHIBIT H-12

Data Control Codes	97 Balance July 1, 2019	5030 Additions	6050 Deductions	98 Balance June 30, 2020
<b>Noncentralized Activity Funds:</b>				
<b>ASSETS</b>				
Cash & Temporary Investments	\$ 94,831	\$ 598,804	\$ 583,654	\$ 109,981
Due from Other Funds	6,019	--	6,019	--
Total Assets	<u>\$ 100,850</u>	<u>\$ 598,804</u>	<u>\$ 589,673</u>	<u>\$ 109,981</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 15,152	\$ 231,778	\$ 241,382	\$ 5,548
Due to Other Funds	--	8,865	8,865	--
Due to Student Groups	85,698	343,011	324,276	104,433
Total Liabilities	<u>\$ 100,850</u>	<u>\$ 583,654</u>	<u>\$ 574,523</u>	<u>\$ 109,981</u>

### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2020*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2011 and Prior Years	\$	Various	\$	Various	\$	Various
2012		1.04		.1482		972,780,008
2013		1.04		.1468		995,561,910
2014		1.04		.1395		1,036,856,855
2015		1.04		.3891		1,055,788,818
2016		1.04		.2905		1,050,678,392
2017		1.04		.2924		1,100,291,396
2018		1.04		.2924		1,230,861,929
2019		1.04		.2924		1,360,183,381
2020 (School Year Under Audit)		.97		.2924		1,608,178,491

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 7/1/19	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/20
\$ 331,271	\$ --	\$ 12,317	\$ 1,936	\$ --	\$ 317,018
54,354	--	2,234	318	--	51,802
63,425	--	3,183	449	--	59,793
68,638	--	7,762	1,041	--	59,835
115,559	--	14,165	5,300	--	96,094
112,003	--	13,968	3,902	(1,154)	92,979
158,410	--	28,516	8,016	(4,374)	117,504
335,405	--	107,132	30,116	(16,748)	181,409
797,230	--	269,149	75,661	(75,620)	376,800
--	20,301,002	14,813,167	4,464,200	43,913	1,067,548
<u>\$ 2,036,295</u>	<u>\$ 20,301,002</u>	<u>\$ 15,271,593</u>	<u>\$ 4,590,939</u>	<u>\$ (53,983)</u>	<u>\$ 2,420,782</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT J-2

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 273,200	\$ 279,682	\$ 6,482
5800	State Program Revenues	21,951	21,950	(1)
5900	Federal Program Revenues	4,275,619	4,833,643	558,024
5020	Total Revenues	4,570,770	5,135,275	564,505
	<b>EXPENDITURES:</b>			
	Current:			
	Support Services - Student (Pupil):			
0034	Student (Pupil) Transportation	249,795	249,795	--
0035	Food Services	3,951,682	4,127,947	(176,265)
	Total Support Services - Student (Pupil)	4,201,477	4,377,742	(176,265)
	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	184,793	176,939	7,854
	Total Support Services - Nonstudent Based	184,793	176,939	7,854
6030	Total Expenditures	4,386,270	4,554,681	(168,411)
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	184,500	580,594	396,094
1200	Net Change in Fund Balance	184,500	580,594	396,094
0100	Fund Balance - Beginning	--	859,443	859,443
3000	Fund Balance - Ending	\$ 184,500	\$ 1,440,037	\$ 1,255,537

# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

MAINTENANCE TAX NOTE-2012 SERIES  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 2,500	\$ 3,270	\$ 770
5020	Total Revenues	2,500	3,270	770
EXPENDITURES:				
Debt Service:				
0071	Principal on Long-Term Debt	450,000	450,000	--
0072	Interest on Long-Term Debt	13,500	6,750	6,750
	Total Debt Service	463,500	456,750	6,750
6030	Total Expenditures	463,500	456,750	6,750
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(461,000)	(453,480)	7,520
Other Financing Sources (Uses):				
7915	Transfers In	461,000	453,481	(7,519)
7080	Total Other Financing Sources and (Uses)	461,000	453,481	(7,519)
1200	Net Change in Fund Balance	--	1	1
0100	Fund Balance - Beginning	--	--	--
3000	Fund Balance - Ending	\$ --	\$ 1	\$ 1

# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

MAINTENANCE TAX NOTES-2017 SERIES  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 200	\$ --	\$ (200)
5020	Total Revenues	200	--	(200)
<b>EXPENDITURES:</b>				
Debt Service:				
0071	Principal on Long-Term Debt	35,000	35,000	--
0072	Interest on Long-Term Debt	77,736	65,921	11,815
	Total Debt Service	112,736	100,921	11,815
6030	Total Expenditures	112,736	100,921	11,815
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(112,536)	(100,921)	11,615
Other Financing Sources (Uses):				
7915	Transfers In	274,215	72,013	(202,202)
7080	Total Other Financing Sources and (Uses)	274,215	72,013	(202,202)
1200	Net Change in Fund Balance	161,679	(28,908)	(190,587)
0100	Fund Balance - Beginning	--	190,587	190,587
3000	Fund Balance - Ending	\$ 161,679	\$ 161,679	\$ --



# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 4,757,166	\$ 4,759,889	\$ 2,723
5800	State Program Revenues	1,031,842	1,021,275	(10,567)
5020	Total Revenues	5,789,008	5,781,164	(7,844)
	<b>EXPENDITURES:</b>			
	Debt Service:			
0071	Principal on Long-Term Debt	2,090,000	2,090,000	--
0072	Interest on Long-Term Debt	3,615,208	3,055,207	560,001
0073	Bond Issuance Costs and Fees	10,000	15,633	(5,633)
	Total Debt Service	5,715,208	5,160,840	554,368
6030	Total Expenditures	5,715,208	5,160,840	554,368
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	73,800	620,324	546,524
	Other Financing Sources (Uses):			
7915	Transfers In	49	49	--
8940	Payment to Bond Refunding Escrow Agent	(1,444,505)	(1,435,217)	9,288
7080	Total Other Financing Sources and (Uses)	(1,444,456)	(1,435,168)	9,288
1200	Net Change in Fund Balance	(1,370,656)	(814,844)	555,812
0100	Fund Balance - Beginning	--	6,024,478	6,024,478
3000	Fund Balance - Ending	\$ (1,370,656)	\$ 5,209,634	\$ 6,580,290

**West, Davis & Company, LLP**  
11824 Jollyville Road, Suite 100  
Austin, Texas 78759

Independent Auditors' Report on Internal Control over Financial Reporting and  
On Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*

Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Lockhart Independent School District's basic financial statements, and have issued our report thereon dated November 11, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lockhart Independent School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lockhart Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lockhart Independent School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lockhart Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "West, Davis & Company".

West, Davis & Company, LLP  
Austin, Texas  
November 11, 2020

**West, Davis & Company, LLP**  
11824 Jollyville Road, Suite 100  
Austin, Texas 78759

Independent Auditors' Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

Members of the Board of Trustees:

**Report on Compliance for Each Major Federal Program**

We have audited the Lockhart Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lockhart Independent School District's major federal programs for the year ended June 30, 2020. Lockhart Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lockhart Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lockhart Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lockhart Independent School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Lockhart Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of the Lockhart Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lockhart Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lockhart Independent School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



West, Davis & Company, LLP  
Austin, Texas  
November 11, 2020

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2020

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	ESEA Title I Part A-Improving Basic Programs
10.558	Child and Adult Care Food Program
84.424A	Title IV, Part A, Subpart 1

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes        No

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

# LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT K-1

Page 1 of 2

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	71402001	\$	\$ 1,388,982
National School Lunch Program (Non-cash)	10.555	028-902	--	284,913
National School Lunch Program	10.555	71302001	--	2,308,518
Total CFDA Number 10.555			--	2,593,431
Total Passed Through State Department of Education			--	3,982,413
Total U. S. Department of Agriculture			--	3,982,413
Total Child Nutrition Cluster			--	3,982,413
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
IDEA-B Formula	84.027A	1966000102890	--	80,571
IDEA-B Formula	84.027A	2066000102890	--	1,230,368
SSA IDEA-B Discretionary	84.027A	66001715	--	--
IDEA-B Discretionary	84.027A	66002006	--	63,004
Total CFDA Number 84.027A			--	1,373,943
IDEA-B Preschool	84.173A	2066100102890	--	27,954
Total Passed Through State Department of Education			--	1,401,897
Total U. S. Department of Education			--	1,401,897
Total Special Education (IDEA) Cluster			--	1,401,897
<b>OTHER PROGRAMS:</b>				
<u>U. S. Department of Education</u>				
Direct Program:				
ESEA Title I Part C - Education of Migratory Children	84.011	028-902	--	--
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010A	1961010102890	--	74,577
ESEA Title I Part A - Improving Basic Programs	84.010A	2061010102890	--	834,435
Total CFDA Number 84.010A			--	909,012
Vocational Education - Basic Grant	84.048A	2042000602890	--	54,408
ESEA Title X Part C - Education for Homeless Children and Youth	84.196	028-902	--	--
ESEA Title X Part C - Education for Homeless Children and Youth	84.196	028-902	--	3,996
Total CFDA Number 84.196			--	3,996
Title IV Part B21st Century Community Learning Centers	84.287C	1969502671100	--	36,497
Title IV Part B21st Century Community Learning Centers	84.287C	2069502671100	--	337,648
Total CFDA Number 84.287C			--	374,145
Title III Part A English Language Acquisition and Language Enhance	84.365A	1967100102890	--	13,869
Title III Part A English Language Acquisition and Language Enhance	84.365A	2067100102890	--	112,034
Total CFDA Number 84.365A			--	125,903
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	1069450102890	--	127,139
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	1969450102890	--	11,707
Total CFDA Number 84.367A			--	138,846

# LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT K-1

Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients  Federal Expenditures
<i>Limited English Proficient Summer School</i>	84.369A	69551902	-- 20,915
<i>Title IV, Part A, Subpart 1</i>	84.424A	1969551902	-- 18,890
<i>Title IV, Part A, Subpart 1</i>	84.424A	2069551902	\$ -- \$ 30,058
Total CFDA Number 84.424A			\$ -- \$ 48,948
<i>CARES Act Coronavirus Relief Fund (CRF) - ESSER</i>	84.425d	2052100102890	-- 533,948
Total Passed Through State Department of Education			-- 2,210,121
Passed Through The University of Texas at Austin:			
<i>GEAR UP</i>	84.334A	P334A170079	-- 55,648
<i>GEAR UP</i>	84.334A	P334A180067	-- 64,227
<i>GEAR UP</i>	84.334A	P334A180067	-- 167,464
<i>Gear Up Grant #2</i>	84.334A	P334A190067	-- 142
<i>GEAR UP</i>	84.334A	P334A190079	-- 158,942
Total CFDA Number 84.334A			-- 446,423
Total Passed Through The University of Texas at Austin			-- 446,423
Total U. S. Department of Education			-- 2,656,544
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Agriculture:			
Child and Adult Care Food Program	10.558	028-902	-- 851,231
Total U. S. Department of Agriculture			-- 851,231
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -- \$ 8,892,085

The accompanying notes are an integral part of this schedule.



**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Lockhart Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Lockhart Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**LOCKHART INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2020*

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the school district is considered <b>to not have made</b> timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ --

# STATISTICAL SECTION

This part of the Lockhart Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	113
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	117
<i>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.</i>	
Debt Capacity	128
<i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	133
<i>These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	136
<i>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## LOCKHART INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(IN THOUSANDS OF DOLLARS)

	Fiscal Year			
	2011	2012	2013	2014
Primary Government				
Net Investment in Capital Assets	\$ 4,577	\$ 4,014	\$ 6,487	\$ 6,682
Restricted	2,578	2,774	3,456	3,982
Campus Activities	--	--	--	--
Unrestricted	13,607	14,996	11,555	12,856
Total Primary Government Net Position	<u>\$ 20,762</u>	<u>\$ 21,784</u>	<u>\$ 21,498</u>	<u>\$ 23,520</u>

TABLE L-1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 7,356	\$ 14,345	\$ 14,095	\$ 16,009	\$ 13,050	\$ 12,007
5,403	5,521	6,067	5,967	6,245	6,885
--	--	--	--	66	67
7,331	1,223	740	(20,404)	(19,831)	(19,641)
<u>\$ 20,090</u>	<u>\$ 21,089</u>	<u>\$ 20,902</u>	<u>\$ 1,572</u>	<u>\$ (470)</u>	<u>\$ (682)</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 23,811,319	\$ 23,126,939	\$ 23,550,568	\$ 24,767,625
Instructional Resources & Media Services	763,821	665,402	696,941	665,913
Curriculum & Staff Development	362,855	198,022	196,088	208,221
Instructional Leadership	593,199	559,929	562,175	623,622
School Leadership	2,700,025	2,670,357	2,793,717	2,869,896
Guidance, Counseling & Evaluation Svcs	1,771,468	1,594,179	1,656,732	1,739,127
Social Work Services	191,079	49,221	78,397	113,030
Health Services	408,659	412,369	374,275	426,452
Student Transportation	1,869,828	1,982,269	2,025,891	2,127,960
Food Service	2,606,953	2,996,583	3,013,114	3,202,728
Cocurricular/Extracurricular Activities	1,170,177	1,133,889	1,120,391	1,425,266
General Administration	1,428,539	1,381,121	1,385,684	1,621,938
Plant Maintenance & Operations	4,052,978	4,008,165	4,031,777	4,321,452
Security & Monitoring Services	135,554	184,485	113,219	219,855
Data Processing Services	236,028	241,584	248,929	240,789
Community Services	82,489	68,720	54,114	63,198
Interest on Long-Term Debt	906,126	1,092,486	912,664	538,218
Bond Issuance Costs & Fees	53,323	95,412	114,591	5,285
Capital Outlay	--	--	--	--
Payments Related to SSA's	674,289	496,726	500,646	754,017
Other Intergovernmental Charges	241,348	247,298	268,042	287,287
Total Governmental Activities Expenses	44,060,057	43,205,156	43,697,955	46,221,879
Total Primary Government Expenses	\$ 44,060,057	\$ 43,205,156	\$ 43,697,955	\$ 46,221,879
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	\$ --	\$ --	\$ --	\$ --
Curriculum & Staff Development	--	--	--	--
Instructional Leadership	--	--	--	--
Guidance, Counseling & Evaluation Svcs	--	--	--	--
Student Transportation	--	--	--	--
Food Services	563,452	642,242	477,744	458,179
Cocurricular/Extracurricular Activities	113,200	105,685	106,531	104,567
General Administration	--	--	--	--
Plant Maintenance & Operations	47,738	65,323	71,151	89,028
Security & Monitoring Services	473	670	325	228
Community Services	--	--	--	--
Other Activities	--	--	--	--
Operating Grants and Contributions	8,516,794	6,608,929	6,765,028	6,986,883
Total Governmental Activities Program Rev.	9,241,657	7,422,849	7,420,779	7,638,885
Total Primary Government Program Rev.	9,241,657	7,422,849	7,420,779	7,638,885
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)	\$ (38,582,994)
Total Primary Government Net Expense	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)	\$ (38,582,994)

TABLE L-2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 26,836,890	\$ 29,129,813	\$ 31,313,283	\$ 23,317,881	\$ 36,755,001	\$ 40,329,751
691,780	718,093	790,158	592,088	778,049	740,451
362,660	442,361	667,962	739,664	986,288	907,316
738,348	731,929	705,170	572,442	963,224	910,432
2,765,342	3,254,546	3,360,237	2,197,030	3,474,410	3,711,623
1,789,186	1,915,436	1,888,007	1,375,052	2,239,935	2,769,094
114,788	121,420	167,429	173,530	191,921	206,353
449,124	467,290	472,680	353,123	584,491	689,761
2,174,699	1,947,846	2,271,603	2,789,253	3,136,283	3,130,170
3,183,623	3,219,733	3,532,495	3,130,521	3,815,492	4,306,789
1,405,619	1,452,000	1,646,960	1,210,738	1,707,932	1,651,994
2,303,973	2,057,187	2,061,212	1,741,417	2,771,648	2,681,006
4,523,846	5,139,411	5,039,892	4,016,322	5,782,889	6,261,074
122,069	159,028	186,313	208,345	349,282	327,906
195,125	341,502	448,059	435,339	663,905	901,539
54,456	26,944	59,428	59,986	19,078	100,661
2,613,218	2,963,302	2,916,359	3,055,185	3,061,515	2,885,943
730	7,455	6,050	55,351	6,177	15,633
--	--	--	--	--	--
848,986	847,369	784,554	782,590	847,498	1,420,482
287,784	328,103	319,083	328,694	339,437	374,024
51,462,246	55,270,768	58,636,934	47,134,551	68,474,455	74,322,002
\$ 51,462,246	\$ 55,270,768	\$ 58,636,934	\$ 47,134,551	\$ 68,474,455	\$ 74,322,002
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
413,259	408,364	398,290	350,762	426,831	236,020
104,770	128,880	120,502	89,864	83,460	93,470
--	--	--	--	--	--
90,662	64,903	42,752	48,982	92,207	58,571
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
7,048,607	7,301,147	7,853,010	828,205	--	11,693,339
7,657,298	7,903,294	8,414,554	1,317,813	602,498	12,081,400
7,657,298	7,903,294	8,414,554	1,317,813	602,498	12,081,400
\$ (43,804,948)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (67,871,957)	\$ (62,240,602)
\$ (43,804,948)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (67,871,957)	\$ (62,240,602)

**LOCKHART INDEPENDENT SCHOOL DISTRICT***GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION**LAST TEN FISCAL YEARS**(ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year			
	2011	2012	2013	2014
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)	\$ (38,582,994)
Total Primary Government Net Expense	<u>(34,818,400)</u>	<u>(35,782,307)</u>	<u>(36,277,176)</u>	<u>(38,582,994)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	9,424,259	10,557,885	10,304,215	10,942,480
Levied for Debt Service	1,408,009	1,513,478	1,442,407	1,473,590
Investment Earnings	87,638	86,710	67,241	59,676
Unrestricted Grants and Contributions	24,228,545	24,071,720	24,169,043	27,212,317
Miscellaneous	642,153	574,754	904,109	916,656
Total Governmental Activities	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>	<u>40,604,719</u>
Total Primary Government	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>	<u>40,604,719</u>
<b>Change in Net Position</b>				
Governmental Activities	972,204	1,022,240	609,839	2,021,725
Total Primary Government	<u>\$ 972,204</u>	<u>\$ 1,022,240</u>	<u>\$ 609,839</u>	<u>\$ 2,021,725</u>



TABLE L-3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (43,806,343)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (57,981,109)	\$ (62,240,602)
<u>(43,806,343)</u>	<u>(47,367,474)</u>	<u>(50,222,380)</u>	<u>(45,816,738)</u>	<u>(57,981,109)</u>	<u>(62,240,602)</u>
11,206,272	11,016,253	11,864,875	12,968,573	14,359,509	15,750,406
4,117,021	3,055,997	3,259,897	3,624,442	4,003,239	4,732,542
186,095	385,185	278,137	419,464	470,584	416,634
29,777,819	32,320,360	33,477,563	35,319,591	35,854,643	39,113,647
1,118,321	1,587,520	2,054,716	2,087,837	1,250,706	2,324,073
<u>46,405,528</u>	<u>48,365,315</u>	<u>50,935,188</u>	<u>54,419,907</u>	<u>55,938,681</u>	<u>62,337,302</u>
<u>46,405,528</u>	<u>48,365,315</u>	<u>50,935,188</u>	<u>54,419,907</u>	<u>55,938,681</u>	<u>62,337,302</u>
2,599,185	997,841	712,808	8,603,169	(2,042,428)	96,700
<u>\$ 2,599,185</u>	<u>\$ 997,841</u>	<u>\$ 712,808</u>	<u>\$ 8,603,169</u>	<u>\$ (2,042,428)</u>	<u>\$ 96,700</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	--	--	--	--	--
Nonspendable					
Inventories	4,005	3,339	--	--	--
Committed					
Construction	552,420	2,245,945	1,017,202	450,000	443,574
Capital Expenditures	154,000	--	--	--	--
Other Committed	--	21,740	280,777	3,057,211	3,968,856
Unassigned	13,413,682	12,373,924	11,453,140	10,214,448	10,443,865
Total General Fund	<u>\$ 14,124,107</u>	<u>\$ 14,644,948</u>	<u>\$ 12,751,119</u>	<u>\$ 13,721,659</u>	<u>\$ 14,856,295</u>
All Other Governmental Funds					
Reserved					
Special Revenue Funds					
Federal & State Programs	\$ --	\$ --	\$ --	\$ --	\$ --
Other - Special Revenue	--	--	--	--	--
Food Service	--	--	--	--	--
Capital Acquisitions	--	--	--	--	--
Debt Service	--	--	--	--	--
Unreserved					
State & Federal Programs	--	--	--	--	--
Restricted					
Federal/State Grant Restrictions	385,339	543,347	725,404	955,554	929,401
Capital Acquisitions & Contractual Obligations	16,466	--	--	--	59,062,983
Retirement of Long-Term Debt	2,440,499	2,621,818	2,664,530	2,900,295	4,414,486
Other Restrictions of Fund Balance	81,434	96,652	103,191	130,600	114,541
Committed					
Other Committed	--	--	43,184	104,018	302,700
Total All Other Governmental Funds	<u>\$ 2,923,738</u>	<u>\$ 3,261,817</u>	<u>\$ 3,536,309</u>	<u>\$ 4,090,467</u>	<u>\$ 64,824,111</u>
Total All Governmental Funds	<u>\$ 17,047,845</u>	<u>\$ 17,906,765</u>	<u>\$ 16,287,428</u>	<u>\$ 17,812,126</u>	<u>\$ 79,680,406</u>

Note: With the implementaion of GASB #54 the nomenclature surrounding the constitution of Fund Balance changed in 2011.

TABLE L-4

Fiscal Year				
2016	2017	2018	2019	2020
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
250,000	2,876,509	2,523,133	3,000,000	4,990,240
--	--	--	--	--
1,958,657	884,602	83,443	200,579	634,525
12,595,343	11,285,985	13,285,802	13,756,220	14,408,839
\$ <u>14,804,000</u>	\$ <u>15,047,096</u>	\$ <u>15,892,378</u>	\$ <u>16,956,799</u>	\$ <u>20,033,604</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
699,045	847,719	560,172	859,443	1,440,037
27,189,722	5,591,743	2,971,968	38,000	249
4,742,964	5,128,158	5,329,582	6,215,064	5,371,314
132,619	131,209	66,403	65,851	66,656
366,797	243,714	243,714	--	--
\$ <u>33,131,147</u>	\$ <u>11,942,543</u>	\$ <u>9,171,839</u>	\$ <u>7,178,358</u>	\$ <u>6,878,256</u>
\$ <u>47,935,147</u>	\$ <u>26,989,639</u>	\$ <u>25,064,217</u>	\$ <u>24,135,157</u>	\$ <u>26,911,860</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Revenues</b>					
Local & Intermediate Sources	\$ 12,404,898	\$ 13,362,789	\$ 13,562,249	\$ 14,291,556	\$ 17,234,011
State Program Revenues	25,217,861	24,298,221	25,341,282	28,443,277	30,900,874
Federal Program Revenues	7,525,475	6,381,478	5,592,299	5,755,422	5,937,792
Total Revenues	<u>45,148,234</u>	<u>44,042,488</u>	<u>44,495,830</u>	<u>48,490,255</u>	<u>54,072,677</u>
<b>Expenditures</b>					
Instruction	22,453,863	21,649,966	22,341,780	23,445,216	25,667,253
Instructional Resources & Media Services	722,065	625,938	664,876	633,048	663,121
Curriculum & Staff Development	342,241	185,516	186,029	197,151	345,826
Instructional Leadership	559,134	524,383	533,060	590,290	706,572
School Leadership	2,545,785	2,502,315	2,649,731	2,717,540	2,645,294
Guidance, Counseling & Evaluation Svcs	1,671,724	1,492,664	1,571,036	1,645,427	1,713,426
Social Work Services	180,077	45,969	74,308	106,826	108,887
Health Services	386,172	386,853	354,905	403,663	430,143
Student Transportation	3,094,495	1,849,156	1,919,071	2,324,435	2,231,062
Food Service	2,497,766	2,798,762	2,857,560	3,037,036	3,146,880
Cocurricular/Extracurricular Activities	1,131,950	1,096,937	1,073,706	1,349,234	1,341,518
General Administration	1,346,681	1,292,733	1,313,839	1,534,712	2,194,922
Plant Maintenance & Operations	3,820,715	3,753,842	3,830,393	4,091,958	4,343,568
Security & Monitoring Services	127,782	172,529	107,471	234,154	115,895
Data Processing Services	222,488	226,227	236,020	227,956	185,360
Community Services	25,463	12,239	7,419	14,398	10,043
Principal on Long-Term Debt	1,260,000	1,269,997	1,990,000	1,920,000	2,050,000
Interest on Long-Term Debt	1,013,008	1,558,180	818,326	864,731	1,869,963
Bond Issuance Costs & Fees	1,200	83,847	90,262	5,285	730
Capital Outlay	514,391	824,228	2,578,849	359,240	5,748,711
Payments Related to SSA's	674,289	496,726	500,646	754,017	848,986
Other Intergovernmental Charges	241,348	247,298	268,042	287,287	287,784
Total Expenditures	<u>44,832,637</u>	<u>43,096,305</u>	<u>45,967,329</u>	<u>46,743,604</u>	<u>56,655,944</u>
Excess of Revenues					
Over (Under) Expenditures	315,597	946,183	(1,471,499)	1,746,651	(2,583,267)
<b>Other Financing Sources (Uses)</b>					
Capital-Related Debt					
Issued	--	2,740,000	2,930,000	--	58,500,000
Sale of Real or Personal Property	--	--	--	--	14,964
Issuance of Non-Current Debt	--	--	--	--	--
Proceeds from Capital Leases	--	--	--	--	--
Non-Current Loan Proceeds	--	--	--	--	--
Transfers In	465,990	507,716	449,022	600,566	462,087
Premium or Discount					
On Issuance of Bonds	--	198,930	187,293	--	6,084,182
Prepaid Interest	--	--	--	--	--
Other Resources	--	--	--	475	--
Transfers Out	(643,519)	(679,298)	(674,824)	(822,990)	(609,689)
Payment to Bond Refunding					
Escrow Agent	--	(2,854,611)	(3,039,329)	--	--
Other Uses	--	--	--	--	--
Total Other Financing	<u>(177,529)</u>	<u>(87,263)</u>	<u>(147,838)</u>	<u>(221,949)</u>	<u>64,451,544</u>
Net Change in Fund Balances	<u>\$ 138,068</u>	<u>\$ 858,920</u>	<u>\$ (1,619,337)</u>	<u>\$ 1,524,702</u>	<u>\$ 61,868,277</u>
Debt Service As A Percentage					
Of Noncapital Expenditures	5.1%	6.9%	6.7%	6.0%	7.7%

TABLE L-5

Fiscal Year				
2016	2017	2018	2019	2020
\$ 16,949,450	\$ 17,490,384	\$ 18,911,795	\$ 20,622,294	\$ 23,221,069
32,808,846	34,491,663	37,834,821	36,561,469	39,867,291
5,873,926	6,453,507	6,536,533	7,729,110	9,232,999
<u>55,632,222</u>	<u>58,435,554</u>	<u>63,283,149</u>	<u>64,912,873</u>	<u>72,321,359</u>
26,780,411	28,345,147	30,118,736	31,126,847	33,795,414
655,513	733,010	693,801	660,282	614,035
406,470	607,013	833,457	838,393	771,121
674,258	645,743	766,110	834,793	786,318
2,931,898	3,003,332	2,948,861	2,882,084	3,062,329
1,759,956	1,721,684	1,818,178	1,952,746	2,375,924
112,675	152,474	170,377	170,257	184,306
425,064	428,546	468,529	490,533	576,691
1,945,251	2,087,285	2,580,065	3,556,143	2,878,074
3,496,246	3,493,029	3,637,969	3,700,107	4,141,369
1,342,195	1,550,541	1,414,720	1,564,210	1,718,237
1,870,799	1,852,902	2,109,836	2,369,893	2,252,830
4,723,583	4,572,146	4,712,063	5,098,054	5,148,052
231,551	357,073	257,415	333,231	292,324
311,674	405,229	493,317	583,329	770,476
6,532	44,573	17,986	35,023	40,698
2,090,000	2,360,000	1,888,863	2,849,725	2,646,030
3,340,304	3,277,516	3,818,513	3,846,521	3,127,878
7,455	6,050	55,351	6,177	15,633
33,051,734	22,510,695	9,312,654	1,678,738	902,244
847,369	784,554	782,590	847,498	1,420,482
328,103	319,083	328,694	339,437	374,024
<u>87,339,041</u>	<u>79,257,625</u>	<u>69,228,085</u>	<u>65,764,021</u>	<u>67,894,489</u>
(31,706,819)	(20,822,071)	(5,944,936)	(851,148)	4,426,870
--	--	--	--	--
29,944	4,432	705,765	463	94,178
--	--	3,670,000	--	--
--	--	236,394	--	--
--	--	--	--	--
460,855	460,843	525,496	546,472	525,543
--	--	--	--	--
8,392	--	--	--	--
--	--	--	--	--
(537,759)	(588,357)	(623,422)	(624,846)	(835,816)
--	--	(494,721)	--	(1,435,217)
--	--	--	--	--
<u>(38,568)</u>	<u>(123,082)</u>	<u>4,019,512</u>	<u>(77,911)</u>	<u>(1,651,312)</u>
\$ <u>(31,745,387)</u>	\$ <u>(20,945,153)</u>	\$ <u>(1,925,424)</u>	\$ <u>(929,059)</u>	\$ <u>2,775,558</u>
10.0%	9.9%	9.6%	10.5%	8.6%

**LOCKHART INDEPENDENT SCHOOL DISTRICT**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2011	455,430,540	86,491,452	63,658,435	384,824,460	91,546,890	898,857,997
2012	436,822,511	88,370,466	65,286,710	480,647,811	98,347,410	972,780,088
2013	465,288,836	97,168,686	70,024,320	446,868,718	83,789,050	995,561,510
2014	466,518,213	101,736,475	71,068,480	336,881,135	87,401,039	1,063,605,342
2015	460,649,870	104,122,828	79,549,780	339,809,316	110,607,020	1,094,738,814
2016	453,305,400	108,683,415	75,737,390	310,384,293	112,794,291	1,060,904,789
2017	469,393,839	111,598,571	81,376,230	358,839,069	114,148,288	1,135,355,997
2018	519,864,266	128,595,445	81,405,700	405,054,221	140,014,811	1,274,934,443
2019	618,825,726	143,216,332	81,514,490	426,437,424	144,298,796	1,414,292,768
2020	649,042,050	153,678,918	81,422,170	643,309,653	150,247,737	1,677,700,528

Source: Caldwell County Appraisal District

TABLE L-6

<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
1.1948	827,929,833	108.567%
1.1882	898,655,081	108.248%
1.1868	915,664,816	108.726%
1.1795	953,331,094	111.567%
1.4291	978,567,198	111.872%
1.3305	958,658,962	110.666%
1.3324	1,013,351,519	112.040%
1.3324	1,133,521,437	112.476%
1.3324	1,253,285,112	112.847%
1.2624	1,481,556,050	113.239%

TABLE L-7

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

Fiscal Year	District Direct Rates			Overlapping Rates	
	General Purposes	Capital Purposes	Total	Caldwell County	City of Lockhart
2011	1.0400	0.1548	1.1948	0.6909	0.7292
2012	1.0400	0.1482	1.1882	0.6908	0.7228
2013	1.0400	0.1468	1.1868	0.6907	0.7227
2014	1.0400	0.1395	1.1795	0.6906	0.7227
2015	1.0400	0.3891	1.4291	0.6905	0.7227
2016	1.0400	0.2905	1.3305	0.7174	0.7333
2017	1.0400	0.2924	1.3324	0.7752	0.7333
2018	1.0400	0.2924	1.3324	0.7752	0.7260
2019	1.0400	0.2924	1.3324	0.7752	0.7107
2020	0.9700	0.2924	1.2624	0.7430	0.6842

Source: Caldwell County Appraisal District and District Records



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>Current</u>			<u>Nine Years Ago</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>
LCRA Transmission Srv Corp	\$ 33,127,870	1	2.24%	\$ 25,374,570	1	2.74%
Wal-mart Stores Texas LP	9,027,430	2	0.61%			
Bluebonnet Electric Cooperative	8,735,650	3	0.59%	4,179,330	7	0.45%
Union Pacific RR Company	8,671,900	4	0.59%	4,099,240	8	0.44%
Economy Realty Ltd	7,637,710	5	0.52%	6,249,180	3	0.67%
Echostar Broadcasting Corp	6,745,270	6	0.46%			
North South Oil LLC	5,930,577	7	0.40%			
Lockhart DMA Housing LLC	5,100,000	8	0.34%	3,974,890	10	0.43%
H.E. Butt Grocery	4,984,010	9	0.34%			
Walmart Properties, Inc.	4,474,210	10	0.30%			
TJ Lambert Construction				11,960,470	2	1.29%
Flint Hills Resources	--	--	--	5,349,690	4	0.58%
Lockhart Golden Age Home	--	--	--	4,876,240	5	0.53%
Dormae Products	--	--	--	4,260,160	6	0.46%
Southwestern Bell Telephone	--	--	--	4,037,630	9	0.44%
Total	<u>\$ 94,434,627</u>		<u>6.39%</u>	<u>\$ 74,361,400</u>		<u>8.03%</u>

Source: Caldwell County Appraisal District, Texas Municipal Reports, and District Records

TABLE L-9

**LOCKHART INDEPENDENT SCHOOL DISTRICT**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	10,739,555	9,963,142	92.77%	634,995	10,598,137	98.68%
2012	11,558,573	10,930,905	94.57%	593,606	11,524,511	99.71%
2013	11,815,324	11,142,905	94.31%	573,819	11,716,724	99.17%
2014	12,229,727	11,598,971	94.84%	518,999	12,117,970	99.09%
2015	15,088,278	14,240,485	94.38%	704,569	14,945,054	99.05%
2016	13,979,276	13,288,416	95.06%	541,196	13,829,612	98.93%
2017	14,659,842	13,974,566	95.33%	464,214	14,438,780	98.49%
2018	16,399,512	15,653,418	95.45%	473,017	16,126,435	98.33%
2019	18,122,539	17,272,203	95.31%	344,809	17,617,012	97.21%
2020	20,301,002	19,277,367	94.96%	--	19,277,367	94.96%

Source: Caldwell County Appraisal District, District Records

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Total Debt	Percentage of Actual Taxable Value of Property	Debt Per Capita	Debt As a % of Personal Income
2011	17,789,498	2.40%	467	1.74%
2012	19,698,182	2.37%	512	1.91%
2013	18,040,458	2.11%	466	1.61%
2014	19,283,555	2.04%	485	1.62%
2015	87,407,414	7.88%	2,161	6.90%
2016	84,210,508	7.24%	2,045	6.50%
2017	80,687,089	6.96%	1,902	5.93%
2018	80,842,487	6.51%	1,869	5.55%
2019	71,370,674	6.03%	1,650	4.90%
2020	67,936,032	4.26%	1,571	4.67%

Source: District Records and Bureau of Economic Analysis

Source: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value, net of premiums, discounts and adjustments.

Fiscal Year	Total Debt	Premium	Less Restricted for Debt Service	Total
2011	23,229,997	--	5,440,499	17,789,498
2012	22,320,000	--	2,621,818	19,698,182
2013	20,704,988	--	2,664,530	18,040,458
2014	23,296,032	657,920	4,670,397	19,283,555
2015	85,502,343	6,319,556	4,414,485	87,407,414
2016	83,056,462	5,897,010	4,742,964	84,210,508
2017	80,340,786	5,474,461	5,128,158	80,687,089
2018	80,910,269	5,272,958	5,340,740	80,842,487
2019	72,325,000	5,070,152	6,024,478	71,370,674
2020	68,440,000	4,867,345	5,371,313	67,936,032

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
 RATIOS OF DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

Fiscal Year	Total Debt	Percentage of Actual Taxable Value of Property	Debt As a % Personal Income	Per Capita
2011	17,789,498	2.15%	1.86%	1,260
2012	19,698,182	2.19%	2.06%	1,167
2013	18,040,458	1.97%	1.61%	904
2014	19,283,555	2.02%	1.62%	758
2015	87,407,414	8.93%	6.90%	2,828
2016	84,210,508	8.78%	6.50%	2,468
2017	80,687,089	7.96%	5.93%	2,285
2018	80,842,487	7.13%	5.55%	2,285
2019	71,370,674	5.69%	4.90%	2,253
2020	67,936,032	4.59%	4.67%	2,036

Source: Bureau of Economic Analysis, U.S. Department of Commerce, District Records

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT*

<u>Governmental Unit</u>	<u>Total Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Caldwell County	\$ 15,278,490	65.680%	\$ 10,034,912
City of Lockhart	22,315,000	100.000%	22,315,000
Mustang Ridge, City of	407,000	24.530%	<u>99,837</u>
Total Overlapping Debt			32,449,749
Lockhart ISD (See Note 1)	67,936,032	100.000%	<u>67,936,032</u>
Total Direct and Overlapping Debt			\$ <u>100,385,781</u>
Total Direct and Overlapping Debt % of Assessed Value:			6.50%
Total Direct and Overlapping Debt per capita:			\$3,020

Note 1: Debt outstanding includes General Obligation Debt and a Maintenance Tax Note.

Note 2: Debt as a % of personal income is calculated by "Debt per capita/per capita income."

Sources: Texas Municipal Report

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### LEGAL DEBT MARGIN INFORMATION

#### LAST TEN FISCAL YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 62,920,058	\$ 68,094,601	\$ 69,689,334	\$ 72,579,980	\$ 79,382,147
Total Net Debt Applicable to Limit	<u>24,540,798</u>	<u>23,088,182</u>	<u>21,074,213</u>	<u>18,968,029</u>	<u>73,902,781</u>
Legal Debt Margin	\$ <u>38,379,260</u>	\$ <u>45,006,419</u>	\$ <u>48,615,121</u>	\$ <u>53,611,951</u>	\$ <u>5,479,366</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	39.00%	33.91%	30.24%	26.13%	93.10%

Source: Texas Municipal Reports and District Records

**TABLE L-13**

Fiscal Year				
2016	2017	2018	2019	2020
\$ 73,547,487	\$ 77,020,398	\$ 86,160,335	\$ 87,729,958	\$ 103,708,924
<u>69,754,893</u>	<u>70,237,870</u>	<u>70,228,789</u>	<u>66,300,522</u>	<u>63,068,687</u>
\$ <u>3,792,594</u>	\$ <u>6,782,528</u>	\$ <u>15,931,546</u>	\$ <u>21,429,436</u>	\$ <u>40,640,237</u>
94.84%	91.19%	81.51%	75.57%	60.81%

**Legal Debt Margin Calculation for the Current Fiscal Year**

Assessed Value	\$ 1,481,556,050
Debt Limit (7% of Assessed Value)	103,708,924
Debt Applicable to Limit:	
General Obligation Bonds	68,440,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>5,371,313</u>
Total Net Debt Applicable to Limit	<u>63,068,687</u>
Legal Debt Margin	\$ <u>40,640,237</u>

TABLE L-14

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2011	38,066	957,644	26,773	8.80%
2012	38,444	1,029,708	27,587	8.50%
2013	38,701	1,123,432	29,029	6.90%
2014	39,721	1,192,739	30,028	6.00%
2015	40,442	1,267,065	31,330	4.50%
2016	41,169	1,296,151	31,484	4.20%
2017	42,425	1,361,130	32,083	4.30%
2018	43,247	1,456,019	33,668	3.80%
2019	43,247	1,456,019	33,668	3.80%
2020	43,247	1,456,019	33,668	6.80%

Sources: U.S. Bureau of Economic Analysis, Texas LMI Tracer, US Census Bureau



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	2020			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lockhart ISD	731	1	4.1%	637	1	32.4%
Wal-Mart	225	2	1.3%	125	5	6.4%
Serta Dormae Mnfg.	180	3	1.0%	174	3	8.9%
Management and Training Corp.	175	4	1.0%			
H.E.B. Food Store	170	5	1.0%	160	4	8.1%
Pegasus	149	6	0.8%	90	7	4.6%
City of Lockhart	145	7	0.8%	88	8	4.5%
Student Transportation Specialists	85	8	0.5%			
Parkview Nursing & Rehab. Ctr.	80	9	0.5%			
Pure Castings Company	75	10	0.4%			
Chisholm Trail Nursing & Rehab Ctr				60	9	3.1%
The GEO Group, Inc.				234	2	11.9%
Golden Age Home				110	6	5.6%
Livengood Feeds, Inc.				60	10	3.1%
Total	<u>2,015</u>			<u>1,738</u>		

Source: City of Lockhart Economic Development, District records

The Turner Company

TABLE L-16

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME-EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	Full-Time Equivalent Employees as of Year End									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Teachers</u>										
Teacher	331.0	324.6	329.0	325.6	335.0	352.2	348.4	354.8	372.0	376.3
<b>Professional Support</b>										
Counselor	13.0	12.0	12.8	13.0	13.1	13.0	13.5	14.0	13.3	14.0
Educational Diagnostician	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5	7.0
Librarian	8.0	8.0	6.3	8.0	7.9	7.0	7.0	6.0	7.0	6.2
Occupational Therapist	--	--	--	--	--	--	--	--	1.0	1.0
Physical Therapist	--	--	--	--	--	--	--	--	1.0	1.0
School Nurse	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LSSP/Psychologist	4.0	2.0	2.0	1.0	3.0	2.0	2.0	1.0	1.0	2.0
Social Worker	1.0	1.0	1.0	1.0	1.0	--	--	--	--	--
Speech Ther./Sp. Lang. Pathologist	3.0	3.0	3.0	3.0	2.0	4.0	4.5	8.5	8.5	10.4
Work-Based Learning Site Coord.	0.5	0.3	--	--	--	--	--	--	--	--
Teacher Facilitator	0.3	0.9	0.6	3.0	2.9	1.4	--	20.2	5.5	10.4
Athletic Trainer	1.7	1.7	1.5	1.3	1.9	1.7	2.5	2.5	2.5	2.4
District/Campus Inform. Technology	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	--	0.9	1.0	1.0
Business Services Professional	--	--	--	--	--	--	--	3.0	3.0	3.0
Campus Professional Personnel	6.0	4.6	5.3	4.2	6.1	2.6	2.3	3.4	3.4	7.4
Non-Instructional Professionals	4.5	4.5	5.4	5.4	5.4	7.4	10.7	10.0	10.0	--
Other Professionals	--	--	--	--	--	--	--	6.0	11.6	24.3
<u>Campus Administration</u>										
Assistant Principal	12.0	11.9	12.0	12.0	11.0	12.0	12.0	13.0	11.0	13.0
Principal	8.5	8.5	8.5	8.5	8.5	8.5	10.0	8.4	9.0	8.3
<u>Central Administration</u>										
Assistant/Assoc/Deputy Supt.	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Business Manager	--	--	--	--	--	--	--	1.0	1.0	1.0
District Instructional Program Director	1.0	1.0	1.0	3.0	3.0	4.0	3.0	3.0	3.0	2.7
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Communications Professional	--	--	--	--	--	--	1.0	1.0	1.0	1.0
Teacher Supervisor	0.6	--	--	--	--	--	--	--	--	--
Athletic Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	--	--	--	--	--	1.0	1.0	1.0
<u>Educational Aides</u>										
Educational Aide	54.7	49.9	46.6	48.3	50.7	47.6	41.9	42.6	42.8	55.2
<u>Auxiliary Staff</u>	179.5	165.8	171.7	174.3	167.8	170.4	168.0	157.0	141.1	139.6
<b>Total</b>	<u>647.3</u>	<u>617.7</u>	<u>624.7</u>	<u>629.6</u>	<u>637.3</u>	<u>653.8</u>	<u>645.8</u>	<u>676.3</u>	<u>669.2</u>	<u>701.2</u>

Source: District internal records

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### OPERATING STATISTICS

#### LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Total Expenses</u>
2011	4,709	32,883,746	6,983	1.5%	46,472,736
2012	4,767	33,257,843	6,977	-0.1%	43,096,305
2013	4,969	36,178,844	7,281	4.4%	45,967,329
2014	5,130	36,738,610	7,162	-1.6%	46,743,604
2015	5,365	39,141,500	7,296	1.9%	56,643,219
2016	5,397	41,769,915	7,739	6.1%	87,339,041
2017	5,661	43,771,695	7,732	-0.1%	79,257,625
2018	5,925	48,296,959	8,151	5.4%	71,288,387
2019	6,123	47,306,104	7,726	-5.2%	65,764,021
2020	6,160	51,162,645	8,306	7.5%	67,894,489

Source: AEIS Reports, TAPR Reports, and District PEIMS records

TABLE L-17

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
9,869	-2%	331	14.2	69.3%
9,041	-8%	325	14.7	70.7%
9,251	2%	329	15.1	69.8%
9,112	-2%	326	15.8	70.1%
10,558	16%	335	16.0	70.0%
16,183	53%	352	15.3	69.6%
14,001	-13%	348	16.2	68.2%
12,032	-14%	355	16.7	72.1%
10,740	-11%	372	16.4	71.8%
11,022	3%	376	16.4	70.8%

**LOCKHART INDEPENDENT SCHOOL DISTRICT****TEACHER BASE SALARIES****LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary	Statewide Average Salary
2011	41,500	57,780	44,360	48,638
2012	41,500	57,780	44,004	48,375
2013	43,100	59,380	45,029	48,821
2014	43,950	62,550	46,295	49,692
2015	45,200	64,170	46,240	50,715
2016	45,500	60,010	46,242	51,891
2017	46,500	60,820	46,583	52,525
2018	47,000	61,110	47,056	53,334
2019	47,500	61,330	47,056	53,334
2020	49,000	63,630	47,056	53,334

Sources: AEIS Reports, District Records, Texas Education Agency Records

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Elementary</b>					
Carver Early Childhood Education (1953)					
Square Feet	52,578	52,578	52,578	52,578	52,578
Functional Capacity	512	512	512	512	512
Enrollment	445	457	517	494	475
Clear Fork Elementary (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Functional Capacity	489	489	489	489	489
Enrollment	423	428	455	502	585
Plum Creek Elementary (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Functional Capacity	512	512	512	512	512
Enrollment	451	459	500	552	547
Navarro Elementary (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Functional Capacity	449	449	449	449	449
Enrollment	426	423	427	439	484
Bluebonnet Elementary (2005)					
Square Feet	64,992	64,992	64,992	64,992	64,992
Functional Capacity	606	606	606	606	606
Enrollment	580	590	581	609	625
Alma Brewer Strawn Elementary (2016)					
Square Feet	N/A	N/A	N/A	N/A	N/A
Functional Capacity	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A
<b>Secondary</b>					
Lockhart Junior High (2000)					
Square Feet	152,105	152,105	152,105	152,105	152,105
Functional Capacity	1,700	1,700	1,700	1,700	1,700
Enrollment	1,058	1,073	1,129	1,101	1,173
Lockhart High School (1965)					
Square Feet	175,180	175,180	175,180	175,180	175,180
Functional Capacity	1,480	1,480	1,480	1,480	1,480
Enrollment	945	974	970	1,005	1,070
<b>Alternative</b>					
Pride High School (1992)					
Square Feet	10,647	10,647	10,647	10,647	10,647
Functional Capacity	160	160	160	160	160
Enrollment	31	26	22	23	24
Discipline Mgmt Center (1997)					
Square Feet	8,088	8,088	8,088	8,088	8,088
Functional Capacity	46	46	46	46	46
Enrollment	N/A	N/A	N/A	N/A	N/A
<b>School Support</b>					
Square Feet	30,328	30,328	30,328	30,328	30,328

Source: District records.

TABLE L-19

Fiscal Year				
2016	2017	2018	2019	2020
52,578	52,578	52,578	52,578	52,578
352	352	352	337	337
460	212	251	329	336
57,113	57,113	57,113	57,113	57,113
674	674	674	475	475
575	488	475	450	443
67,233	67,233	67,233	67,233	67,233
700	700	700	653	653
557	550	578	574	560
55,573	55,573	55,573	55,573	55,573
562	562	562	554	554
497	457	532	518	504
64,992	64,992	64,992	64,992	64,992
694	694	694	614	614
640	663	579	572	545
N/A	58,216	58,216	58,216	58,216
N/A	579	579	535	535
N/A	454	503	498	494
152,105	152,105	152,105	152,105	152,105
1,550	1,550	1,550	1,550	1,550
1,148	1,292	1,393	1,491	1,529
175,180	280,000	280,000	280,000	280,000
1,900	1,900	1,900	1,834	1,834
1,086	1,523	1,567	1,642	1,690
10,647	10,647	10,647	10,647	10,647
160	160	160	140	140
15	22	47	49	59
8,088	8,088	8,088	8,088	8,088
46	46	46	46	46
N/A	N/A	N/A	N/A	N/A
30,328	30,328	30,328	175,879	175,879