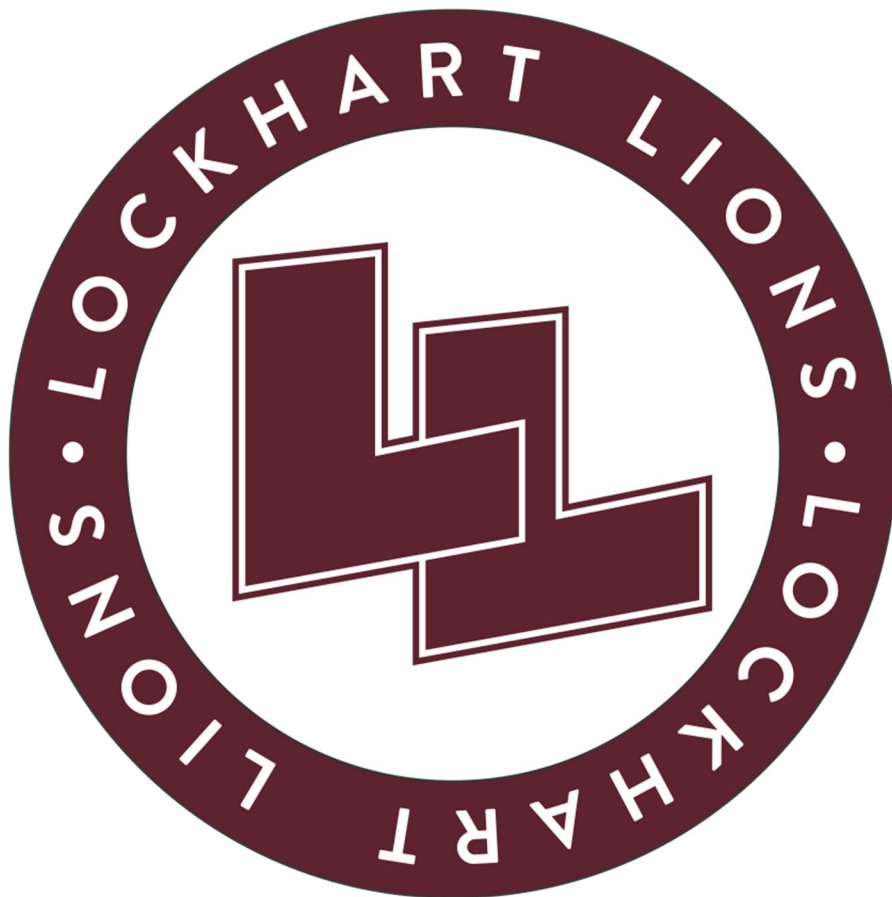


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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, 2019

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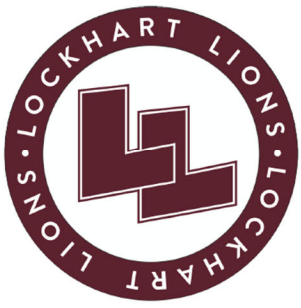
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Introductory Section



OFFICE OF BUSINESS AND FINANCE

PO Box 120 • Lockhart, Texas 78644 • phone: 512.398.0000 • fax: 512.398.0025
www.lockhartisd.org

November 4, 2019

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, 2019 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.



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The Reporting Entity and Its Services

Basic Information

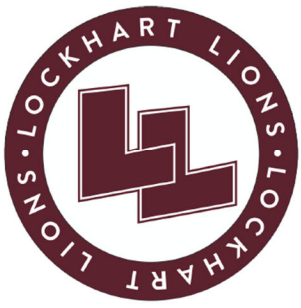
This report includes all of the funds and account groups of the District. The District provides elementary and secondary education (Pre-Kindergarten to 12th grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2018-2019 total enrollment was 6,123 as of the Public Education Information Management System (PEIMS) snapshot date in October 2018. The District has 372 certified teachers, 113 other professional staff, and 141 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.



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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.

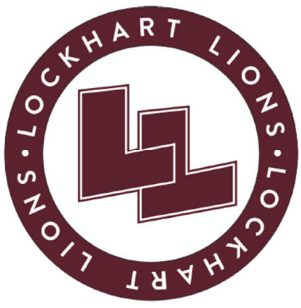
Economic Condition and Outlook

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.



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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.

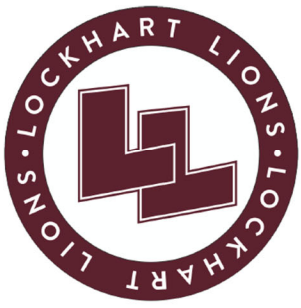
State Highway 130 (SH130) toll road bypass passes through Caldwell County and provides a thoroughfare for NAFTA-based traffic. The county is traversed by Interstate Highway 10, U.S. Highway 183 and State Highways 21, 80 and 304.

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 6,194 in 2019-2020, an increase of 62 students from 2018-2019, a 1.0% increase. The adopted 2019-2020 General Fund budget is \$52,763,594, an increase from \$48,338,137 in 2018-2019 of \$4,425,457. 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 an 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 2019-2020, which provided for increases in employee compensation and benefits as well as additional staffing to serve the increase in the number of students and increased maintenance and operations budgets to support the increased student enrollment.



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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 2018-2019, the District invested \$830 thousand in one-time capital improvement projects, using General Fund balance. In 2014, the voters approved \$63.9 million in bonds to build a new elementary school, remodel and add capacity to the current high school including adding a performing arts center, remodeling the high school stadium, and various capital improvements at the other schools in the District. The bond program spent \$736 thousand to finish up the projects in 2018-2019. Only \$38 thousand is remaining for one final project.

General Fund balance as of June 30, 2019 increased due to higher than expected student enrollment growth.

Relevant Financial Policies

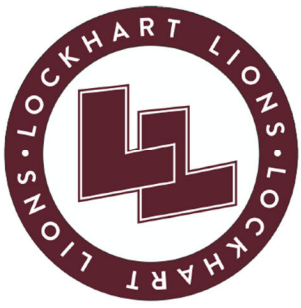
The 2017-2019 bank depository agreement provides for a floor of 0.6% in interest income and is secured by collateral. In the 2017-2019 bank depository agreement, additional terms included above average certificates of deposit interest rates.

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 77th 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.



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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 2017-2018 school years, the District received a Schools FIRST Superior Achievement rating. This makes eighteen consecutive years of receiving the highest rating possible.

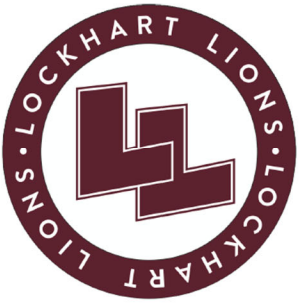
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lockhart Independent School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the thirteenth 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.



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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

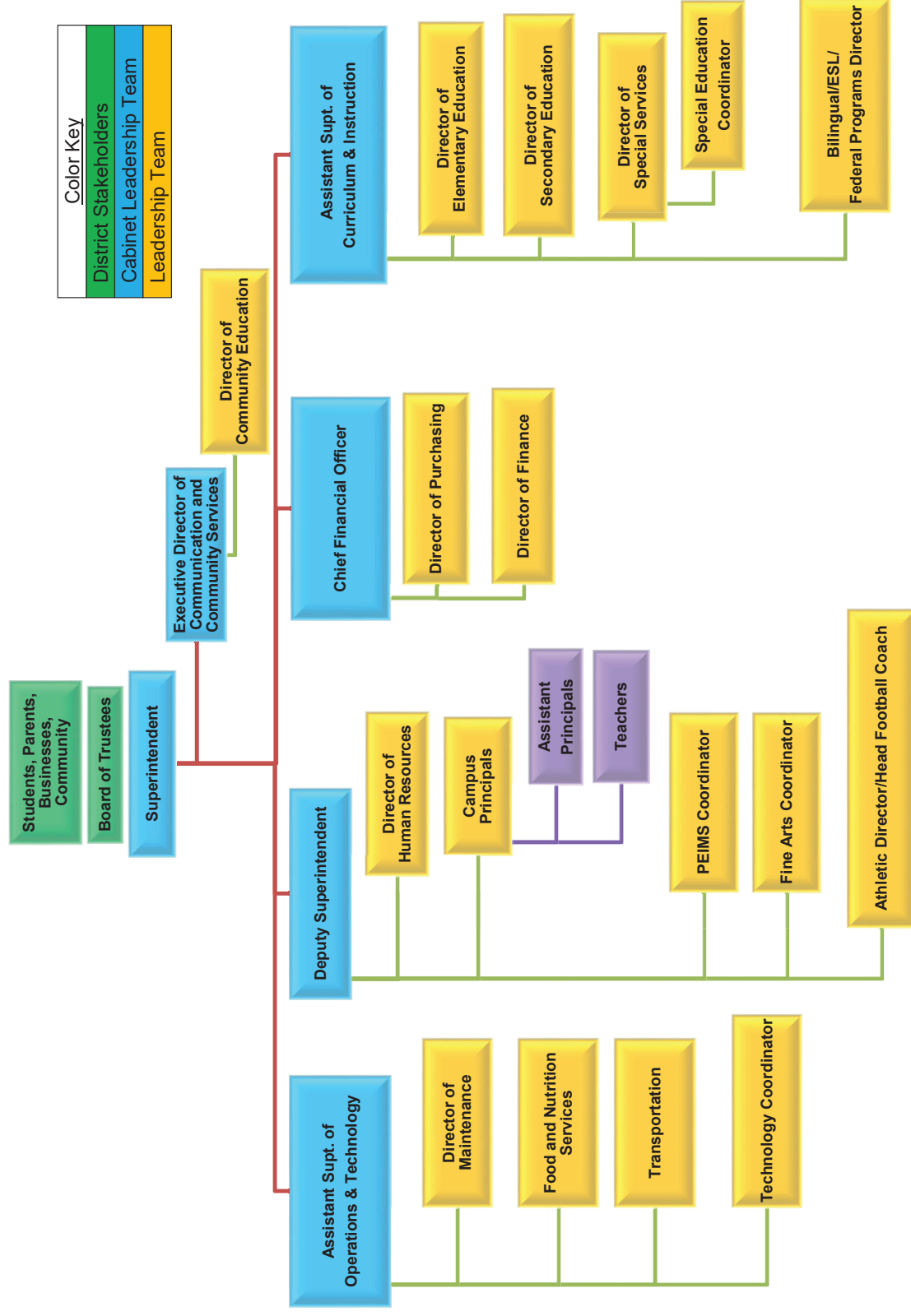
June 30, 2018

Christopher P. Morill

Executive Director/CEO

Lockhart Independent School District

October 2019



LOCKHART INDEPENDENT SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2019

Elected Officials

Name	Office
Steve Johnson	President
Michael Wright	Vice President
Tom Guyton	Secretary
Carl Cisneros	Trustee
Warren Burnett	Trustee
Becky Lockhart	Trustee
Brenda Spillman	Trustee

Appointed Officials

Name	Position
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, 2019, at a meeting of the board of trustees of such school district on the 18th day of November, 2019.



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, 2019, 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, 2019, 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

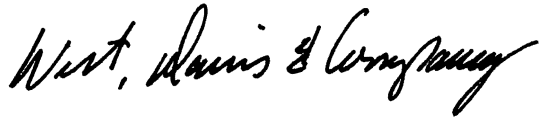
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lockhart Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are 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 4, 2019 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.

A handwritten signature in black ink that reads "West, Davis & Company". The signature is written in a cursive, flowing style.

West, Davis & Company, LLP
Austin, Texas
November 4, 2019

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, 2019. 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:

- 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 \$1.6 million to \$(470) 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 \$(20.5) million at June 30, 2019. 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	30,908	32,936	63	81	30,971	33,017
Capital assets	85,259	88,197	-	-	85,259	88,197
Total Assets	116,167	121,133	63	81	116,230	121,214
Deferred Outflow Related to Pensions	9,420	3,155	-	-	9,420	3,155
Deferred Outflow Related to OPEB	3,796	209	-	-	3,796	209
Total Deferred Outflows	13,216	3,364	-	-	13,216	3,364
Long-term Liabilities	115,274	106,341	-	-	115,274	106,341
Other liabilities	7,218	8,502	63	81	7,281	8,583
Total liabilities	122,492	114,843	63	81	122,555	114,924
Deferred Inflow Related to Pensions	961	1,430	-	-	961	1,430
Deferred Inflow Related to OPEB	6,400	6,651	-	-	6,400	6,651
	7,361	8,081	-	-	7,361	8,081
Net Position:						
Net investment in capital assets	12,869	16,009	-	-	12,869	16,009
Restricted	7,171	5,967	-	-	7,171	5,967
Unrestricted	(20,510)	(20,404)	-	-	(20,510)	(20,404)
Total net position	(470)	1,572	-	-	(470)	1,572

Table II
Lockhart Independent School District

CHANGES IN NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	602	490	-	-	602	490
Operating grants and contributions	9,891	828	-	-	9,891	828
General Revenues:						
Maintenance and operations taxes	14,360	12,969	-	-	14,360	12,969
Debt Service taxes	4,003	3,624	-	-	4,003	3,624
Grants and Contributions not restricted to specific functions	35,855	35,320	88	80	35,943	35,400
Investment Earnings	470	419	-	-	470	419
Miscellaneous	1,329	2,186	655	691	1,984	2,877
Total Revenue	<u>66,510</u>	<u>55,836</u>	<u>743</u>	<u>771</u>	<u>67,253</u>	<u>56,607</u>
Expenses:						
Instruction, curriculum and media services	38,518	24,650	-	-	38,518	24,650
Instructional and school leadership	4,438	2,769	-	-	4,438	2,769
Student support services	6,153	4,690	-	-	6,153	4,690
Child Nutrition	3,815	3,131	-	-	3,815	3,131
Co-curricular activities	1,708	1,211	-	-	1,708	1,211
General administration	2,772	1,741	-	-	2,772	1,741
Plant maintenance, security and data processing	6,796	4,660	-	-	6,796	4,660
Community services	19	60	-	-	19	60
Debt services	3,068	3,111	-	-	3,068	3,111
Payments related to SSA	848	783	-	-	848	783
Intergovernmental Charges	339	329	-	-	339	329
Business-type activities	-	-	821	869	821	869
Total Expenses	<u>68,474</u>	<u>47,135</u>	<u>821</u>	<u>869</u>	<u>69,295</u>	<u>48,004</u>
Change in net position before transfers	(1,964)	8,701	(78)	(98)	(2,042)	8,603
Transfers	(78)	(98)	78	98	-	-
Change in Net Position	<u>(2,042)</u>	<u>8,603</u>	<u>-</u>	<u>-</u>	<u>(2,042)</u>	<u>8,603</u>
Net Position-Beginning	1,572	20,902	-	-	1,572	21,089
Prior Period Adjustment	-	(27,933)	-	-	-	-
Net Position-Beginning as Restated	<u>1,572</u>	<u>(7,031)</u>	<u>-</u>	<u>-</u>	<u>1,572</u>	<u>21,089</u>
Net Position-Ending	<u>(470)</u>	<u>1,572</u>	<u>-</u>	<u>-</u>	<u>(470)</u>	<u>29,692</u>

Changes in expenses for the year are not comparable to prior year due to the overall effects of GASB 75 on current year expenses. Prior year on-behalf activity was negated by a total of \$7.7 million. Therefore, nearly every functional category in 2018 was affected by this significant net decrease in expenses.

NET OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) LIABILITY (GASB 75)

With GASB 75, the District must assume their proportionate share of the Net OPEB liability of the Teacher Retirement System. The District's net OPEB liability at year end totaled \$20 million.

THE DISTRICT'S FUNDS

As the District completed this annual period, its General funds (as presented in the balance sheet on page 24) reported a fund balance of \$17 million, which is \$1.1 million more than last years' total of \$15.9 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 \$6 million compared to \$5.1 million in the prior year.

The District's other governmental funds reported a fund balance of \$1.2 million as compared to \$4.1 million in the prior year, which is approximately \$3 million less than the previous year. This is a result of the continued efforts of the District's bond program.

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 2018). 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 2019, the District had \$85.3 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' \$88.2 million, the District recorded an increase of \$6 million. The decrease was due to the depreciation of bond program assets.

The District's fiscal year 2018-2019 General Fund capital budget provided no funds for new instructional facilities. The District budgeted \$0.8 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 \$72.325 million in bonds and maintenance tax notes outstanding and versus \$75.1 million last year. The decrease of \$2.8 million is attributable to payments made on the bond debt during fiscal 2019.

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 2019-2020 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 \$52.7 million for the 2019-2020 fiscal year. The budget increased from 2018-2019 to 2019-2020 by \$4.4 million, a direct result from conservative budgeting based upon 3% enrollment growth expected from demographer projections and increased state funding beginning in the 2019-2020 school year. Since the 2019-2020 school year began, the District has been experiencing low level growth in student enrollment, which was unanticipated. The 2019-2020 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 2019-2020 budget year, the District has held constant its maintenance and operations tax rate to \$1.04 per hundred of taxable value, due to legislative maintenance and operations tax rate restrictions. 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 2019 was held constant at \$0.29236, the same tax rate for 2017 and 2018. The District is maintaining its' tax rate and dedicating the tax collections through a board resolution to defease debt. This strategy will poise the District on the debt service side of the tax rate to plan for growth in facilities as the needs arise.

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, 2019

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110 Cash and Cash Equivalents	\$ 2,443,033	\$ 65,979	\$ 2,509,012
1120 Current Investments	21,561,005	--	21,561,005
1225 Property Taxes Receivable (Net)	874,345	--	874,345
1240 Due from Other Governments	5,757,636	--	5,757,636
1260 Internal Balances	18,950	(18,950)	--
1267 Due from Fiduciary	39	--	39
1290 Other Receivables (Net)	62,422	15,936	78,358
1410 Unrealized Expenses	190,495	--	190,495
Capital Assets:			
1510 Land	3,982,798	--	3,982,798
1520 Buildings and Improvements, Net	71,763,543	--	71,763,543
1530 Furniture and Equipment, Net	3,943,071	--	3,943,071
1550 Capital Lease Assets, Net	118,197	--	118,197
1580 Construction in Progress	5,451,535	--	5,451,535
1000 Total Assets	116,167,069	62,965	116,230,034
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow Related to Pensions	9,420,224	--	9,420,224
Deferred Outflow Related to OPEB	3,795,584	--	3,795,584
1700 Total Deferred Outflows of Resources	13,215,808	--	13,215,808
LIABILITIES:			
2110 Accounts Payable	838,423	3,612	842,035
2140 Interest Payable	1,320,058	--	1,320,058
2165 Accrued Liabilities	4,720,571	50,369	4,770,940
2180 Due to Other Governments	66,362	--	66,362
2300 Unearned Revenue	273,067	8,984	282,051
Noncurrent Liabilities:			
2501 Due Within One Year	2,656,721	--	2,656,721
2502 Due in More Than One Year	74,841,223	--	74,841,223
2540 Net Pension Liability	17,538,416	--	17,538,416
2545 Net OPEB Liability	20,237,284	--	20,237,284
2000 Total Liabilities	122,492,125	62,965	122,555,090
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow Related to Pensions	961,163	--	961,163
Deferred Inflow Related to OPEB	6,399,517	--	6,399,517
2600 Total Deferred Inflows of Resources	7,360,680	--	7,360,680
NET POSITION:			
3200 Net Investment in Capital Assets	12,869,352	--	12,869,352
Restricted For:			
3820 Federal and State Programs	859,443	--	859,443
3850 Debt Service	6,245,034	--	6,245,034
3870 Campus Activities	65,851	--	65,851
3900 Unrestricted	(20,509,608)	--	(20,509,608)
3000 Total Net Position	\$ (469,928)	\$ --	\$ (469,928)

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	Functions/Programs	1 Expenses	3 Charges for Services	4 Program Revenues Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 36,755,001	\$ --	\$ 4,671,955
12	Instructional Resources and Media Services	778,049	--	42,329
13	Curriculum and Staff Development	986,288	--	83,777
21	Instructional Leadership	963,224	--	57,412
23	School Leadership	3,474,410	--	237,003
31	Guidance, Counseling, & Evaluation Services	2,239,935	--	827,409
32	Social Work Services	191,921	--	3,497
33	Health Services	584,491	--	45,939
34	Student Transportation	3,136,283	--	49,275
35	Food Service	3,815,492	426,831	3,291,365
36	Cocurricular/Extracurricular Activities	1,707,932	83,460	71,775
41	General Administration	2,771,648	--	150,590
51	Facilities Maintenance and Operations	5,782,889	92,207	280,913
52	Security and Monitoring Services	349,282	--	8,067
53	Data Processing Services	663,905	--	28,299
61	Community Services	19,078	--	41,243
72	Interest on Long-term Debt	3,061,515	--	--
73	Bond Issuance Costs and Fees	6,177	--	--
93	Payments Related to Shared Services Arrangements	847,498	--	--
99	Other Intergovernmental Charges	339,437	--	--
TG	Total Governmental Activities	<u>68,474,455</u>	<u>602,498</u>	<u>9,890,848</u>
	Business-type Activities:			
01	Summer Recreation	70,238	--	--
02	After School Program	188,501	--	--
03	Cubhouse Students	167,554	--	--
04	GED Adult Ed.	58,167	--	--
06	Cubhouse Employees	162,518	--	--
07	Community Ed. Adm.	173,758	--	--
TB	Total Business-type Activities	<u>820,736</u>	<u>--</u>	<u>--</u>
TP	Total Primary Government	<u>\$ 69,295,191</u>	<u>\$ 602,498</u>	<u>\$ 9,890,848</u>
	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			
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>
\$ (32,083,046)		\$ (32,083,046)
(735,720)		(735,720)
(902,511)		(902,511)
(905,812)		(905,812)
(3,237,407)		(3,237,407)
(1,412,526)		(1,412,526)
(188,424)		(188,424)
(538,552)		(538,552)
(3,087,008)		(3,087,008)
(97,296)		(97,296)
(1,552,697)		(1,552,697)
(2,621,058)		(2,621,058)
(5,409,769)		(5,409,769)
(341,215)		(341,215)
(635,606)		(635,606)
22,165		22,165
(3,061,515)		(3,061,515)
(6,177)		(6,177)
(847,498)		(847,498)
(339,437)		(339,437)
<u>(57,981,109)</u>		<u>(57,981,109)</u>
--	\$ (70,238)	(70,238)
--	(188,501)	(188,501)
--	(167,554)	(167,554)
--	(58,167)	(58,167)
--	(162,518)	(162,518)
--	(173,758)	(173,758)
--	<u>(820,736)</u>	<u>(820,736)</u>
<u>(57,981,109)</u>	<u>(820,736)</u>	<u>(58,801,845)</u>
14,359,509	--	14,359,509
4,003,239	--	4,003,239
470,584	--	470,584
35,854,643	88,290	35,942,933
1,329,082	654,070	1,983,152
(78,376)	78,376	--
<u>55,938,681</u>	<u>820,736</u>	<u>56,759,417</u>
<u>(2,042,428)</u>	<u>--</u>	<u>(2,042,428)</u>
1,572,500	--	1,572,500
<u>\$ (469,928)</u>	<u>\$ --</u>	<u>\$ (469,928)</u>

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

JUNE 30, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 1,658,042	\$ 82,349	\$ 702,642	\$ 2,443,033
1120 <i>Current Investments</i>	14,358,371	5,618,778	1,583,856	21,561,005
1225 <i>Taxes Receivable, Net</i>	691,176	183,169	--	874,345
1240 <i>Due from Other Governments</i>	4,247,262	311,568	1,198,806	5,757,636
1260 <i>Due from Other Funds</i>	1,430,347	--	258,354	1,688,701
1290 <i>Other Receivables</i>	44,906	11,783	5,733	62,422
1410 <i>Unrealized Expenditures</i>	190,495	--	--	190,495
1000 Total Assets	<u>22,620,599</u>	<u>6,207,647</u>	<u>3,749,391</u>	<u>32,577,637</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 707,316	\$ --	\$ 131,107	\$ 838,423
2150 <i>Payroll Deductions & Withholdings</i>	516,801	--	62,529	579,330
2160 <i>Accrued Wages Payable</i>	3,634,041	--	507,200	4,141,241
2170 <i>Due to Other Funds</i>	88,961	--	1,580,751	1,669,712
2180 <i>Due to Other Governments</i>	20	--	66,342	66,362
2300 <i>Unearned Revenue</i>	716,661	183,169	247,582	1,147,412
2000 Total Liabilities	<u>5,663,800</u>	<u>183,169</u>	<u>2,595,511</u>	<u>8,442,480</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	859,443	859,443
3470 <i>Capital Acquisitions & Contractual Obligations</i>	--	--	38,000	38,000
3480 <i>Retirement of Long-Term Debt</i>	--	6,024,478	190,586	6,215,064
3490 <i>Other Restrictions of Fund Balance</i>	--	--	65,851	65,851
Committed Fund Balances:				
3510 <i>Construction</i>	3,000,000	--	--	3,000,000
3545 <i>Other Committed Fund Balance</i>	200,579	--	--	200,579
3600 <i>Unassigned</i>	13,756,220	--	--	13,756,220
3000 Total Fund Balances	<u>16,956,799</u>	<u>6,024,478</u>	<u>1,153,880</u>	<u>24,135,157</u>
4000 Total Liabilities and Fund Balances	<u>\$ 22,620,599</u>	<u>\$ 6,207,647</u>	<u>\$ 3,749,391</u>	<u>\$ 32,577,637</u>

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, 2019

Total fund balances - governmental funds balance sheet	\$ 24,135,157
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.	85,259,146
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	874,345
Payables for bond principal which are not due in the current period are not reported in the funds.	(72,325,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(1,320,058)
Bond premiums are recorded in the SNP but not in the funds.	(5,070,152)
Payables for lease principal which are not due in the current period are not reported in the funds.	(102,793)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(17,538,416)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(961,163)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	9,420,224
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(20,237,284)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(6,399,517)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	3,795,584
Rounding difference	(1)
Net position of governmental activities - Statement of Net Position	\$ <u>(469,928)</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, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 14,804,609	\$ 4,033,898	\$ 1,783,787	\$ 20,622,294
5800 <i>State Program Revenues</i>	33,576,783	2,046,840	937,846	36,561,469
5900 <i>Federal Program Revenues</i>	613,517	--	7,115,593	7,729,110
5020 Total Revenues	<u>48,994,909</u>	<u>6,080,738</u>	<u>9,837,226</u>	<u>64,912,873</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	27,061,932	--	4,064,915	31,126,847
0012 <i>Instructional Resources and Media Services</i>	622,826	--	37,456	660,282
0013 <i>Curriculum and Staff Development</i>	797,891	--	40,502	838,393
0021 <i>Instructional Leadership</i>	565,116	--	269,677	834,793
0023 <i>School Leadership</i>	2,876,283	--	5,801	2,882,084
0031 <i>Guidance, Counseling, & Evaluation Services</i>	991,313	--	961,433	1,952,746
0032 <i>Social Work Services</i>	153,617	--	16,640	170,257
0033 <i>Health Services</i>	488,590	--	1,943	490,533
0034 <i>Student Transportation</i>	2,608,337	--	947,806	3,556,143
0035 <i>Food Service</i>	11,049	--	3,689,058	3,700,107
0036 <i>Cocurricular/Extracurricular Activities</i>	1,520,901	--	43,309	1,564,210
0041 <i>General Administration</i>	2,148,773	--	221,120	2,369,893
0051 <i>Facilities Maintenance and Operations</i>	4,920,857	--	177,197	5,098,054
0052 <i>Security and Monitoring Services</i>	264,721	--	68,510	333,231
0053 <i>Data Processing Services</i>	583,329	--	--	583,329
0061 <i>Community Services</i>	13,991	--	21,032	35,023
0071 <i>Principal on Long-term Debt</i>	77,762	1,446,963	1,325,000	2,849,725
0072 <i>Interest on Long-term Debt</i>	7,226	3,715,447	123,848	3,846,521
0073 <i>Bond Issuance Costs and Fees</i>	--	6,177	--	6,177
0081 <i>Capital Outlay</i>	530,136	--	1,148,602	1,678,738
0093 <i>Payments to Shared Service Arrangements</i>	722,017	--	125,481	847,498
0099 <i>Other Intergovernmental Charges</i>	339,437	--	--	339,437
6030 Total Expenditures	<u>47,306,104</u>	<u>5,168,587</u>	<u>13,289,330</u>	<u>65,764,021</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>1,688,805</u>	<u>912,151</u>	<u>(3,452,104)</u>	<u>(851,148)</u>
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	463	--	--	463
7915 <i>Transfers In</i>	--	--	546,472	546,472
8911 <i>Transfers Out</i>	(624,846)	--	--	(624,846)
7080 Total Other Financing Sources and (Uses)	<u>(624,383)</u>	<u>--</u>	<u>546,472</u>	<u>(77,911)</u>
1200 Net Change in Fund Balances	<u>1,064,422</u>	<u>912,151</u>	<u>(2,905,632)</u>	<u>(929,059)</u>
0100 Fund Balances - Beginning	<u>15,892,377</u>	<u>5,112,327</u>	<u>4,059,512</u>	<u>25,064,216</u>
3000 Fund Balances - Ending	<u>\$ 16,956,799</u>	<u>\$ 6,024,478</u>	<u>\$ 1,153,880</u>	<u>\$ 24,135,157</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, 2019

Net change in fund balances - total governmental funds	\$ (929,059)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,728,277
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,651,961)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(14,091)
To reverse fund level accrual of Teacher Retirement System on-behalf contributions.	1,457,964
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	142,151
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,771,964
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	77,762
The accretion of interest on capital appreciation bonds is not reported in the funds.	580,056
(Increase) decrease in accrued interest from beginning of period to end of period.	41,852
To record State's total proportionate share of collective pension expense that is associated with the District.	(2,334,082)
The fund level accrual of Teacher Retirement System on-behalf contributions are reversed.	(1,457,964)
The accounting loss on refunding bonds is reported in the SOA but not in the funds.	(39,708)
To increase (decrease) the State's proportionate share of pension expense.	2,334,082
Reverse contributions made after the prior year measurement date and before the end of the prior year.	(888,724)
Deferred Outflows for contributions made after the current measurement date & before the year end.	932,420
District contributions must be de-expended for the prior year.	1,073,399
The District's proportionate share of Teacher Retirement System plan wide pension expense.	(2,980,240)
Current year amortization of previous year deferred resource outflows and inflows.	6,691,036
Bond premiums are reported in the SOA but not in the funds.	202,806
Pension contributions made post measurement date but in current fiscal year.	(6,280,633)
Certain OPEB expenditures are de-expended and recorded as deferred resource outflows.	(206,566)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	204,665
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(497,833)
Rounding difference	(1)
Change in net position of governmental activities - Statement of Activities	\$ <u>(2,042,428)</u>

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2019

Data Control Codes		Nonmajor Enterprise Funds
ASSETS:		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 65,979
Receivables:		
1260	Due from Other Funds	812
1290	Other Receivables (net)	15,936
	Total Current Assets	82,727
1000	Total Assets	82,727
LIABILITIES:		
Current Liabilities:		
2110	Accounts Payable	\$ 3,612
2150	Payroll Deduction & Withholdings	8,027
2160	Accrued Wages Payable	42,342
2170	Due to Other Funds	19,762
2300	Unearned Revenues	8,984
	Total Current Liabilities	82,727
2000	Total Liabilities	82,727
NET POSITION:		
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, 2019

Data Control Codes		Nonmajor Enterprise Funds
OPERATING REVENUES:		
5700	Local and Intermediate Sources	\$ 654,070
5800	State Program Revenues	88,290
5020	Total Revenues	<u>742,360</u>
OPERATING EXPENSES:		
6100	Payroll Costs	722,119
6200	Professional and Contracted Services	51,770
6300	Supplies and Materials	39,930
6400	Other Operating Costs	6,917
6030	Total Expenses	<u>820,736</u>
	Income (Loss) before Contributions and Transfers	(78,376)
7915	Transfers In	244,861
8911	Transfers Out	<u>(166,485)</u>
1300	Change in Net Position	--
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, 2019**

	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 645,504
<i>Cash Received from Grants</i>	89,405
<i>Cash Payments to Employees for Services</i>	(730,764)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(87,645)
Net Cash Provided (Used) by Operating Activities	<u>(83,500)</u>
Cash Flows from Non-capital Financing Activities:	
<i>Transfers From Other Funds</i>	244,861
<i>Transfers (To) Other Funds</i>	(166,485)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>78,376</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,124)
Cash and Cash Equivalents at Beginning of Year	71,103
Cash and Cash Equivalents at End of Year	<u>\$ 65,979</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ (78,376)
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>	(11,351)
<i>Decrease (Increase) in Interfund Receivables</i>	9,037
<i>Decrease (Increase) in Unrealized Expenses</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	3,612
<i>Increase (Decrease) in Payroll Deductions</i>	(1,861)
<i>Increase (Decrease) in Accrued Wages Payable</i>	(15,109)
<i>Increase (Decrease) in Interfund Payables</i>	14,843
<i>Increase (Decrease) in Unearned Revenue</i>	(4,295)
Total Adjustments	<u>(5,124)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (83,500)</u>

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2019

Data Control Codes		Private-purpose Trust Fund	Agency Fund
		Scholarship Fund	Noncentralized Activity Funds
ASSETS:			
1110	Cash and Cash Equivalents	\$ 60,908	\$ 94,831
1120	Current Investments	187,729	--
1250	Accrued Interest	1,292	--
1260	Due from Other Funds	--	6,019
1800	Restricted Assets	144,057	--
1000	Total Assets	<u>393,986</u>	<u>100,850</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ 15,152
2170	Due to Other Funds	6,059	--
2190	Due to Student Groups	--	85,698
2300	Unearned Revenues	10	--
2000	Total Liabilities	<u>6,069</u>	<u>100,850</u>
NET POSITION:			
3800	Held in Trust	387,917	--
3000	Total Net Position	<u>\$ 387,917</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, 2019*

	Private- Purpose Trusts	Scholarship Funds
Additions:		
Investment Income	\$ 8,814	
Gifts and Bequests	26,674	
Total Additions	35,488	
Deductions:		
Personnel costs	1,725	
Scholarships and Awards	46,548	
Supplies and Materials	--	
Professional Services	--	
Total Deductions	48,273	
Change in Net Assets	(12,785)	
Net Position-Beginning of the Year	400,702	
Net Position-End of the Year	\$ 387,917	

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, 2019

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, 2019

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.

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.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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 acquisition 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

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.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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. 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.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

GASB Statement No. 84, *Fiduciary Activities*

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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>
None reported	Not applicable

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

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, 2019, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,509,012 and the bank balance was \$2,789,265. The District's cash deposits at June 30, 2019 and during the year ended June 30, 2019, 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.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

* 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, 2019 are shown below.

<u>Investment or Investment Type</u>	<u>Rating</u>	<u>Maturity</u>	<u>Using Level</u>	<u>Fair Value</u>
TexPool	AAA _m	42 days	*	\$ 11,816,338
Texas TERM DAILY	AAA _m	55 days	*	2,244,667
Texas TERM	AAA _f	< 1 year	*	7,500,000
Total Investments				<u>\$ 21,561,005</u>

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, 2019, 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, 2019

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.

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 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, 2019

D. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 700,990	\$ --	\$ --	\$ 700,990
Construction in progress	46,548,926	1,279,372	42,376,763	5,451,535
Total capital assets not being depreciated	47,249,916	1,279,372	42,376,763	6,152,525
<i>Capital assets being depreciated:</i>				
Land improvements	3,130,756	151,053	--	3,281,809
Buildings and improvements	75,547,383	42,688,723	215,241	118,020,865
Furniture and equipment	8,997,985	985,893	--	9,983,878
Capital lease assets	236,394	--	--	236,394
Total capital assets being depreciated	87,912,518	43,825,669	215,241	131,522,946
Less accumulated depreciation for:				
Land improvements	(779,147)	(255,601)	--	(1,034,748)
Buildings and improvements	(40,931,417)	(4,492,306)	(201,149)	(45,222,574)
Furniture and equipment	(5,195,852)	(844,956)	--	(6,040,808)
Capital lease assets	(59,099)	(59,098)	--	(118,197)
Total accumulated depreciation	(46,965,515)	(5,651,961)	(201,149)	(52,416,327)
Total capital assets being depreciated, net	40,947,003	38,173,708	14,092	79,106,619
Governmental activities capital assets, net	\$ 88,196,919	\$ 39,453,080	\$ 42,390,855	\$ 85,259,144

Depreciation was charged to functions as follows:

Instruction	\$ 3,351,915
Instructional Resources and Media Services	77,192
Curriculum and Staff Development	98,826
Instructional Leadership	70,039
School Leadership	356,481
Guidance, Counseling, & Evaluation Services	122,609
Social Work Services	19,039
Health Services	60,555
Student Transportation	323,273
Food Services	1,525
Extracurricular Activities	188,124
General Administration	266,315
Plant Maintenance and Operations	609,238
Security and Monitoring Services	32,799
Data Processing Services	72,297
Community Services	1,734
	<u>\$ 5,651,961</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2019, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 1,419,351	Temporary advances
General Fund	Enterprise Funds	10,957	Temporary advances
General Fund	Fiduciary Funds	39	Temporary advances
Other Governmental Funds	Enterprise Funds	8,805	Temporary advances
Other Governmental Funds	Other Governmental Funds	160,588	Transfer of expenditures
Other Governmental Funds	General Fund	88,961	Temporary advances
Enterprise Funds	Other Governmental Funds	812	Temporary advances
	Total	<u>\$ 1,689,513</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, 2019, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Other Governmental Funds	\$ 546,472	General Fund tax collections for maintenance note debt service
General fund	Enterprise Funds	78,376	General Fund support for Internal Service Funds
Enterprise Funds	Enterprise Funds	166,485	Internal Service Fund support for other Internal Service Funds
	Total	<u>\$ 791,333</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, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 75,096,963	\$ --	\$ 2,771,963	\$ 72,325,000	\$ 2,575,000
Capital leases	180,555	--	77,762	102,793	81,721
Accretion on CAB's	580,056	--	580,056	--	--
Premium on bonds	5,272,958	--	202,806	5,070,152	--
	<u>81,130,532</u>	<u>--</u>	<u>3,632,587</u>	<u>77,497,945</u>	<u>2,656,721</u>
Net pension liability*	9,350,942	9,260,873	1,073,399	17,538,416	--
Net OPEB liability*	15,899,673	4,617,214	279,603	20,237,284	--
Total governmental activities	<u>\$ 106,381,147</u>	<u>\$ 13,878,087</u>	<u>\$ 4,985,589</u>	<u>\$ 115,273,645</u>	<u>\$ 2,656,721</u>

* Other long-term liabilities

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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	\$ 3,625,000
3/15/2007	Series 2007	3.92	8,834,988	8/1/2027	7,500,013
8/27/2008	Series 2008	3.75	2,345,000	8/1/2022	690,000
12/1/2012	Series 2012	2.00 to 3.00	2,930,000	2/1/2020	450,000
7/15/2014	Series 2014	3.00 to 5	58,500,000	8/1/2044	57,274,987
12/7/2017	Series 2017	2.14	3,670,000	8/1/2027	2,785,000
					<u>\$ 72,325,000</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	--	58,462,000	38,000
2017	Tax & Revenue Notes	AA	3,670,000	--	3,670,000	--
					<u>\$ 85,766,985</u>	<u>\$ 38,000</u>

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2019, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 2,575,000	3,127,932	\$ 5,702,932
2021	2,485,000	3,029,493	5,514,493
2022	2,575,000	2,936,500	5,511,500
2023	2,675,000	2,837,870	5,512,870
2024	2,675,000	2,729,815	5,404,815
2025-2029	13,795,000	11,920,842	25,715,842
2030-2034	10,815,000	9,450,913	20,265,913
2035-2039	13,735,000	6,442,563	20,177,563
2040-2044	17,485,000	2,633,912	20,118,912
2045	3,510,000	68,806	3,578,806
Totals	<u>\$ 72,325,000</u>	<u>\$ 45,178,646</u>	<u>\$ 117,503,646</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, 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.

<u>Bond Issue</u>	<u>Amount</u>
Series 2002	\$ 7,405,000
Total	<u>\$ 7,405,000</u>

4. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2019, as follows:

<u>Year Ending June 30:</u>	
2020	\$ 81,721
2021	21,072
Total Minimum Rentals	<u>\$ 102,793</u>

The effective interest rate on capital leases is 5%.

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 2019, 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) and is 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.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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 percent (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.

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. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

<u>Contribution Rates</u>		
	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2019 Employer Contributions	\$ 1,116,036	
District's 2019 Member Contributions	\$ 2,475,932	
2018 NECE On-Behalf Contributions (state)	\$ 1,442,442	

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).

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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.

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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Payroll Growth Rate	3.00%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017 and adopted in July, 2018.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

6. Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on the pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Rate of Return As of August 31, 2016			
Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns *
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy & Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Alpha			-0.8%
Total	100.0%		7.2%
* Target allocation are based on the FY 2016 policy model.			
** The expected contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.			

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 5.907%	Discount Rate 6.907%	1% Increase in Discount Rate 7.907%
District's proportionate share of the net pension liability	\$ 26,469,675	\$ 17,538,416	\$ 10,308,032

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

At June 30, 2019, the District reported a liability of \$17,538,416 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 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	\$ 17,538,416
State's proportionate share that is associated with District	<u>23,582,936</u>
Total	<u>\$ 41,121,352</u>

The net pension liability was measured as of June 30, 2017 and rolled forward to June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0318634%. which was an increase (decrease) of 0.00261855% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation -

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

For the year ended June 30, 2019, the District recognized pension expense of \$4,719,244 and revenue of \$2,334,082 for support provided by the State.

At June 30, 2019, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:
(The amounts below will be the cumulative layers from the current and prior years combined)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 109,320	\$ 430,323
Changes in actuarial assumptions	6,323,444	197,608
Difference between projected and actual investment earnings	--	332,779
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,055,040	453
Contributions paid to TRS subsequent to the measurement date	932,420	--
Total	<u>\$ 9,420,224</u>	<u>\$ 961,163</u>

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
2020	\$ 1,957,279
2021	\$ 1,256,969
2022	\$ 1,066,929
2023	\$ 1,265,523
2024	\$ 1,196,759
Thereafter	\$ 783,181

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. 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 the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees January 1, 2018 thru December 31, 2018		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent 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		
	2018	2019
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 2019 Employer Contributions	\$	246,418
District's 2019 Member Contributions	\$	208,965
2018 NECE On-Behalf Contributions (state)	\$	363,674

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay to 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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed on 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, salary increases, and general payroll growth, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in the 2018 CAFR for the Teacher Retirement System of Texas.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate *	3.69% *
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.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%, including inflation ***
Healthcare Trend Rates **	8.50% **
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% after age 65.
Ad Hoc Post-Employment Benefit Changes	None

*Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2018.

**8.50% for FY2019, decreasing 0.5% per year to 4.50% for FY2027 and later years.

*** Includes inflation at 2.5%.

6. Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27 percent 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 (2.69%)	Current Single Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District's proportionate share of net OPEB liability	\$ 24,089,322	\$ 20,237,284	\$ 17,190,075

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

At June 30, 2019, the District reported a liability of \$20,237,284 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	\$	20,237,284
State's proportionate share that is associated with the District	\$	<u>26,359,820</u>
Total	\$	<u><u>46,597,104</u></u>

The Net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

At August 31, 2019 the District's proportion of the collective net OPEB liability was 0.0405306, compared to 0.0365625 at 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	\$ 16,807,394	\$ 20,237,284	\$ 24,754,524

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 since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
- Change of Benefit Terms Since the Prior Measurement Date - Please see the 2018 TRS CAFR, page 68, section B for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850 / \$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis-point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provision or applicable law.

Changes of benefit terms that affected measurement of the total OPEB liability during the measurement period are listed below:

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,663,211 and revenue of \$958,812 for support provided by the State.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, 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 Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 1,073,917	\$ 319,374
Changes in actuarial assumptions	337,705	6,080,143
Differences between projected and actual investment earnings	3,539	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,175,758	--
Contributions paid to TRS subsequent to the measurement date	204,665	
Total	\$ 3,795,584	\$ 6,399,517

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,	Amount
2020	\$ (525,829)
2021	\$ (525,829)
2022	\$ (525,829)
2023	\$ (526,499)
2024	\$ (526,881)
Thereafter	\$ (177,729)

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, 2019, the subsidy payment received by TRS-Care on behalf of the District was \$101,362.

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 \$367 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, 2019

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, 2019.

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:

<u>Member Districts</u>	<u>Expenditures</u>
Lockhart ISD	\$ 1,216,282
Luling ISD	296,274
Prairie Lea ISD	46,780
Total	<u>\$ 1,559,336</u>

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, 2019

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 14,815,713	\$ 15,045,821	\$ 14,804,609	\$ (241,212)
5800	State Program Revenues	33,195,054	34,406,716	33,576,783	(829,933)
5900	Federal Program Revenues	338,800	391,993	613,517	221,524
5020	Total Revenues	48,349,567	49,844,530	48,994,909	(849,621)
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	27,807,401	27,928,762	27,061,932	866,830
0012	Instructional Resources and Media Services	598,313	632,721	622,826	9,895
0013	Curriculum and Staff Development	827,227	892,667	797,891	94,776
	Total Instruction & Instr. Related Services	29,232,941	29,454,150	28,482,649	971,501
Instructional and School Leadership:					
0021	Instructional Leadership	606,659	588,041	565,116	22,925
0023	School Leadership	2,925,954	2,901,408	2,876,283	25,125
	Total Instructional & School Leadership	3,532,613	3,489,449	3,441,399	48,050
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	1,027,357	1,018,612	991,313	27,299
0032	Social Work Services	153,583	154,358	153,617	741
0033	Health Services	542,471	510,621	488,590	22,031
0034	Student (Pupil) Transportation	2,355,100	2,702,100	2,608,337	93,763
0035	Food Services	25,000	22,802	11,049	11,753
0036	Cocurricular/Extracurricular Activities	1,397,999	1,876,482	1,520,901	355,581
	Total Support Services - Student (Pupil)	5,501,510	6,284,975	5,773,807	511,168
Administrative Support Services:					
0041	General Administration	2,351,686	2,290,456	2,148,773	141,683
	Total Administrative Support Services	2,351,686	2,290,456	2,148,773	141,683
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	4,796,198	4,966,194	4,920,857	45,337
0052	Security and Monitoring Services	217,351	283,090	264,721	18,369
0053	Data Processing Services	610,542	603,777	583,329	20,448
	Total Support Services - Nonstudent Based	5,624,091	5,853,061	5,768,907	84,154
Ancillary Services:					
0061	Community Services	16,784	17,184	13,991	3,193
	Total Ancillary Services	16,784	17,184	13,991	3,193
Debt Service:					
0071	Principal on Long-Term Debt	--	77,762	77,762	--
0072	Interest on Long-Term Debt	--	7,226	7,226	--
	Total Debt Service	--	84,988	84,988	--
Capital Outlay:					
0081	Capital Outlay	214,200	832,337	530,136	302,201
	Total Capital Outlay	214,200	832,337	530,136	302,201

LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
0093	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	747,564	831,302	722,017	109,285
0099	Other Intergovernmental Charges	373,000	373,000	339,437	33,563
	Total Intergovernmental Charges	1,120,564	1,204,302	1,061,454	142,848
6030	Total Expenditures	47,594,389	49,510,902	47,306,104	2,204,798
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	755,178	333,628	1,688,805	1,355,177
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	--	463	463
8911	Transfers Out	(743,248)	(754,017)	(624,846)	129,171
7080	Total Other Financing Sources and (Uses)	(743,248)	(754,017)	(624,383)	129,634
1200	Net Change in Fund Balance	11,930	(420,389)	1,064,422	1,484,811
0100	Fund Balance - Beginning	--	--	15,892,377	15,892,377
3000	Fund Balance - Ending	\$ 11,930	\$ (420,389)	\$ 16,956,799	\$ 17,377,188

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,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0318634%	0.0292449%	0.0287948%	0.0292538%	0.0197780%
District's proportionate share of the net pension liability (asset)	\$ 17,538,416	\$ 9,350,942	\$ 10,881,118	\$ 10,340,829	\$ 5,282,977
State's proportionate share of the net pension liability (asset) associated with the District	23,582,936	14,653,093	16,826,316	16,271,958	13,744,870
Total	<u>\$ 41,121,352</u>	<u>\$ 24,004,035</u>	<u>\$ 27,707,434</u>	<u>\$ 26,612,787</u>	<u>\$ 19,027,847</u>
District's covered payroll	\$ 31,692,894	\$ 29,968,151	\$ 28,764,071	\$ 27,754,797	\$ 26,227,055
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.34%	31.20%	37.83%	37.26%	20.14%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

* 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,				
2013	2012	2011	2010	2009
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--

LOCKHART INDEPENDENT SCHOOL DISTRICT

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,116,036	\$ 1,043,672	\$ 927,988	\$ 903,438	\$ 810,976
Contributions in relation to the contractually required contribution	(1,116,036)	(1,043,672)	(927,988)	(903,438)	(810,976)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 32,154,893	\$ 31,186,506	\$ 29,668,119	\$ 28,456,580	\$ 27,582,011
Contributions as a percentage of covered-employee payroll	3.47%	3.35%	3.13%	3.17%	2.94%

* 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				
2014	2013	2010	2009	2008
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--

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,				
	2018	2017	2016	2015	2014
District's proportion of the collective net OPEB liability	0.0405305697%	0.0365625296%	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 20,237,284	\$ 15,899,673	\$ --	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	\$ 26,359,820	\$ 22,917,035	\$ 1	\$ --	\$ --
Total	<u>\$ 46,597,104</u>	<u>\$ 38,816,708</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 31,692,894	\$ 29,968,151	\$ --	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	63.85%	53.06%	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	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,				
2013	2012	2011	2010	2009
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

*LAST TEN FISCAL YEARS **

	Fiscal Year Ended				
	2019	2018	2017	2016	2015
Statutorily or contractually required District contribution	\$ 246,418	\$ 239,614	\$ --	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(246,418)	(239,614)	--	--	--
Contribution deficiency (excess)	<u>\$ 492,836</u>	<u>\$ 479,228</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 32,148,410	\$ 31,192,689	\$ --	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	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				
2014	2013	2012	2011	2010
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--

LOCKHART INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

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

Changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period are discussed in the notes to financial statements.

*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, 2019

Data Control Codes		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:					
1110	Cash and Cash Equivalents	\$ 615,537	\$ 5,358	\$ 81,747	\$ 702,642
1120	Current Investments	1,297,985	190,974	94,897	1,583,856
1240	Due from Other Governments	1,198,806	--	--	1,198,806
1260	Due from Other Funds	228,779	--	29,575	258,354
1290	Other Receivables	5,733	--	--	5,733
1000	Total Assets	3,346,840	196,332	206,219	3,749,391
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 134,333	\$ --	\$ (3,226)	\$ 131,107
2150	Payroll Deductions & Withholdings	62,529	--	--	62,529
2160	Accrued Wages Payable	507,200	--	--	507,200
2170	Due to Other Funds	1,403,560	5,746	171,445	1,580,751
2180	Due to Other Governments	66,342	--	--	66,342
2300	Unearned Revenue	247,582	--	--	247,582
2000	Total Liabilities	2,421,546	5,746	168,219	2,595,511
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	859,443	--	--	859,443
3470	Capital Acquisitions & Contractual Obligations	--	--	38,000	38,000
3480	Retirement of Long-Term Debt	--	190,586	--	190,586
3490	Other Restrictions of Fund Balance	65,851	--	--	65,851
3000	Total Fund Balances	925,294	190,586	38,000	1,153,880
4000	Total Liabilities and Fund Balances	\$ 3,346,840	\$ 196,332	\$ 206,219	\$ 3,749,391

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,743,150	\$ 3,663	\$ 36,974	\$ 1,783,787
5800	State Program Revenues	937,846	--	--	937,846
5900	Federal Program Revenues	7,115,593	--	--	7,115,593
5020	Total Revenues	9,796,589	3,663	36,974	9,837,226
EXPENDITURES:					
Current:					
0011	Instruction	4,063,655	--	1,260	4,064,915
0012	Instructional Resources and Media Services	37,456	--	--	37,456
0013	Curriculum and Staff Development	40,502	--	--	40,502
0021	Instructional Leadership	269,677	--	--	269,677
0023	School Leadership	5,801	--	--	5,801
0031	Guidance, Counseling, & Evaluation Services	961,433	--	--	961,433
0032	Social Work Services	16,640	--	--	16,640
0033	Health Services	1,943	--	--	1,943
0034	Student Transportation	201,285	--	746,521	947,806
0035	Food Service	3,689,058	--	--	3,689,058
0036	Cocurricular/Extracurricular Activities	43,309	--	--	43,309
0041	General Administration	5,918	--	215,202	221,120
0051	Facilities Maintenance and Operations	177,197	--	--	177,197
0052	Security and Monitoring Services	68,510	--	--	68,510
0061	Community Services	21,032	--	--	21,032
0071	Principal on Long-term Debt	--	460,000	865,000	1,325,000
0072	Interest on Long-term Debt	--	116,804	7,044	123,848
0081	Capital Outlay	12,687	--	1,135,915	1,148,602
0093	Payments to Shared Service Arrangements	125,481	--	--	125,481
6030	Total Expenditures	9,741,584	576,804	2,970,942	13,289,330
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	55,005	(573,141)	(2,933,968)	(3,452,104)
Other Financing Sources and (Uses):					
7915	Transfers In	--	546,472	--	546,472
7080	Total Other Financing Sources and (Uses)	--	546,472	--	546,472
1200	Net Change in Fund Balances	55,005	(26,669)	(2,933,968)	(2,905,632)
0100	Fund Balances - Beginning	870,289	217,255	2,971,968	4,059,512
3000	Fund Balances - Ending	\$ 925,294	\$ 190,586	\$ 38,000	\$ 1,153,880

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

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
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ 139,678	\$ 682	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	3,662	163,377	--	445,334
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1000	Total Assets	<u>3,662</u>	<u>303,055</u>	<u>682</u>	<u>445,334</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 2,120	\$ 11,283	\$ --	\$ 470
2150	Payroll Deductions & Withholdings	--	19,631	--	15,025
2160	Accrued Wages Payable	--	124,946	--	167,840
2170	Due to Other Funds	1,542	147,195	682	261,999
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>3,662</u>	<u>303,055</u>	<u>682</u>	<u>445,334</u>
FUND BALANCES:					
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>\$ 3,662</u>	<u>\$ 303,055</u>	<u>\$ 682</u>	<u>\$ 445,334</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 47,724	\$ --	\$ 474
--	--	778,361	69,119	--
5,812	209,756	57,238	3,383	21,503
--	--	57,708	15	28
--	--	--	--	--
<u>5,812</u>	<u>209,756</u>	<u>941,031</u>	<u>72,517</u>	<u>22,005</u>
\$ --	\$ --	\$ 58,850	\$ --	\$ --
549	--	1,520	92	2,663
3,550	--	11,745	--	18,436
1,713	209,756	9,473	72,425	906
--	--	--	--	--
--	--	--	--	--
<u>5,812</u>	<u>209,756</u>	<u>81,588</u>	<u>72,517</u>	<u>22,005</u>
--	--	859,443	--	--
--	--	--	--	--
--	--	859,443	--	--
<u>5,812</u>	<u>209,756</u>	<u>941,031</u>	<u>72,517</u>	<u>22,005</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes		263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	274 GEAR UP	289 Limited English Proficient Summer School
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	30,994
1240	Due from Other Governments	7,484	122,998	143,136	15,123
1260	Due from Other Funds	--	14,065	30,647	--
1290	Other Receivables	--	--	--	--
1000	Total Assets	<u>7,484</u>	<u>137,063</u>	<u>173,783</u>	<u>46,117</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 7,200	\$ 17,527	\$ 3,426	\$ 19,469
2150	Payroll Deductions & Withholdings	(2)	905	19	--
2160	Accrued Wages Payable	--	16,301	2,081	--
2170	Due to Other Funds	286	102,330	168,257	26,648
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>7,484</u>	<u>137,063</u>	<u>173,783</u>	<u>46,117</u>
FUND BALANCES:					
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>\$ 7,484</u>	<u>\$ 137,063</u>	<u>\$ 173,783</u>	<u>\$ 46,117</u>

315 IDEA-B Discretionary	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund
\$ --	\$ 1,206	\$ --	\$ --	\$ --
392,368	--	5,013	19,405	2,725
--	--	--	--	--
--	--	--	--	286
--	2,022	--	--	--
<u>392,368</u>	<u>3,228</u>	<u>5,013</u>	<u>19,405</u>	<u>3,011</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	3
--	--	--	--	--
392,368	3,228	1,110	--	2,996
--	--	--	--	--
--	--	3,903	19,405	12
<u>392,368</u>	<u>3,228</u>	<u>5,013</u>	<u>19,405</u>	<u>3,011</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 392,368</u>	<u>\$ 3,228</u>	<u>\$ 5,013</u>	<u>\$ 19,405</u>	<u>\$ 3,011</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes		437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	480 Education Foundation
ASSETS:					
1110	Cash and Cash Equivalents	\$ 96,589	\$ 28,146	\$ 66,035	\$ 80,300
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	--	--	--
1260	Due from Other Funds	126,030	--	--	--
1290	Other Receivables	--	--	--	--
1000	Total Assets	<u>222,619</u>	<u>28,146</u>	<u>66,035</u>	<u>80,300</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ 111	\$ --
2150	Payroll Deductions & Withholdings	22,122	--	--	--
2160	Accrued Wages Payable	162,301	--	--	--
2170	Due to Other Funds	--	--	73	--
2180	Due to Other Governments	38,196	28,146	--	--
2300	Unearned Revenue	--	--	--	80,300
2000	Total Liabilities	<u>222,619</u>	<u>28,146</u>	<u>184</u>	<u>80,300</u>
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	65,851	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>65,851</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 222,619</u>	<u>\$ 28,146</u>	<u>\$ 66,035</u>	<u>\$ 80,300</u>

481	483	484	492	494
Kiwanis Club	Hogg Grant	Lions Club	Texas State University	Parent Teacher Organization
\$ 453	\$ 87,303	\$ 1,522	\$ 42,992	\$ 14,977
--	--	--	--	--
--	--	--	--	--
--	3,711	--	--	--
<u>453</u>	<u>91,014</u>	<u>1,522</u>	<u>42,992</u>	<u>14,977</u>
\$ --	\$ 13,877	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
453	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>77,137</u>	<u>1,522</u>	<u>42,992</u>	<u>14,977</u>
<u>453</u>	<u>91,014</u>	<u>1,522</u>	<u>42,992</u>	<u>14,977</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 453</u>	<u>\$ 91,014</u>	<u>\$ 1,522</u>	<u>\$ 42,992</u>	<u>\$ 14,977</u>

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

JUNE 30, 2019

Data Control Codes		495 Miscellaneous Grants Fund	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:				
1110	Cash and Cash Equivalents	\$ 5,475	\$ 1,981	\$ 615,537
1120	Current Investments	--	--	1,297,985
1240	Due from Other Governments	--	--	1,198,806
1260	Due from Other Funds	--	--	228,779
1290	Other Receivables	--	--	5,733
1000	Total Assets	<u>5,475</u>	<u>1,981</u>	<u>3,346,840</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ 134,333
2150	Payroll Deductions & Withholdings	2	--	62,529
2160	Accrued Wages Payable	--	--	507,200
2170	Due to Other Funds	120	--	1,403,560
2180	Due to Other Governments	--	--	66,342
2300	Unearned Revenue	5,353	1,981	247,582
2000	Total Liabilities	<u>5,475</u>	<u>1,981</u>	<u>2,421,546</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	859,443
3490	Other Restrictions of Fund Balance	--	--	65,851
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>925,294</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,475</u>	<u>\$ 1,981</u>	<u>\$ 3,346,840</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, 2019

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
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	4,956	939,074	1,436,418	27,327
5020 <i>Total Revenues</i>	4,956	939,074	1,436,418	27,327
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	1,878	703,536	1,086,453	27,327
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	11,781	6,140	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	206,926	343,305	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	6	--	--
0034 <i>Student Transportation</i>	--	--	291	--
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>	--	--	--	--
0061 <i>Community Services</i>	3,078	16,825	229	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 <i>Total Expenditures</i>	4,956	939,074	1,436,418	27,327
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>	--	--	--	--
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
\$ --	\$ 472,131	\$ --	\$ --	\$ --
--	15,141	--	--	--
233,756	3,433,843	58,067	131,141	110,816
233,756	3,921,115	58,067	131,141	110,816
209,756	--	53,815	131,141	94,405
--	--	--	--	--
--	--	1,525	--	16,350
--	--	2,727	--	61
--	--	--	--	--
24,000	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	3,689,058	--	--	--
--	--	--	--	--
--	--	--	--	--
--	176,500	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
233,756	3,865,558	58,067	131,141	110,816
--	55,557	--	--	--
--	55,557	--	--	--
--	803,886	--	--	--
\$ --	\$ 859,443	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	265 21st Century Community Learning Centers	274 GEAR UP	289 Limited English Proficient Summer School	385 Supplemental Visually Impaired
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	2,450	--	5,195
5900 <i>Federal Program Revenues</i>	318,006	270,965	19,469	--
5020 <i>Total Revenues</i>	<u>318,006</u>	<u>273,415</u>	<u>19,469</u>	<u>5,195</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	267,583	47,834	19,469	5,195
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	1,719	585	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	221,461	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	1,887	--	--
0034 <i>Student Transportation</i>	48,704	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	1,648	--	--
0041 <i>General Administration</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 <i>Total Expenditures</i>	<u>318,006</u>	<u>273,415</u>	<u>19,469</u>	<u>5,195</u>
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>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund	437 Special Education	450 Medicaid Coop
\$ --	\$ --	\$ --	\$ 925,662	\$ --
1,110	266,098	14,179	633,673	--
--	--	--	--	131,755
<u>1,110</u>	<u>266,098</u>	<u>14,179</u>	<u>1,559,335</u>	<u>131,755</u>
--	266,098	8,904	1,021,408	6,274
--	--	--	--	--
1,110	--	--	188	--
--	--	--	266,889	--
--	--	5,275	--	--
--	--	--	113,126	--
--	--	--	--	--
--	--	--	--	--
--	--	--	152,290	--
--	--	--	--	--
--	--	--	--	--
--	--	--	5,434	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	125,481
<u>1,110</u>	<u>266,098</u>	<u>14,179</u>	<u>1,559,335</u>	<u>131,755</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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, 2019

Data Control Codes	461 Campus Activity Funds	480 Education Foundation	483 Hogg Grant	484 Lions Club
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 130,038	\$ 43,055	\$ 66,113	\$ 861
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	--	--	--	--
5020 Total Revenues	<u>130,038</u>	<u>43,055</u>	<u>66,113</u>	<u>861</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	63,382	41,133	--	861
0012 <i>Instructional Resources and Media Services</i>	36,705	--	--	--
0013 <i>Curriculum and Staff Development</i>	739	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	526	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	1,922	49,473	--
0032 <i>Social Work Services</i>	--	--	16,640	--
0033 <i>Health Services</i>	50	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	28,041	--	--	--
0041 <i>General Administration</i>	484	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	200	--	--	--
0061 <i>Community Services</i>	463	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 Total Expenditures	<u>130,590</u>	<u>43,055</u>	<u>66,113</u>	<u>861</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(552)	--	--	--
1200 Net Change in Fund Balances	<u>(552)</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	66,403	--	--	--
3000 Fund Balances - Ending	<u>\$ 65,851</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

486	487	492	494	495
LCRA	HEB	Texas State University	Parent Teacher Organization	Miscellaneous Grants Fund
\$ 12,687	\$ 1,000	\$ 68,310	\$ 6,760	\$ 2,827
--	--	--	--	--
--	--	--	--	--
12,687	1,000	68,310	6,760	2,827
--	249	--	5,573	1,381
--	751	--	--	--
--	--	--	365	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	1,220
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	226
--	--	--	--	--
--	--	--	697	--
--	--	68,310	--	--
--	--	--	125	--
12,687	--	--	--	--
--	--	--	--	--
12,687	1,000	68,310	6,760	2,827
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	496 Athletic Booster Club	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 13,394	\$ 312	\$ 1,743,150
5800 <i>State Program Revenues</i>	--	--	937,846
5900 <i>Federal Program Revenues</i>	--	--	7,115,593
5020 Total Revenues	<u>13,394</u>	<u>312</u>	<u>9,796,589</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	--	--	4,063,655
0012 <i>Instructional Resources and Media Services</i>	--	--	37,456
0013 <i>Curriculum and Staff Development</i>	--	--	40,502
0021 <i>Instructional Leadership</i>	--	--	269,677
0023 <i>School Leadership</i>	--	--	5,801
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	961,433
0032 <i>Social Work Services</i>	--	--	16,640
0033 <i>Health Services</i>	--	--	1,943
0034 <i>Student Transportation</i>	--	--	201,285
0035 <i>Food Service</i>	--	--	3,689,058
0036 <i>Cocurricular/Extracurricular Activities</i>	13,394	--	43,309
0041 <i>General Administration</i>	--	--	5,918
0051 <i>Facilities Maintenance and Operations</i>	--	--	177,197
0052 <i>Security and Monitoring Services</i>	--	--	68,510
0061 <i>Community Services</i>	--	312	21,032
0081 <i>Capital Outlay</i>	--	--	12,687
0093 <i>Payments to Shared Service Arrangements</i>	--	--	125,481
6030 Total Expenditures	<u>13,394</u>	<u>312</u>	<u>9,741,584</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	55,005
1200 Net Change in Fund Balances	--	--	55,005
0100 Fund Balances - Beginning	--	--	870,289
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 925,294</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

JUNE 30, 2019

Data Control Codes		595 Maintenance Tax Notes 2012 Series	597 Maintenance Tax Notes 2017 Series	Total Nonmajor Debt Service Funds (See Exhibit H-1)
ASSETS:				
1110	<i>Cash and Cash Equivalents</i>	\$ 5,358	\$ --	\$ 5,358
1120	<i>Current Investments</i>	153,388	37,586	190,974
1000	Total Assets	<u>158,746</u>	<u>37,586</u>	<u>196,332</u>
LIABILITIES:				
Current Liabilities:				
2170	<i>Due to Other Funds</i>	\$ 5,746	\$ --	\$ 5,746
2000	Total Liabilities	<u>5,746</u>	<u>--</u>	<u>5,746</u>
FUND BALANCES:				
Restricted Fund Balances:				
3480	<i>Retirement of Long-Term Debt</i>	153,000	37,586	190,586
3000	Total Fund Balances	<u>153,000</u>	<u>37,586</u>	<u>190,586</u>
4000	Total Liabilities and Fund Balances	<u>\$ 158,746</u>	<u>\$ 37,586</u>	<u>\$ 196,332</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, 2019

Data Control Codes	595 Maintenance Tax Notes 2012 Series	597 Maintenance Tax Notes 2017 Series	Total Nonmajor Debt Service Funds (See Exhibit H-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 3,663	\$ --	\$ 3,663
5020 <i>Total Revenues</i>	<u>3,663</u>	<u>--</u>	<u>3,663</u>
EXPENDITURES:			
0071 <i>Principal on Long-term Debt</i>	440,000	20,000	460,000
0072 <i>Interest on Long-term Debt</i>	26,700	90,104	116,804
6030 <i>Total Expenditures</i>	<u>466,700</u>	<u>110,104</u>	<u>576,804</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>(463,037)</u>	<u>(110,104)</u>	<u>(573,141)</u>
<i>Other Financing Sources and (Uses):</i>			
7915 <i>Transfers In</i>	461,937	84,535	546,472
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>461,937</u>	<u>84,535</u>	<u>546,472</u>
1200 <i>Net Change in Fund Balances</i>	<u>(1,100)</u>	<u>(25,569)</u>	<u>(26,669)</u>
0100 <i>Fund Balances - Beginning</i>	154,100	63,155	217,255
3000 <i>Fund Balances - Ending</i>	<u>\$ 153,000</u>	<u>\$ 37,586</u>	<u>\$ 190,586</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT**COMBINING BALANCE SHEET****NONMAJOR CAPITAL PROJECTS FUNDS**

JUNE 30, 2019

Data Control Codes	614 Bond Program	698 2017 Maintenance Tax Notes Proceeds	Total Nonmajor Capital Projects Funds (See Exhibit H-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 70,363	\$ 11,384	\$ 81,747
1120 <i>Current Investments</i>	94,897	--	94,897
1260 <i>Due from Other Funds</i>	3,670	25,905	29,575
1000 Total Assets	<u>168,930</u>	<u>37,289</u>	<u>206,219</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ (5,785)	\$ 2,559	\$ (3,226)
2170 <i>Due to Other Funds</i>	136,715	34,730	171,445
2000 Total Liabilities	<u>130,930</u>	<u>37,289</u>	<u>168,219</u>
FUND BALANCES:			
Restricted Fund Balances:			
3470 <i>Capital Acquisitions & Contractual Obligations</i>	38,000	--	38,000
3000 Total Fund Balances	<u>38,000</u>	<u>--</u>	<u>38,000</u>
4000 Total Liabilities and Fund Balances	<u>\$ 168,930</u>	<u>\$ 37,289</u>	<u>\$ 206,219</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, 2019

Data Control Codes	614 Bond Program	698 2017 Maintenance Tax Notes Proceeds	Total Nonmajor Capital Projects Funds (See Exhibit H-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 11,113	\$ 25,861	\$ 36,974
5020 <i>Total Revenues</i>	<u>11,113</u>	<u>25,861</u>	<u>36,974</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	1,260	--	1,260
0034 <i>Student Transportation</i>	--	746,521	746,521
0041 <i>General Administration</i>	--	215,202	215,202
0071 <i>Principal on Long-term Debt</i>	--	865,000	865,000
0072 <i>Interest on Long-term Debt</i>	--	7,044	7,044
0081 <i>Capital Outlay</i>	736,371	399,544	1,135,915
6030 <i>Total Expenditures</i>	<u>737,631</u>	<u>2,233,311</u>	<u>2,970,942</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	(726,518)	(2,207,450)	(2,933,968)
1200 <i>Net Change in Fund Balances</i>	<u>(726,518)</u>	<u>(2,207,450)</u>	<u>(2,933,968)</u>
0100 <i>Fund Balances - Beginning</i>	764,518	2,207,450	2,971,968
3000 <i>Fund Balances - Ending</i>	<u>\$ 38,000</u>	<u>\$ --</u>	<u>\$ 38,000</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2019

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
ASSETS:				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 24,557	\$ 13,713	\$ 14,918
Receivables:				
1260	Due from Other Funds	--	--	812
1290	Other Receivables (net)	100	--	--
	Total Current Assets	24,657	13,713	15,730
1000	Total Assets	24,657	13,713	15,730
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 2,906	\$ --	\$ --
2150	Payroll Deduction & Withholdings	14	1,215	3,279
2160	Accrued Wages Payable	3,042	8,475	12,451
2170	Due to Other Funds	10,451	4,023	--
2300	Unearned Revenues	8,244	--	--
	Total Current Liabilities	24,657	13,713	15,730
2000	Total Liabilities	24,657	13,713	15,730
NET POSITION:				
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.	
\$ (9,197)	\$ 20,070	\$ 1,918	\$ 65,979
--	--	--	812
15,836	--	--	15,936
6,639	20,070	1,918	82,727
6,639	20,070	1,918	82,727
\$ 301	\$ --	\$ 405	\$ 3,612
--	3,444	75	8,027
3,023	14,653	698	42,342
3,315	1,973	--	19,762
--	--	740	8,984
6,639	20,070	1,918	82,727
6,639	20,070	1,918	82,727
\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
OPERATING REVENUES:				
5700	Local and Intermediate Sources	\$ 81,760	\$ 270,438	\$ --
5800	State Program Revenues	2,720	17,449	38,076
5020	Total Revenues	84,480	287,887	38,076
OPERATING EXPENSES:				
6100	Payroll Costs	60,601	171,848	123,923
6200	Professional and Contracted Services	5,088	4,134	36,577
6300	Supplies and Materials	3,588	12,394	6,160
6400	Other Operating Costs	961	125	894
6030	Total Expenses	70,238	188,501	167,554
	Income (Loss) before Contributions and Transfers	14,242	99,386	(129,478)
7915	Transfers In	--	--	129,478
8911	Transfers Out	(14,242)	(99,386)	--
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.	
\$ 65,220	\$ 191,708	\$ 44,944	\$ 654,070
--	16,614	13,431	88,290
65,220	208,322	58,375	742,360
53,517	151,315	160,915	722,119
--	1,000	4,971	51,770
166	9,918	7,704	39,930
4,484	285	168	6,917
58,167	162,518	173,758	820,736
7,053	45,804	(115,383)	(78,376)
--	--	115,383	244,861
(7,053)	(45,804)	--	(166,485)
--	--	--	--
--	--	--	--
\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Summer Recreation	After School Program	Cubhouse Students
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 82,516	\$ 273,908	\$ --
Cash Received from Grants	1,130	17,449	38,076
Cash Payments to Employees	(71,067)	(168,258)	(127,797)
Cash Payments to Suppliers for Goods and Services	1,066	(16,653)	(43,375)
Net Cash Provided (Used) by Operating Activities	<u>13,645</u>	<u>106,446</u>	<u>(133,096)</u>
Cash Flows from Non-capital Financing Activities:			
Transfers From (To) Other Funds	(14,242)	(99,386)	129,478
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(14,242)</u>	<u>(99,386)</u>	<u>129,478</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(597)	7,060	(3,618)
Cash and Cash Equivalents at Beginning of Year	25,154	6,653	18,536
Cash and Cash Equivalents at End of Year	<u>\$ 24,557</u>	<u>\$ 13,713</u>	<u>\$ 14,918</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 14,242	\$ 99,386	\$ (129,478)
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	756	10	--
Decrease (Increase) in Interfund Receivables	--	7,483	256
Decrease (Increase) in Unrealized Expenses	--	--	--
Increase (Decrease) in Accounts Payable	2,906	--	--
Increase (Decrease) in Payroll Deductions	13	(742)	(1,056)
Increase (Decrease) in Accrued Wages Payable	(10,466)	(3,714)	(2,818)
Increase (Decrease) in Interfund Payables	7,784	4,023	--
Increase (Decrease) in Unearned Revenue	(1,590)	--	--
Total Adjustments	<u>(597)</u>	<u>7,060</u>	<u>(3,618)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 13,645</u>	<u>\$ 106,446</u>	<u>\$ (133,096)</u>

GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 53,003	\$ 191,033	\$ 45,044	\$ 645,504
--	16,614	16,136	89,405
(51,936)	(150,510)	(161,196)	(730,764)
(3,211)	(7,257)	(18,215)	(87,645)
<u>(2,144)</u>	<u>49,880</u>	<u>(118,231)</u>	<u>(83,500)</u>
 (7,053)	 (45,804)	 115,383	 78,376
<u>(7,053)</u>	<u>(45,804)</u>	<u>115,383</u>	<u>78,376</u>
 (9,197)	 4,076	 (2,848)	 (5,124)
--	15,994	4,766	71,103
\$ <u>(9,197)</u>	\$ <u>20,070</u>	\$ <u>1,918</u>	\$ <u>65,979</u>
 \$ 7,053	 \$ 45,804	 \$ (115,383)	 \$ (78,376)
--	--	--	--
--	--	--	--
(12,217)	--	100	(11,351)
--	1,298	--	9,037
--	--	--	--
301	--	405	3,612
--	(81)	5	(1,861)
1,289	886	(286)	(15,109)
1,430	1,973	(367)	14,843
--	--	(2,705)	(4,295)
<u>(9,197)</u>	<u>4,076</u>	<u>(2,848)</u>	<u>(5,124)</u>
\$ <u>(2,144)</u>	\$ <u>49,880</u>	\$ <u>(118,231)</u>	\$ <u>(83,500)</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

EXHIBIT H-12

Data Control Codes	97 Balance July 1, 2018	5030 Additions	6050 Deductions	98 Balance June 30, 2019
Noncentralized Activity Funds:				
ASSETS				
Cash & Temporary Investments	\$ 117,140	\$ 168,980	\$ 191,289	\$ 94,831
Due from Other Funds	813	12,715	7,509	6,019
Total Assets	<u>\$ 117,953</u>	<u>\$ 181,695</u>	<u>\$ 198,798</u>	<u>\$ 100,850</u>
LIABILITIES				
Accounts Payable	\$ 22,971	\$ 412,311	\$ 420,130	\$ 15,152
Due to Other Funds	1,317	15,569	16,886	--
Due to Student Groups	93,665	569,924	577,891	85,698
Total Liabilities	<u>\$ 117,953</u>	<u>\$ 997,804</u>	<u>\$ 1,014,907</u>	<u>\$ 100,850</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, 2019*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2010 and Prior Years	\$	Various	\$	Various	\$	Various
2011		1.04		.1548		898,857,968
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 (School Year Under Audit)		1.04		.2924		1,360,183,381

1000 Totals

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

10 Beginning Balance 7/1/18	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/19
\$ 292,164	\$ --	\$ 14,001	\$ 2,456	\$ --	\$ 275,707
61,752	--	5,001	744	--	56,007
60,173	--	5,093	726	--	54,354
72,756	--	7,928	1,119	(283)	63,426
81,349	--	10,779	1,446	(486)	68,638
141,278	--	23,371	8,744	6,396	115,559
155,890	--	39,033	10,903	6,049	112,003
278,546	--	92,328	25,955	(1,853)	158,410
689,625	--	262,090	73,678	(18,452)	335,405
--	18,122,539	13,482,575	3,789,628	(53,106)	797,230
<u>\$ 1,833,533</u>	<u>\$ 18,122,539</u>	<u>\$ 13,942,199</u>	<u>\$ 3,915,399</u>	<u>\$ (61,735)</u>	<u>\$ 2,036,739</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT J-2

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 466,491	\$ 472,131	\$ 5,640
5800	<i>State Program Revenues</i>	15,135	15,141	6
5900	<i>Federal Program Revenues</i>	3,712,717	3,433,843	(278,874)
5020	Total Revenues	4,194,343	3,921,115	(273,228)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	<i>Food Services</i>	3,760,758	3,689,058	71,700
	Total Support Services - Student (Pupil)	3,760,758	3,689,058	71,700
	Support Services - Nonstudent Based:			
0051	<i>Plant Maintenance and Operations</i>	179,922	176,500	3,422
	Total Support Services - Nonstudent Based	179,922	176,500	3,422
6030	Total Expenditures	3,940,680	3,865,558	75,122
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	253,663	55,557	(198,106)
1200	Net Change in Fund Balance	253,663	55,557	(198,106)
0100	Fund Balance - Beginning	--	803,886	803,886
3000	Fund Balance - Ending	\$ 253,663	\$ 859,443	\$ 605,780

LOCKHART INDEPENDENT SCHOOL DISTRICT

MAINTENANCE TAX NOTE-2012 SERIES
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT J-3

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 3,273	\$ 3,663	\$ 390
5020	Total Revenues	3,273	3,663	390
EXPENDITURES:				
Debt Service:				
0071	Principal on Long-Term Debt	440,000	440,000	--
0072	Interest on Long-Term Debt	26,700	26,700	--
	Total Debt Service	466,700	466,700	--
6030	Total Expenditures	466,700	466,700	--
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(463,427)	(463,037)	390
Other Financing Sources (Uses):				
7915	Transfers In	463,900	461,937	(1,963)
7080	Total Other Financing Sources and (Uses)	463,900	461,937	(1,963)
1200	Net Change in Fund Balance	473	(1,100)	(1,573)
0100	Fund Balance - Beginning	--	154,100	154,100
3000	Fund Balance - Ending	\$ 473	\$ 153,000	\$ 152,527

LOCKHART INDEPENDENT SCHOOL DISTRICT

MAINTENANCE TAX NOTES-2017 SERIES
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT J-4

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5020	Total Revenues	\$ --	\$ --	\$ --
	EXPENDITURES:			
	Debt Service:			
0071	Principal on Long-Term Debt	20,000	20,000	--
0072	Interest on Long-Term Debt	90,105	90,104	1
	Total Debt Service	110,105	110,104	1
6030	Total Expenditures	110,105	110,104	1
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(110,105)	(110,104)	1
	Other Financing Sources (Uses):			
7915	Transfers In	108,105	84,535	(23,570)
7080	Total Other Financing Sources and (Uses)	108,105	84,535	(23,570)
1200	Net Change in Fund Balance	(2,000)	(25,569)	(23,569)
0100	Fund Balance - Beginning	--	63,155	63,155
3000	Fund Balance - Ending	\$ (2,000)	\$ 37,586	\$ 39,586

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 4,057,418	\$ 4,033,898	\$ (23,520)
5800	State Program Revenues	2,071,067	2,046,840	(24,227)
5020	Total Revenues	6,128,485	6,080,738	(47,747)
	EXPENDITURES:			
	Debt Service:			
0071	Principal on Long-Term Debt	1,311,164	1,446,963	(135,799)
0072	Interest on Long-Term Debt	3,862,447	3,715,447	147,000
0073	Bond Issuance Costs and Fees	20,000	6,177	13,823
	Total Debt Service	5,193,611	5,168,587	25,024
6030	Total Expenditures	5,193,611	5,168,587	25,024
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	934,874	912,151	(22,723)
	Other Financing Sources (Uses):			
7080	Total Other Financing Sources and (Uses)	(610,000)	--	610,000
1200	Net Change in Fund Balance	324,874	912,151	587,277
0100	Fund Balance - Beginning	--	5,112,327	5,112,327
3000	Fund Balance - Ending	\$ 324,874	\$ 6,024,478	\$ 5,699,604

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, 2019, 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 4, 2019.

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 black ink, appearing to read "West, Davis & Company". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

West, Davis & Company, LLP
Austin, Texas
November 4, 2019

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 Lockhart Independent School District's major federal program for the year ended June 30, 2019. Lockhart Independent School District's major federal program is 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 its major federal program for the year ended June 30, 2019.

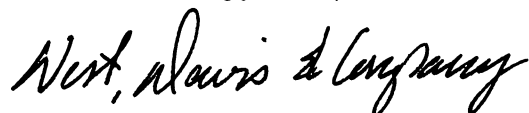
Report on Internal Control Over Compliance

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 4, 2019

LOCKHART INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

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 2019

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>
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
Special Education Cluster	
84.027A	IDEA-B Formula/Discretionary
84.173A	IDEA-B Preschool

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, 2019

EXHIBIT K-1

(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
CHILD NUTRITION CLUSTER:			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	71401901	\$ 1,191,344
National School Lunch Program (Non-cash)	10.555	028-902	226,874
National School Lunch Program	10.555	71301901	1,835,376
Total CFDA Number 10.555			2,062,250
Total Passed Through State Department of Education			3,253,594
Total U. S. Department of Agriculture			3,253,594
Total Child Nutrition Cluster			3,253,594
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
IDEA-B Formula	84.027A	186600010289026000	104,236
IDEA-B Formula	84.027A	196600010289026000	1,332,182
IDEA-B Discretionary	84.027A	66001906	233,756
Total CFDA Number 84.027A			1,670,174
IDEA-B Preschool	84.173A	186610010289026000	797
IDEA-B Preschool	84.173A	196610010289026000	26,530
Total CFDA Number 84.173A			27,327
Total Passed Through State Department of Education			1,697,501
Total U. S. Department of Education			1,697,501
Total Special Education (IDEA) Cluster			1,697,501
OTHER PROGRAMS:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	18610101028902	15,008
ESEA Title I Part A - Improving Basic Programs	84.010A	196101010289026000	924,066
Total CFDA Number 84.010A			939,074
Career and Technical - Basic Grant	84.048A	19420006028902	58,067
Total CFDA Number 84.048A			58,067
ESEA Title X Part C - Education for Homeless Children and Youth	84.196	028-902	4,956
Total CFDA Number 84.196			4,956
Title IV Part B21st Century Community Learning Centers	84.287C	196950267110040	318,006
Title III Part A English Language Acquisition and Language Enhancement	84.365A	18671001028902	8,379
Title III Part A English Language Acquisition and Language Enhancement	84.365A	19671001028902	102,437
Total CFDA Number 84.365A			110,816
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	18694501028902	14,207
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	19694501028902	116,934
Total CFDA Number 84.367A			131,141
Title IV, Part A, Subpart 1	84.424A	19680101028902	19,469
Total Passed Through State Department of Education			1,581,529
Passed Through The University of Texas at Austin:			
GEAR UP	84.334A	P334A170079	45,592
GEAR UP	84.334A	P334A170079	140,591
GEAR UP	84.334A	P334A180067	84,782
Total CFDA Number 84.334A			270,965
Total Passed Through The University of Texas at Austin			270,965
Total U. S. Department of Education			1,852,494
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Child and Adult Care Food Program	10.558	028-902	180,249
Total U. S. Department of Agriculture			180,249
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,983,838

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, 2019

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, 2019*

<u>Data Control Codes</u>		<u>Responses</u>
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
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ --
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 17,538,416
SF13	Pension Expense (object 6147) at fiscal year-end.	\$

In correspondence to all school administrators dated November 1, 2017, the TEA's Director of Financial Compliance stated "For 2017, and until further notice, no data should be entered in the field for data feed Schedule L-1 question SF13. If the AFR and data feed has been submitted no additional steps need to be taken."

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.

Contents	Page
Financial Trends	110
<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	114
<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	125
<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	130
<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	133
<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			
	2010	2011	2012	2013
Primary Government				
Net Investment in Capital Assets	\$ 3,863	\$ 4,577	\$ 4,014	\$ 6,487
Restricted	1,506	2,578	2,774	3,456
Campus Activities	--	--	--	--
Unrestricted	14,420	13,607	14,996	11,555
Total Primary Government Net Position	<u>\$ 19,789</u>	<u>\$ 20,762</u>	<u>\$ 21,784</u>	<u>\$ 21,498</u>

TABLE L-1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 6,682	\$ 7,356	\$ 14,345	\$ 14,095	\$ 16,009	\$ 13,050
3,982	5,403	5,521	6,067	5,967	6,245
--	--	--	--	--	66
12,856	7,331	1,223	740	(20,404)	(19,831)
<u>\$ 23,520</u>	<u>\$ 20,090</u>	<u>\$ 21,089</u>	<u>\$ 20,902</u>	<u>\$ 1,572</u>	<u>\$ (470)</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
Instruction	\$ 23,448,148	\$ 23,811,319	\$ 23,126,939	\$ 23,550,568
Instructional Resources & Media Services	786,278	763,821	665,402	696,941
Curriculum & Staff Development	324,272	362,855	198,022	196,088
Instructional Leadership	552,081	593,199	559,929	562,175
School Leadership	2,549,598	2,700,025	2,670,357	2,793,717
Guidance, Counseling & Evaluation Svcs	1,723,302	1,771,468	1,594,179	1,656,732
Social Work Services	191,717	191,079	49,221	78,397
Health Services	402,739	408,659	412,369	374,275
Student Transportation	1,874,478	1,869,828	1,982,269	2,025,891
Food Service	2,481,645	2,606,953	2,996,583	3,013,114
Cocurricular/Extracurricular Activities	1,216,754	1,170,177	1,133,889	1,120,391
General Administration	1,304,514	1,428,539	1,381,121	1,385,684
Plant Maintenance & Operations	4,052,169	4,052,978	4,008,165	4,031,777
Security & Monitoring Services	124,360	135,554	184,485	113,219
Data Processing Services	230,952	236,028	241,584	248,929
Community Services	91,136	82,489	68,720	54,114
Interest on Long-Term Debt	1,136,473	906,126	1,092,486	912,664
Bond Issuance Costs & Fees	15,497	53,323	95,412	114,591
Capital Outlay	--	--	--	--
Payments Related to SSA's	577,552	674,289	496,726	500,646
Other Intergovernmental Charges	243,278	241,348	247,298	268,042
Total Governmental Activities Expenses	<u>43,326,943</u>	<u>44,060,057</u>	<u>43,205,156</u>	<u>43,697,955</u>
Total Primary Government Expenses	<u>\$ 43,326,943</u>	<u>\$ 44,060,057</u>	<u>\$ 43,205,156</u>	<u>\$ 43,697,955</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	\$ --	\$ --	\$ --	\$ --
Curriculum & Staff Development	--	--	--	--
Instructional Leadership	--	--	--	--
Guidance, Counseling & Evaluation Svcs	--	--	--	--
Student Transportation	--	--	--	--
Food Services	591,536	563,452	642,242	477,744
Cocurricular/Extracurricular Activities	92,349	113,200	105,685	106,531
General Administration	--	--	--	--
Plant Maintenance & Operations	79,106	47,738	65,323	71,151
Security & Monitoring Services	385	473	670	325
Community Services	--	--	--	--
Other Activities	2,464	--	--	--
Operating Grants and Contributions	6,020,113	8,516,794	6,608,929	6,765,028
Total Governmental Activities Program Rev.	<u>6,785,953</u>	<u>9,241,657</u>	<u>7,422,849</u>	<u>7,420,779</u>
Total Primary Government Program Rev.	<u>6,785,953</u>	<u>9,241,657</u>	<u>7,422,849</u>	<u>7,420,779</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (36,540,990)	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)
Total Primary Government Net Expense	<u>\$ (36,540,990)</u>	<u>\$ (34,818,400)</u>	<u>\$ (35,782,307)</u>	<u>\$ (36,277,176)</u>

TABLE L-2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 24,767,625	\$ 26,836,890	\$ 29,129,813	\$ 31,313,283	\$ 23,317,881	\$ 36,755,001
665,913	691,780	718,093	790,158	592,088	778,049
208,221	362,660	442,361	667,962	739,664	986,288
623,622	738,348	731,929	705,170	572,442	963,224
2,869,896	2,765,342	3,254,546	3,360,237	2,197,030	3,474,410
1,739,127	1,789,186	1,915,436	1,888,007	1,375,052	2,239,935
113,030	114,788	121,420	167,429	173,530	191,921
426,452	449,124	467,290	472,680	353,123	584,491
2,127,960	2,174,699	1,947,846	2,271,603	2,789,253	3,136,283
3,202,728	3,183,623	3,219,733	3,532,495	3,130,521	3,815,492
1,425,266	1,405,619	1,452,000	1,646,960	1,210,738	1,707,932
1,621,938	2,303,973	2,057,187	2,061,212	1,741,417	2,771,648
4,321,452	4,523,846	5,139,411	5,039,892	4,016,322	5,782,889
219,855	122,069	159,028	186,313	208,345	349,282
240,789	195,125	341,502	448,059	435,339	663,905
63,198	54,456	26,944	59,428	59,986	19,078
538,218	2,613,218	2,963,302	2,916,359	3,055,185	3,061,515
5,285	730	7,455	6,050	55,351	6,177
--	--	--	--	--	--
754,017	848,986	847,369	784,554	782,590	847,498
287,287	287,784	328,103	319,083	328,694	339,437
46,221,879	51,462,246	55,270,768	58,636,934	47,134,551	68,474,455
\$ 46,221,879	\$ 51,462,246	\$ 55,270,768	\$ 58,636,934	\$ 47,134,551	\$ 68,474,455
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
458,179	413,259	408,364	398,290	350,762	426,831
104,567	104,770	128,880	120,502	89,864	83,460
--	--	--	--	--	--
89,028	90,662	64,903	42,752	48,982	92,207
228	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
6,986,883	7,048,607	7,301,147	7,853,010	828,205	--
7,638,885	7,657,298	7,903,294	8,414,554	1,317,813	602,498
7,638,885	7,657,298	7,903,294	8,414,554	1,317,813	602,498
\$ (38,582,994)	\$ (43,804,948)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (67,871,957)
\$ (38,582,994)	\$ (43,804,948)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (67,871,957)

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

	Fiscal Year			
	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental Activities	\$ (36,540,990)	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)
Total Primary Government Net Expense	<u>(36,540,990)</u>	<u>(34,818,400)</u>	<u>(35,782,307)</u>	<u>(36,277,176)</u>
General Revenues & Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	9,175,212	9,424,259	10,557,885	10,304,215
Levied for Debt Service	1,655,572	1,408,009	1,513,478	1,442,407
Investment Earnings	87,264	87,638	86,710	67,241
Unrestricted Grants and Contributions	25,646,703	24,228,545	24,071,720	24,169,043
Miscellaneous	599,547	642,153	574,754	904,109
Total Governmental Activities	<u>37,164,298</u>	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>
Total Primary Government	<u>37,164,298</u>	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>
Change in Net Position				
Governmental Activities	623,308	972,204	1,022,240	609,839
Total Primary Government	<u>\$ 623,308</u>	<u>\$ 972,204</u>	<u>\$ 1,022,240</u>	<u>\$ 609,839</u>

TABLE L-3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (38,582,994)	\$ (43,806,343)	\$ (47,367,474)	\$ (50,222,380)	\$ (45,816,738)	\$ (57,981,109)
<u>(38,582,994)</u>	<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>
10,942,480	11,206,272	11,016,253	11,864,875	12,968,573	14,359,509
1,473,590	4,117,021	3,055,997	3,259,897	3,624,442	4,003,239
59,676	186,095	385,185	278,137	419,464	470,584
27,212,317	29,777,819	32,320,360	33,477,563	35,319,591	35,854,643
916,656	1,118,321	1,587,520	2,054,716	2,087,837	1,250,706
<u>40,604,719</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>40,604,719</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>
2,021,725	2,599,185	997,841	712,808	8,603,169	(2,042,428)
<u>\$ 2,021,725</u>	<u>\$ 2,599,185</u>	<u>\$ 997,841</u>	<u>\$ 712,808</u>	<u>\$ 8,603,169</u>	<u>\$ (2,042,428)</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	13,581,806	--	--	--	--
Nonspendable					
Inventories	--	4,005	3,339	--	--
Committed					
Construction	--	552,420	2,245,945	1,017,202	450,000
Capital Expenditures	--	154,000	--	--	--
Other Committed	--	--	21,740	280,777	3,057,211
Unassigned	--	13,413,682	12,373,924	11,453,140	10,214,448
Total General Fund	<u>\$ 13,581,806</u>	<u>\$ 14,124,107</u>	<u>\$ 14,644,948</u>	<u>\$ 12,751,119</u>	<u>\$ 13,721,659</u>
All Other Governmental Funds					
Reserved					
Special Revenue Funds					
Federal & State Programs	\$ --	\$ --	\$ --	\$ --	\$ --
Other - Special Revenue	--	--	--	--	--
Food Service	300,631	--	--	--	--
Capital Acquisitions	1,466,997	--	--	--	--
Debt Service	1,547,120	--	--	--	--
Unreserved					
State & Federal Programs	13,220	--	--	--	--
Restricted					
Federal/State Grant Restrictions	--	385,339	543,347	725,404	955,554
Capital Acquisitions & Contractual Obligations	--	16,466	--	--	--
Retirement of Long-Term Debt	--	2,440,499	2,621,818	2,664,530	2,900,295
Other Restrictions of Fund Balance	--	81,434	96,652	103,191	130,600
Committed					
Other Committed	--	--	--	43,184	104,018
Total All Other Governmental Funds	<u>\$ 3,327,968</u>	<u>\$ 2,923,738</u>	<u>\$ 3,261,817</u>	<u>\$ 3,536,309</u>	<u>\$ 4,090,467</u>
Total All Governmental Funds	<u>\$ 16,909,774</u>	<u>\$ 17,047,845</u>	<u>\$ 17,906,765</u>	<u>\$ 16,287,428</u>	<u>\$ 17,812,126</u>

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

TABLE L-4

Fiscal Year				
2015	2016	2017	2018	2019
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
443,574	250,000	2,876,509	2,523,133	3,000,000
--	--	--	--	--
3,968,856	1,958,657	884,602	83,443	200,579
10,443,865	12,595,343	11,285,985	13,285,802	13,756,220
\$ <u>14,856,295</u>	\$ <u>14,804,000</u>	\$ <u>15,047,096</u>	\$ <u>15,892,378</u>	\$ <u>16,956,799</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
929,401	699,045	847,719	560,172	859,443
59,062,983	27,189,722	5,591,743	2,971,968	38,000
4,414,486	4,742,964	5,128,158	5,329,582	6,215,064
114,541	132,619	131,209	66,403	65,851
302,700	366,797	243,714	243,714	--
\$ <u>64,824,111</u>	\$ <u>33,131,147</u>	\$ <u>11,942,543</u>	\$ <u>9,171,839</u>	\$ <u>7,178,358</u>
\$ <u>79,680,406</u>	\$ <u>47,935,147</u>	\$ <u>26,989,639</u>	\$ <u>25,064,217</u>	\$ <u>24,135,157</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Local & Intermediate Sources	\$ 12,355,561	\$ 12,404,898	\$ 13,362,789	\$ 13,562,249	\$ 14,291,556
State Program Revenues	24,528,449	25,217,861	24,298,221	25,341,282	28,443,277
Federal Program Revenues	7,134,601	7,525,475	6,381,478	5,592,299	5,755,422
Total Revenues	<u>44,018,611</u>	<u>45,148,234</u>	<u>44,042,488</u>	<u>44,495,830</u>	<u>48,490,255</u>
Expenditures					
Instruction	22,440,694	22,453,863	21,649,966	22,341,780	23,445,216
Instructional Resources & Media Services	741,132	722,065	625,938	664,876	633,048
Curriculum & Staff Development	308,188	342,241	185,516	186,029	197,151
Instructional Leadership	531,011	559,134	524,383	533,060	590,290
School Leadership	2,394,845	2,545,785	2,502,315	2,649,731	2,717,540
Guidance, Counseling & Evaluation Svcs	1,645,691	1,671,724	1,492,664	1,571,036	1,645,427
Social Work Services	180,020	180,077	45,969	74,308	106,826
Health Services	382,871	386,172	386,853	354,905	403,663
Student Transportation	4,601,694	3,094,495	1,849,156	1,919,071	2,324,435
Food Service	2,338,556	2,497,766	2,798,762	2,857,560	3,037,036
Cocurricular/Extracurricular Activities	1,230,172	1,131,950	1,096,937	1,073,706	1,349,234
General Administration	1,225,325	1,346,681	1,292,733	1,313,839	1,534,712
Plant Maintenance & Operations	3,832,326	3,820,715	3,753,842	3,830,393	4,091,958
Security & Monitoring Services	116,997	127,782	172,529	107,471	234,154
Data Processing Services	216,900	222,488	226,227	236,020	227,956
Community Services	33,319	25,463	12,239	7,419	14,398
Principal on Long-Term Debt	1,780,000	1,260,000	1,269,997	1,990,000	1,920,000
Interest on Long-Term Debt	1,027,299	1,013,008	1,558,180	818,326	864,731
Bond Issuance Costs & Fees	5,000	1,200	83,847	90,262	5,285
Capital Outlay	657,970	514,391	824,228	2,578,849	359,240
Payments Related to SSA's	577,552	674,289	496,726	500,646	754,017
Other Intergovernmental Charges	243,278	241,348	247,298	268,042	287,287
Total Expenditures	<u>46,510,840</u>	<u>44,832,637</u>	<u>43,096,305</u>	<u>45,967,329</u>	<u>46,743,604</u>
Excess of Revenues Over (Under) Expenditures	(2,492,229)	315,597	946,183	(1,471,499)	1,746,651
Other Financing Sources (Uses)					
Capital-Related Debt					
Issued	4,095,000	--	2,740,000	2,930,000	--
Sale of Real or Personal Property	--	--	--	--	--
Issuance of Non-Current Debt	--	--	--	--	--
Proceeds from Capital Leases	--	--	--	--	--
Non-Current Loan Proceeds	--	--	--	--	--
Transfers In	29,801	465,990	507,716	449,022	600,566
Premium or Discount					
On Issuance of Bonds	--	--	198,930	187,293	--
Prepaid Interest	--	--	--	--	--
Other Resources	--	--	--	--	475
Transfers Out	(178,405)	(643,519)	(679,298)	(674,824)	(822,990)
Payment to Bond Refunding					
Escrow Agent	--	--	(2,854,611)	(3,039,329)	--
Other Uses	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>3,946,396</u>	<u>(177,529)</u>	<u>(87,263)</u>	<u>(147,838)</u>	<u>(221,949)</u>
Net Change in Fund Balances	<u>\$ 1,454,167</u>	<u>\$ 138,068</u>	<u>\$ 858,920</u>	<u>\$ (1,619,337)</u>	<u>\$ 1,524,702</u>
Debt Service As A Percentage Of Noncapital Expenditures	6.1%	5.1%	6.9%	6.7%	6.0%

TABLE L-5

Fiscal Year				
2015	2016	2017	2018	2019
\$ 17,234,011	\$ 16,949,450	\$ 17,490,384	\$ 18,911,795	\$ 20,622,294
30,900,874	32,808,846	34,491,663	37,834,821	36,561,469
5,937,792	5,873,926	6,453,507	6,536,533	7,729,110
<u>54,072,677</u>	<u>55,632,222</u>	<u>58,435,554</u>	<u>63,283,149</u>	<u>64,912,873</u>
25,667,253	26,780,411	28,345,147	30,118,736	31,126,847
663,121	655,513	733,010	693,801	660,282
345,826	406,470	607,013	833,457	838,393
706,572	674,258	645,743	766,110	834,793
2,645,294	2,931,898	3,003,332	2,948,861	2,882,084
1,713,426	1,759,956	1,721,684	1,818,178	1,952,746
108,887	112,675	152,474	170,377	170,257
430,143	425,064	428,546	468,529	490,533
2,231,062	1,945,251	2,087,285	2,580,065	3,556,143
3,146,880	3,496,246	3,493,029	3,637,969	3,700,107
1,341,518	1,342,195	1,550,541	1,414,720	1,564,210
2,194,922	1,870,799	1,852,902	2,109,836	2,369,893
4,343,568	4,723,583	4,572,146	4,712,063	5,098,054
115,895	231,551	357,073	257,415	333,231
185,360	311,674	405,229	493,317	583,329
10,043	6,532	44,573	17,986	35,023
2,050,000	2,090,000	2,360,000	1,888,863	2,849,725
1,869,963	3,340,304	3,277,516	3,818,513	3,846,521
730	7,455	6,050	55,351	6,177
5,748,711	33,051,734	22,510,695	9,312,654	1,678,738
848,986	847,369	784,554	782,590	847,498
287,784	328,103	319,083	328,694	339,437
<u>56,655,944</u>	<u>87,339,041</u>	<u>79,257,625</u>	<u>69,228,085</u>	<u>65,764,021</u>
(2,583,267)	(31,706,819)	(20,822,071)	(5,944,936)	(851,148)
58,500,000	--	--	--	--
14,964	29,944	4,432	705,765	463
--	--	--	3,670,000	--
--	--	--	236,394	--
--	--	--	--	--
462,087	460,855	460,843	525,496	546,472
6,084,182	--	--	--	--
--	8,392	--	--	--
--	--	--	--	--
(609,689)	(537,759)	(588,357)	(623,422)	(624,846)
--	--	--	(494,721)	--
--	--	--	--	--
<u>64,451,544</u>	<u>(38,568)</u>	<u>(123,082)</u>	<u>4,019,512</u>	<u>(77,911)</u>
\$ <u>61,868,277</u>	\$ <u>(31,745,387)</u>	\$ <u>(20,945,153)</u>	\$ <u>(1,925,424)</u>	\$ <u>(929,059)</u>
7.7%	10.0%	9.9%	9.6%	10.5%

LOCKHART INDEPENDENT SCHOOL DISTRICTASSESSED 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
2010	449,390,158	78,494,266	46,320,345	454,934,729	177,104,027	852,035,471
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	701,018,920	140,014,811	1,570,899,142
2019	618,825,726	143,216,332	81,514,490	426,437,424	144,298,796	1,414,292,768

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>
1.2300	790,114,157	107.837%
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	138.586%
1.3324	1,253,285,112	112.847%

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
2010	1.0400	0.1900	1.2300	0.6910	0.7090
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

Source: Caldwell County Appraisal District and District Records

LOCKHART INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Current			Nine Years Ago		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
LCRA Transmission Srv Corp	\$ 36,470,020	1	2.91%	\$ 9,217,090	1	1.08%
FHR Corpus Christi, LLC	16,468,950	2	1.31%			
Wal-mart Stores Texas LP	9,714,150	3	0.78%			
Bluebonnet Electric Cooperative	8,913,930	4	0.71%	4,042,160	4	0.47%
Union Pacific RR Company	8,350,740	5	0.67%	3,705,940	6	0.43%
Economy Realty Ltd	7,666,680	6	0.61%	3,016,790	7	0.35%
Echostar Broadcasting Corp	7,399,120	7	0.59%			
North South Oil LLC	6,832,003	8	0.55%			
Lockhart DMA Housing LLC	5,180,220	9	0.41%			
H.E. Butt Grocery	4,795,340	10	0.38%	3,774,690	5	0.44%
Flint Hills Resources	--	--	--	4,945,700	2	0.58%
Southwestern Bell Telephone	--	--	--	4,712,060	3	0.55%
Hoskins, Fred	--	--	--	2,840,920	8	0.33%
Walmart Properties, Inc.	--	--	--	2,746,480	9	0.32%
Dormae Products	--	--	--	2,626,560	10	0.31%
Total	\$ 111,791,153		8.92%	\$ 41,628,390		4.86%

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

TABLE L-9

LOCKHART INDEPENDENT SCHOOL DISTRICTPROPERTY 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
2010	10,480,036	9,751,039	93.04%	597,771	10,348,810	98.75%
2011	10,739,555	9,963,142	92.77%	632,613	10,595,755	98.66%
2012	11,558,573	10,930,905	94.57%	591,053	11,521,958	99.68%
2013	11,815,324	11,142,905	94.31%	570,187	11,713,092	99.13%
2014	12,229,727	11,598,971	94.84%	510,196	12,109,167	99.01%
2015	15,088,278	14,240,485	94.38%	685,104	14,925,589	98.92%
2016	13,979,276	13,288,416	95.06%	523,327	13,811,743	98.80%
2017	14,659,842	13,974,566	95.33%	427,682	14,402,248	98.24%
2018	16,399,512	15,653,418	95.45%	335,769	15,989,187	97.50%
2019	18,122,539	17,272,203	95.31%	--	17,272,203	95.31%

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
2010	22,597,864	3.13%	1,363	5.31%
2011	17,789,498	2.40%	1,260	4.71%
2012	19,698,182	2.37%	1,167	4.36%
2013	18,040,458	2.11%	904	3.11%
2014	18,625,635	2.04%	758	2.59%
2015	81,087,858	7.88%	2,828	9.94%
2016	74,344,988	7.24%	2,468	8.34%
2017	75,212,628	6.96%	2,285	7.39%
2018	75,569,529	6.51%	2,285	7.27%
2019	72,325,000	6.03%	1,708	5.43%

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	Less Restricted for Debt Service	Total
2010	24,144,984	1,547,120	22,597,864
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	4,670,397	18,625,635
2015	85,502,343	4,414,485	81,087,858
2016	83,056,462	4,742,964	78,313,498
2017	80,340,786	5,128,158	75,212,628
2018	80,910,269	5,340,740	75,569,529
2019	72,325,000	6,024,478	66,300,522

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
2010	26,692,864	3.13%	5.06%	1,299
2011	21,539,498	2.40%	3.92%	1,048
2012	23,088,182	2.37%	4.07%	1,124
2013	21,055,458	2.11%	2.87%	834
2014	21,160,635	2.04%	2.67%	781
2015	81,087,858	7.68%	9.94%	2,828
2016	74,344,988	7.08%	8.39%	2,483
2017	75,212,628	6.84%	7.78%	2,404
2018	75,569,529	6.14%	7.67%	2,409
2019	72,325,000	5.77%	5.19%	2,199

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	\$ 16,625,000	64.740%	\$ 10,763,025
City of Lockhart	23,330,000	100.000%	23,330,000
Mustang Ridge, City of	427,000	29.380%	<u>125,453</u>
Total Overlapping Debt			34,218,478
Lockhart ISD (See Note 1)	72,325,000	100.000%	72,325,000
Total Direct and Overlapping Debt			<u>\$ 106,543,478</u>
Total Direct and Overlapping Debt % of Assessed Value:			8.42%
Total Direct and Overlapping Debt per capita:			\$3,319

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				
	2010	2011	2012	2013	2014
Debt Limit	\$ 59,642,483	\$ 62,920,058	\$ 68,094,601	\$ 69,689,334	\$ 72,579,980
Total Net Debt Applicable to Limit	<u>26,692,864</u>	<u>24,540,798</u>	<u>23,088,182</u>	<u>21,074,213</u>	<u>18,968,029</u>
Legal Debt Margin	\$ <u>32,949,619</u>	\$ <u>38,379,260</u>	\$ <u>45,006,419</u>	\$ <u>48,615,121</u>	\$ <u>53,611,951</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	44.75%	39.00%	33.91%	30.24%	26.13%

Source: Texas Municipal Reports and District Records

TABLE L-13

	Fiscal Year				
	2015	2016	2017	2018	2019
\$	79,382,147	\$ 73,547,487	\$ 77,020,398	\$ 86,160,335	\$ 87,729,958
	<u>73,902,781</u>	<u>69,754,893</u>	<u>70,237,870</u>	<u>69,756,223</u>	<u>66,300,522</u>
\$	<u>5,479,366</u>	<u>\$ 3,792,594</u>	<u>\$ 6,782,528</u>	<u>\$ 16,404,112</u>	<u>\$ 21,429,436</u>
	93.10%	94.84%	91.19%	81.77%	75.57%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,253,285,112
Debt Limit (7% of Assessed Value)	87,729,958
Debt Applicable to Limit:	
General Obligation Bonds	72,325,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>6,024,478</u>
Total Net Debt Applicable to Limit	<u>66,300,522</u>
Legal Debt Margin	<u>\$ 21,429,436</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
2010	37,533	957,644	25,674	8.60%
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	39,232	1,057,000	27,312	6.00%
2015	39,232	1,100,000	28,017	4.50%
2016	39,810	1,166,000	29,283	4.20%
2017	40,522	1,253,147	30,925	4.30%
2018	41,161	1,293,669	31,429	3.80%
2019	42,338	1,392,457	32,889	3.80%

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

<u>Employer</u>	2019			2009		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Lockhart ISD	731	1	4.7%	661	1	4.5%
Wal-Mart	225	2	1.4%	117	7	0.8%
Serta Dormae Mnfg.	180	3	1.2%	174	2	1.2%
Management and Training Corp.	175	4	1.1%			
H.E.B. Food Store	170	5	1.1%	147	5	1.0%
Pegasus	149	6	1.0%	151	4	1.0%
City of Lockhart	145	7	0.9%	143	6	1.0%
Student Transportation Specialists	85	8	0.5%			
Parkview Nursing & Rehab. Ctr.	80	9	0.5%			
Chisholm Trail Nursing & Rehab Ctr	76	10	0.5%	76	9	0.5%
The GEO Group, Inc.				159	3	1.1%
Golden Age Home				110	8	0.8%
Livengood Feeds, Inc.				64	10	0.4%
Total	<u>2,040</u>			<u>1,802</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Teachers</u>										
Teacher	326.5	331.0	324.6	329.0	325.6	335.0	352.2	348.4	354.8	372.0
Professional Support										
Counselor	12.5	13.0	12.0	12.8	13.0	13.1	13.0	13.5	14.0	13.3
Educational Diagnostician	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5
Librarian	8.0	8.0	8.0	6.3	8.0	7.9	7.0	7.0	6.0	7.0
Occupational Therapist	--	--	--	--	--	--	--	--	--	1.0
Physical Therapist	--	--	--	--	--	--	--	--	--	1.0
School Nurse	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LSSP/Psychologist	4.0	4.0	2.0	2.0	1.0	3.0	2.0	2.0	1.0	1.0
Social Worker	1.0	1.0	1.0	1.0	1.0	1.0	--	--	--	--
Speech Ther./Sp. Lang. Pathologist	4.0	3.0	3.0	3.0	3.0	2.0	4.0	4.5	8.5	8.5
Work-Based Learning Site Coord.	0.2	0.5	0.3	--	--	--	--	--	--	--
Teacher Facilitator	1.2	0.3	0.9	0.6	3.0	2.9	1.4	--	20.2	5.5
Athletic Trainer	1.5	1.7	1.7	1.5	1.3	1.9	1.7	2.5	2.5	2.5
District/Campus Inform. Technology	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0
Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	--	0.9	1.0
Campus Professional Personnel	6.0	6.0	4.6	5.3	4.2	6.1	2.6	2.3	3.4	3.4
Non-Instructional Professionals	6.0	4.5	4.5	5.4	5.4	5.4	7.4	10.7	10.0	10.0
Other Professionals	--	--	--	--	--	--	--	--	--	15.6
<u>Campus Administration</u>										
Assistant Principal	11.0	12.0	11.9	12.0	12.0	11.0	12.0	12.0	13.0	11.0
Principal	8.5	8.5	8.5	8.5	8.5	8.5	8.5	10.0	8.4	9.0
<u>Central Administration</u>										
Assistant/Assoc/Deputy Supt.	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
District Instructional Program Director	--	1.0	1.0	1.0	3.0	3.0	4.0	3.0	3.0	3.0
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
Teacher Supervisor	0.6	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	54.5	54.7	49.9	46.6	48.3	50.7	47.6	41.9	42.6	42.8
<u>Auxiliary Staff</u>	179.7	179.5	165.8	171.7	174.3	167.8	170.4	168.0	197.0	141.1
Total	<u>642.2</u>	<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>706.3</u>	<u>669.2</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>
2010	4,636	31,888,773	6,879	-1.8%	46,689,245
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

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
10,071	0%	327	14.2	67.1%
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%

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

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary	Statewide Average Salary
2010	40,200	57,230	43,942	48,263
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

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year				
	2010	2011	2012	2013	2014
Elementary					
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	427	445	457	517	494
Clear Fork Elementary (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Functional Capacity	489	489	489	489	489
Enrollment	409	423	428	455	502
Plum Creek Elementary (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Functional Capacity	512	512	512	512	512
Enrollment	441	451	459	500	552
Navarro Elementary (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Functional Capacity	449	449	449	449	449
Enrollment	417	426	423	427	439
Bluebonnet Elementary (2005)					
Square Feet	64,992	64,992	64,992	64,992	64,992
Functional Capacity	606	606	606	606	606
Enrollment	583	580	590	581	609
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
Secondary					
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	1,039	1,058	1,073	1,129	1,101
Lockhart HS Freshman Campus (1923)					
Square Feet	71,057	71,057	71,057	71,057	71,057
Functional Capacity	487	487	487	487	487
Enrollment	330	350	352	368	405
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	990	945	974	970	1,005
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	31	26	22	23
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
School Support					
Square Feet	30,328	30,328	30,328	30,328	30,328

* Converted to school support

Source: District records.

TABLE L-19

Fiscal Year				
2015	2016	2017	2018	2019
52,578	52,578	52,578	52,578	52,578
512	352	352	352	337
475	460	212	251	329
57,113	57,113	57,113	57,113	57,113
489	674	674	674	475
585	575	488	475	450
67,233	67,233	67,233	67,233	67,233
512	700	700	700	653
547	557	550	578	574
55,573	55,573	55,573	55,573	55,573
449	562	562	562	554
484	497	457	532	518
64,992	64,992	64,992	64,992	64,992
606	694	694	694	614
625	640	663	579	572
N/A	N/A	58,216	58,216	58,216
N/A	N/A	579	579	535
N/A	N/A	454	503	498
152,105	152,105	152,105	152,105	*
1,700	1,550	1,550	1,550	
1,173	1,148	1,292	1,393	
71,057	71,057	71,057	N/A	N/A
487	487	N/A	N/A	N/A
382	419	N/A	N/A	N/A
175,180	175,180	280,000	280,000	280,000
1,480	1,900	1,900	1,900	1,834
1,070	1,086	1,523	1,567	1,642
10,647	10,647	10,647	10,647	10,647
160	160	160	160	140
24	15	22	47	49
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	30,328	175,879