



TOMBALL
INDEPENDENT SCHOOL DISTRICT

Not just a district, a destination.



2018-2019 Annual Budget Report

Dr. Martha Salazar-Zamora, Superintendent

INTRODUCTION

Tomball Independent School District is fortunate to have a supportive community that is a partner in the education of our children. As steward of the community's investments in its schools, the district is committed to ensuring residents have easy access to and understanding of Tomball ISD's finances.

This budget information is presented in an easy-to-understand format and is an overview of the district's budgeted general operating activities, as well as key financial trends and data. There is further discussion on the child nutrition and debt service budgets. This report contains highlights of district finances, with key data taken from audited financial statements in the district's **Comprehensive Annual Financial Report (CAFR)** for the fiscal year ending August 31, 2017, and is part of our commitment to transparency.

To further evaluate the budget being presented some readers may be interested in exploring the more comprehensive CAFR. That document can be found at www.tomballisd.net, under the Finance Department or on file with the Texas Education Agency (TEA).

The district's CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) for the United States. Because this report summarizes the district's financial activity in a reader-friendly format, it is not presented in conformity with GAAP.

Questions, comments and feedback about this report are encouraged. Please contact myself at the TISD Finance Office at (281) 357-3100 or email the Director of Finance, zacheryboles@tomballisd.net.



Jim Ross
Chief Financial Officer



Respectfully submitted,

James Ross

James Ross
CFO

SCHOOL BOARD 2018

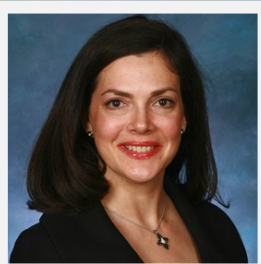
Board of Trustees — Tomball Independent School District is governed by an elected seven-member board. School Board members are guardians of the public trust and, through the policies they make, are ultimately responsible for the success or failure of your local independent school district. The board serves as the advocate for educational excellence for the community's youth and puts those interests first. The policies school boards make dictate the standards and philosophy by which our schools are run and the criteria used to judge whether they are being run well.



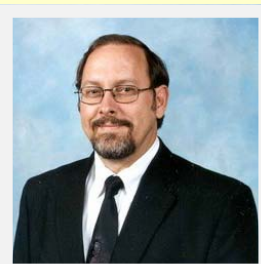
John E. McStravick
School Board President
Elected Nov. 2000



Sam A. Gregson
School Board Trustee
Elected 2001



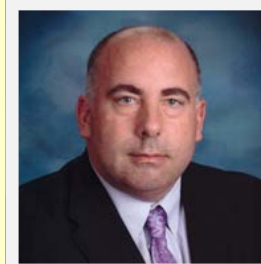
Kathy Handler
School Board Trustee
Elected 2010



Mark Lewandowski
School Board Vice
President
Elected 2003



Michael J. Pratt
School Board Assistant
Secretary
Elected 2010



Matt Schiel
School Board Secretary
Elected 2016



Lee McLeod
School Board Trustee
Appointed 2017

SUPERINTENDENT

Legal Responsibilities of the Superintendent

The Superintendent of the District is required to follow Sections 44.002 through 44.006 of the Texas Education Code that establish the legal basis for budget development in public school districts. The following six items summarize the legal requirements from the Texas Education Code:

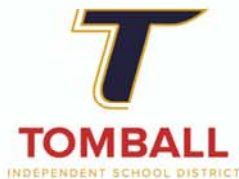
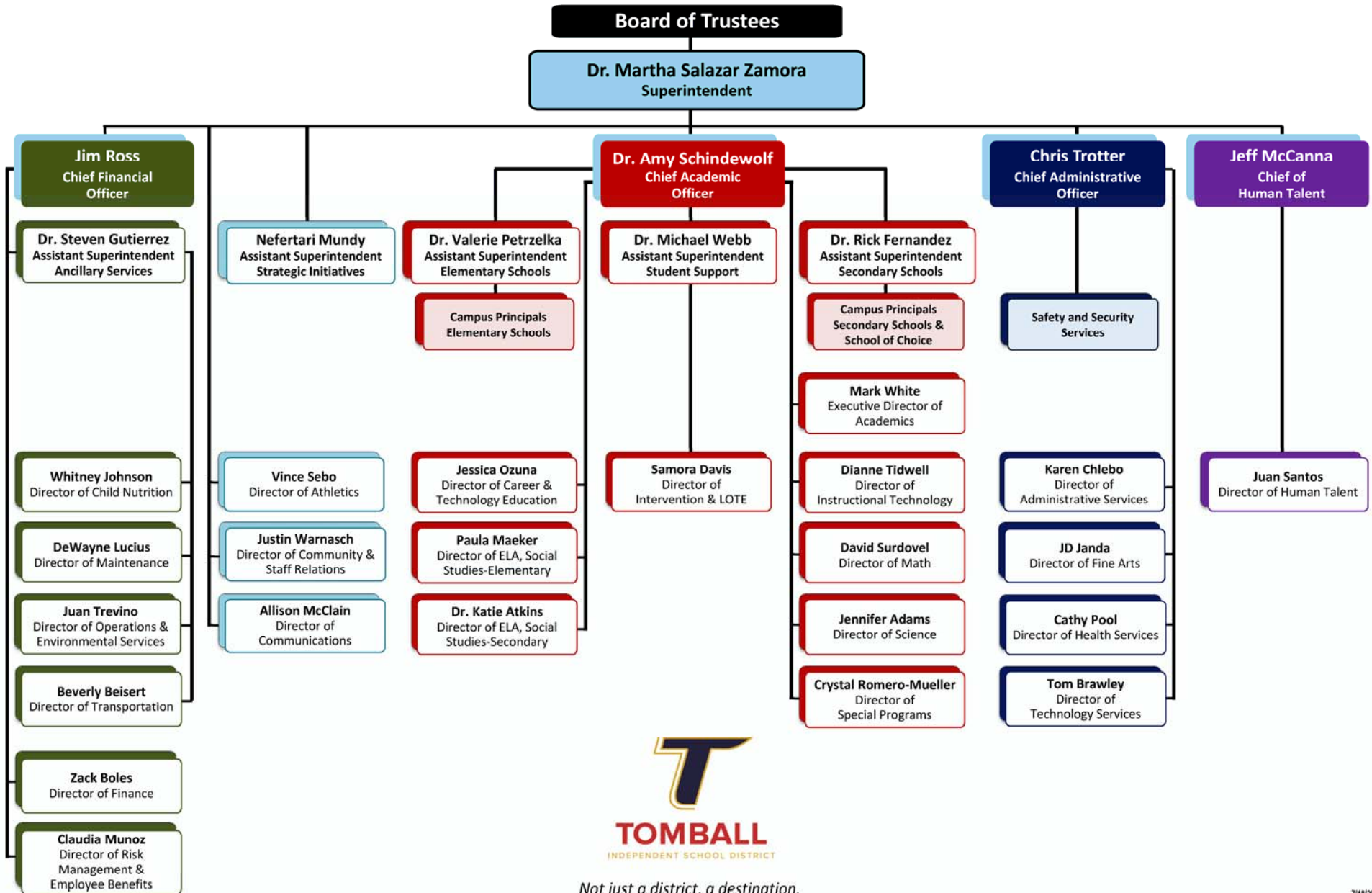


Dr. Martha Salazar-Zamora
Superintendent

- ❑ The Superintendent is the budget officer for the District and prepares or causes the budget to be prepared.
- ❑ The District budget must be prepared by August 20th for the following fiscal year.
- ❑ The President of the Board of Trustees must call a public meeting of the Board, giving ten days public notice in a newspaper, for the adoption of the District budget. Any taxpayer in the district may be present and participate in the meeting.
- ❑ No funds may be expended in any manner other than as provided for in the adopted budget. The Board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- ❑ The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.
- ❑ Budgets for the General Fund, the Food Service Fund and the Debt Service Fund must be included in the official district budget.



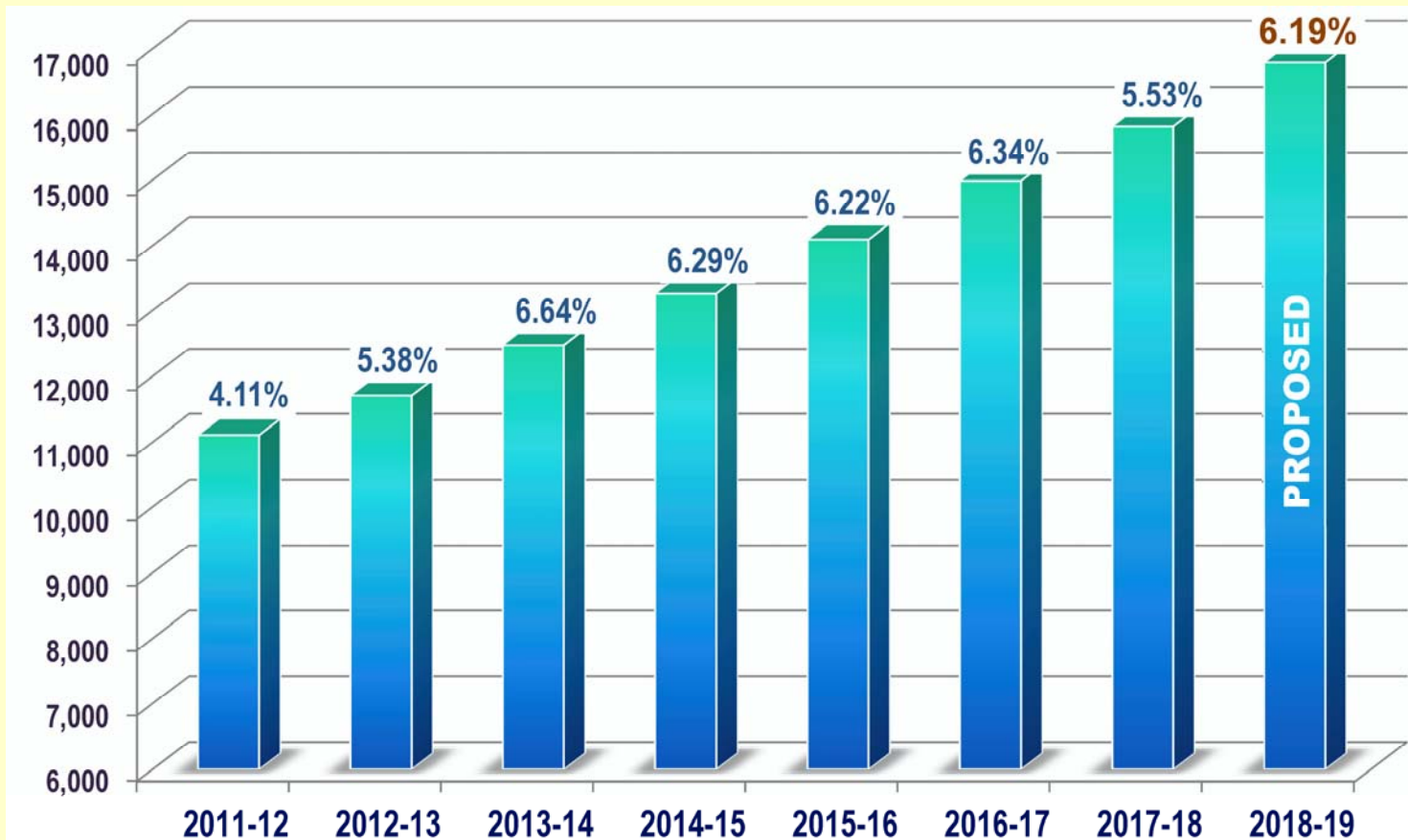
ORGANIZATIONAL CHART



Not just a district, a destination.

STUDENT ENROLLMENT

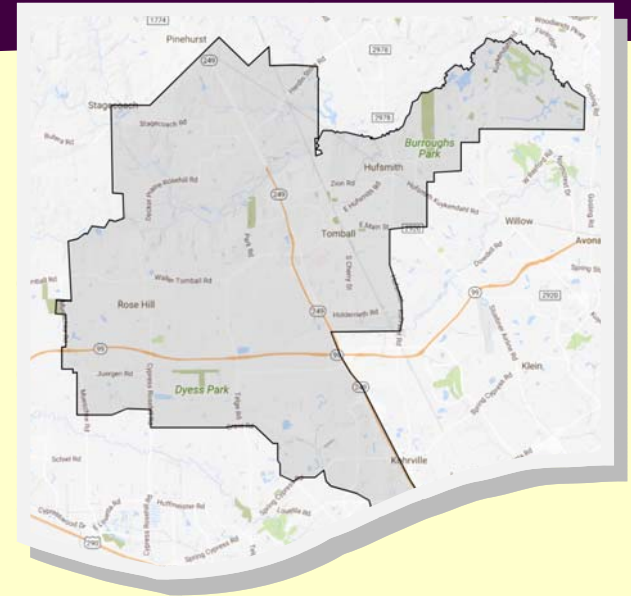
Tomball ISD voters recently approved Bond 2017 which will address new district facilities, renovations at existing campuses, new technology, and a new district stadium. Over the next five years, Tomball ISD is projected to grow by more than 4,500 students, which will increase the district's enrollment to over 19,000 students.



ABOUT TISD

Formed in 1937 the district encompasses portions of Harris and Montgomery counties, near the City of Tomball, approximately 20 miles northwest of Houston's central business district and 15 miles southwest of the Woodlands. The 2018 district enrollment is 16,024, about 6.73% more than the previous year, which is largely attributable to absorption of students brought to the area in the past few years due to major employment growth at Noble Energy Inc. (800 jobs south of Tomball) and Exxon Mobil Corp. (8,000 jobs; just 15 miles away in the Woodlands area) headquarters facilities.

An expansive Grand Parkway thoroughfare opened in February 2016 and has enhanced residents' access to Tomball from IH45 and SH290. This development, in addition to other roadway and economic developments, will continue to stimulate both enrollment and economic growth for several more years. The tax base is considered very diverse with the top ten leading taxpayers comprising only 9.99% of the total base. Hewlett Packard Co. is 3.0% of market value; Baker Hughes is 1.4%; Tomball Regional Hospital is 1.35%, and Noble Energy is 1.1% of market value.



2,107 Total Employees



16,024 Students



988 Teachers



**96.2%
Attendance Rate**



8,233 Students Bussed Daily



BUDGET PREPARATION



The Tomball Independent School District uses the Priority-Based Budgeting method in budget preparation. Priority-Based Budgeting is a way for local governments to spend within their means by continuously focusing on the results most relevant to the community and the programs that influence those results to the highest possible degree. The process involves a systematic review of existing services, why they exist, what value they offer our students, how they benefit our students and community, what they cost, and what objectives and student and parent demands they are achieving. The measurement of budget process success is found in data analysis conducted by the Texas State Comptroller's office and reported in the Financial Allocation System of Texas (FAST) reports that have now been renamed TXSmartSchools reports. This report can be found at www.txsmartschools.org.

The description of the report on the homepage is "TXSmartSchools uses academic, financial, and demographic data to identify school districts and campuses that produce high academic achievement while also maintaining cost-effective operations. Using both academic progress and spending levels ... each district has been assigned a Smart Score of one to five stars, indicating its success in combining cost-effective spending with the achievement of measurable student academic progress compared with their fiscal peers. Five stars reflects the strongest relative progress combined with the lowest relative spending." SmartSchools 2018 results are comparing the 1,203 public school districts and charter schools in Texas and only 49 districts received a 5.0 star rating. Tomball ISD received a 5-star rating for 2018, 2016, 2015, and for 2012. Tomball ISD received a 4.5-star rating for 2017, 2014, and 2013. The 4.5-star rating has been due to changes in operational costs directly associated with the opening of new schools. Opening new schools is costly in the initial years of operations.



In preparing the 2018-2019 budget the District faced a number of challenges from both internal and external sources. Internally the District had to face dealing with the rapid increase in special education costs, providing a general pay increase to keep up with inflation, marketing of Limited Open Enrollment to offset state recapture, and dealing with enrollment increases that create staff needs. External issues affecting the District were the impact of paying Chapter 41 Recapture, and the fact the Texas Legislature has not increased the school finance funding formulas in five years combined with inflationary cost increases over the last five years. This budget successfully deals with these issues by changing the fiscal year and reducing the number of operational months from 12 to 10 for the year.

AWARDS & RECOGNITIONS

Financial statements of Tomball ISD are annually submitted to both **The Association of School Business Officials, International (ASBO)** and **The Government Finance Officers Association (GFOA)** for review.



These organizations encourage excellence in financial reporting by state and local governments, and enforce strict disclosure requirements on entities requesting review.

Tomball ISD is committed to significantly higher standards in financial reporting and has received awards for financial statement presentation and disclosure from both associations for 20 consecutive years. It should be noted that less than 4.5% of the school districts in Texas receive both these awards.

Tomball ISD has a financial rating with **Standard & Poor's Rating Services** of **AA+**. The district is one of only 16 school districts of 1,022 districts in the State of Texas to earn the AA+ financial rating. The rating is based on the district's continued and projected maintenance of a strong tax base, tax-raising flexibility, very strong reserves, and moderately high debt burden. Tomball ISD also has a financial rating with **Moody's Financial Services** of **Aa1** (equivalent to S&P's AA+).

The district's Chief Financial Officer Jim Ross states he is always conscientious of Tomball ISD's financial condition. Ross said, *"When I joined Tomball ISD 15 years ago, I was confident the district had the potential to be a financial leader among school districts across the state. Through the years, we've practiced a conservative approach to spending, which is one of the contributing factors resulting in our AA+ financial rating."*

"This is an outstanding accomplishment for any school district," Jim Ross said. *"Tomball ISD has maintained a history of fiscal*

responsibility, but AA+ recognition affirms that our district is among the best in Texas."



According to Standard & Poor's rating report, additional underlying factors that led to the rating increase were the district's good financial management practices and policies and strong financial condition, despite rapid enrollment growth, under the current State of Texas funding formula.

According to Ross, the rating benefits Tomball ISD with current and future bond issuance. *"The AA+ rating saves us millions of dollars. We have such a strong financial reputation that when we sell bonds we see heavy investor interest and demand for bonds of all maturity lengths."*

Tomball ISD administrators maintain a history of being good stewards of tax dollars, and make financial decisions that are in the best interest of students and their educational needs. For seven consecutive years, Tomball ISD held a flat tax rate of \$1.36. In 2015, the district lowered the total tax rate to \$1.34. Originally the decrease was a reflection of an increase in the tax base. We are on the fourth consecutive year at \$1.34 with a much slower tax base growth than in the past.




Another component in the district's approach to managing finances included setting aside funds in preparation for opening new schools. During the previous ten years, voters approved two school bond referendums – one in 2007 and another in 2013. These bond programs funded the construction of seven new schools. Recently voters approved Bond 2017 for \$275 million dollars enabling the district to meet the continued needs of a growing population.

TISD INTERESTING STATISTICS

96.4 %
ATTENDANCE
RATE



 1,070,800
VIEWED "TWEETS"
ABOUT TOMBALL ISD
THIS YEAR!



Breakfasts Served
307,539
Lunches Served
1,620,709

Class of 2017
903
GRADUATES!



16,024 STUDENTS



**2,107 TOTAL
EMPLOYEES**

We've processed
55,060 new
textbooks into
the district.



We have
5,418
Facebook
followers!



7,894
PURCHASE ORDERS
ISSUED IN 2016-2017



We drive **762,822** miles per year
at a cost of **\$3.66** per mile
transporting students.

TECHNOLOGY has 25
Employees with a total
of **412** years working in
a School District.

HELPDESK



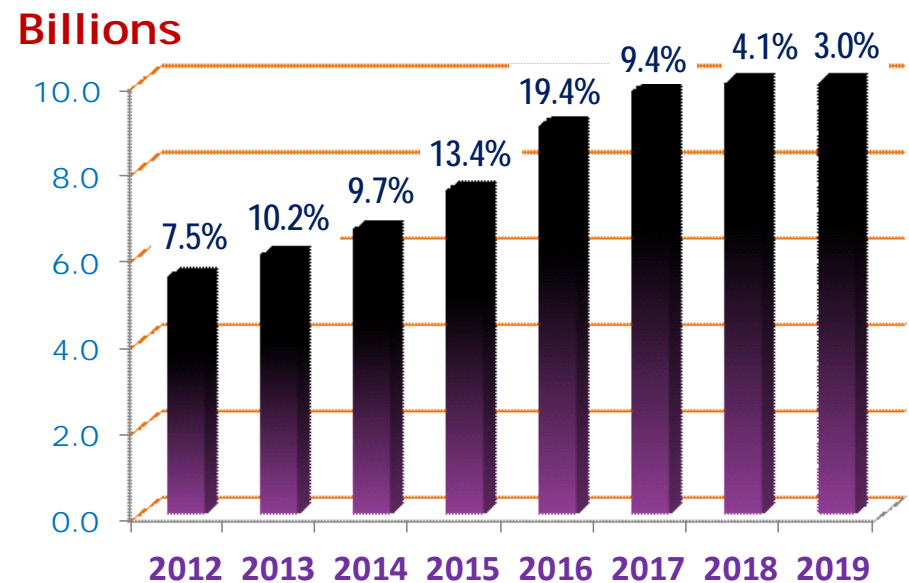
TAX BASE CHANGE & RATE METHODOLOGY

Tomball ISD has two major sources of revenue: local property taxes and state funding. Local property taxes are dependent on the tax rate set on the assessed taxable values of the district. These assessed taxable values are determined by the Harris County Appraisal District (HCAD) and Montgomery County Appraisal District (MCAD). By state funding design, revenue per pupil is limited to a set amount. This amount is then multiplied by the number of students in average daily attendance to establish the total amount of funding. Local tax revenues are applied first to the full funding amount. Any portion of the total not paid by local tax revenues is then paid by the State. If the local tax base increases and local tax revenues increase, state aid decreases. If local tax revenues decrease, then state aid increases. State formulas lock down the tax rate.

Current law requires all districts to *compress* their Maintenance & Operations (M&O) tax rates to a level equal to 66.67% of the 2005-2006 M&O tax rate. Tomball ISD's compressed M&O tax rate is currently \$0.98. The District is allowed to add pennies to this compressed rate as long as the total added does not exceed a voter approved legal maximum tax rate of \$1.17.

The maximum allowable tax rate without a tax rate election for general operating is one of two tax rate calculations. The first rate is calculated as the maximum M&O tax rate

defined in state law as \$1.0401 [(\$1.50 X 66.67%) + \$0.04] *plus* any voter approved M&O pennies. State law allows local district voters the authority to add as much as 13 cents to the \$1.0401. The second rate is the calculated effective tax rate *plus* 4 cents. The effective tax rate is calculated using a worksheet from the Texas State Comptrollers' Truth in Taxation handbook. The effective tax rate is \$1.01. Adding 4 cents to the effective tax rate is the second tax rate maximum and would be \$1.05. The Maximum M&O tax rate, or *rollback rate*, for general operating is the lower of these two rates. The lowest rate for 2018-19 is \$1.0401.



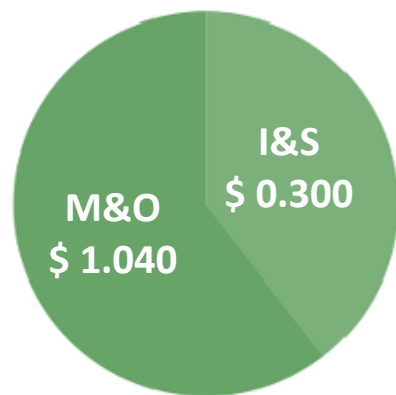
TAX RATE HISTORY & PROPOSED RATES

The district passed a **\$1.01 M&O tax rate in 2008-09, 2009-10, 2010-11, 2011-12 and in 2012-13.** The 2013-14, 2014-15 and 2015-16 M&O tax rates were \$1.02 and the 2016-17 and 2017-18 M&O was **\$1.040 as is the proposed 2018-19 M&O tax rate.**

The district passed a \$0.35 Interest & Sinking (I&S) tax rate in 2008-09, 2009-10, 2010-11, 2011-12 and in 2012-13. The I&S tax rate is assessed to pay bonded debt. Due to taxable value growth the 2013-14 adopted I&S tax rate was reduced to \$0.34. Continued taxable value growth allowed the District to again lower the 2015-16 I&S rate to \$0.32 in order to lower the total tax rate for the year. Again taxable value growth allowed the District to lower the 2016-17 and 2017-18 I&S tax rate to **\$0.30 as is proposed 2018-19 I&S tax rate.**

The combination of the M&O tax rate and the I&S tax rate is the total tax rate. The total tax rate was \$1.36 for seven consecutive years from 2008-2009 through 2014-15. The

total tax rate was reduced from the total rate of \$1.36 in 2014-15 to \$1.34 for 2015-16. The total tax rate for 2016-2017 and 2017-18 was again \$1.34 and the **proposed total tax rate for 2018-19 is \$1.34.** These stable tax rates are the result of steady increases in the taxable values.



The impact of three 500-year floods in two years has slowed the tax base growth significantly and maintaining a flat tax rate is becoming much more difficult.

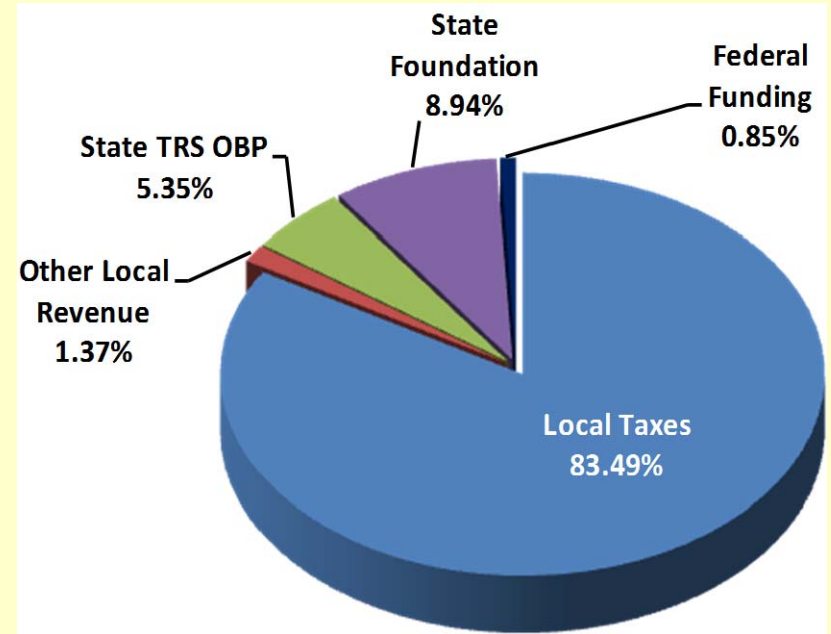
SCHOOL YEAR	M&O TAX RATE	I&S TAX RATE	TOTAL TAX RATE
2008-2009	1.010	0.350	1.360
2009-2010	1.010	0.350	1.360
2010-2011	1.010	0.350	1.360
2011-2012	1.010	0.350	1.360
2012-2013	1.010	0.350	1.360
2013-2014	1.020	0.340	1.360
2014-2015	1.020	0.340	1.360
2015-2016	1.020	0.320	1.340
2016-2017	1.040	0.300	1.340
2017-2018	1.040	0.300	1.340
PROPOSED	1.040	0.300	1.340

BUDGETED OPERATING REVENUES

A spreadsheet on the following page compares the actual audited financial data from prior years to the 2018-19 budgeted revenues and the 2018-19 projected revenues. This spreadsheet shows an increase in both state funding and local taxes for 2018-19 due to the increase in the taxable property values and enrollment growth. The total projected operating revenue is **\$130,000,000** and is only 1.17% higher than the previous year.

The total operating revenue per pupil (WADA) is \$6,626 and is a decrease from \$6,977 in the prior year. The Texas Legislature has chosen not to increase school funding formulas in 5 years and the revenue per pupil will likely be declining annually even with rapid enrollment growth.

Revenue is projected to increase by \$1,500,000 over the prior year with local funding decreasing by \$684,722 (or -0.62% of the total increase) and state funding increasing \$2,084,722 (or 12.64% of the total increase).



REVENUE	2017-2018	2018-2019
State Funding	\$ 16,494,011	\$ 18,578,733
Local Funding	\$ 111,005,989	\$ 110,321,267
Federal Funding	\$ 1,000,000	\$ 1,100,000
TOTAL	\$ 128,500,000	\$ 130,000,000
Percent Change	9.31%	1.17%
Chapter 41 Recapture	\$ 3,731,392	\$ 1,286,236
WADA	18,417	19,645

2018-2019 PROPOSED BUDGET—REVENUES

<i>DESCRIPTION</i>	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
	Audited	Audited	Audited	Audited	Audited	ADOPTED	PROJECTED
Pupil Weighted ADA	13,259.430	14,347.397	15,193.194	16,175.065	17,189.427	18,417.352	19,619.758
% change from prior year	3.19%	11.19%	5.90%	6.46%	6.27%	7.14%	6.53%
GENERAL FUND							
Local Property Taxes	60,945,461	67,548,780	78,567,349	91,438,354	102,622,157	109,422,336	108,540,987
% of Fund Revenues	70.83%	70.87%	75.46%	78.14%	85.43%	85.15%	83.49%
Other Local Revenues	1,284,171	1,428,226	826,951	1,179,614	1,603,072	1,583,653	1,780,280
% of Fund Revenues	1.49%	1.50%	0.79%	1.01%	1.33%	1.23%	1.37%
State Assistance	23,305,022	25,316,140	23,656,415	23,327,752	14,254,776	16,494,011	18,578,733
% of Fund Revenues	27.08%	26.56%	22.72%	19.94%	11.87%	12.84%	14.29%
Federal Assistance	510,631	1,022,755	1,073,140	1,070,209	1,641,693	1,000,000	1,100,000
% of Fund Revenues	0.59%	1.07%	1.03%	0.91%	1.37%	0.78%	0.85%
GENERAL FUND Total Revenue	86,045,285	95,315,901	104,123,855	117,015,929	120,121,698	128,500,000	130,000,000
per WADA Pupil Revenue	6,489	6,643	6,853	7,234	6,988	6,977	6,626
% Change from Prior Year per Pupil	-1.21%	2.37%	3.16%	5.56%	-3.40%	1.81%	-5.03%
DEBT SERVICE							
Local Revenues	21,208,110	22,710,998	26,572,832	28,693,295	30,424,435	29,455,000	33,249,426
% of Fund Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	98.18%	98.46%
State Assistance	0	0	0	0	0	545,000	520,574
% of Fund Revenues	0.00%	0.00%	0.00%	0.00%	0.00%	1.82%	1.54%
DEBT SERVICE Total Revenue	21,208,110	22,710,998	26,572,832	28,693,295	30,424,435	30,000,000	33,770,000
per WADA Pupil Revenue	1,599	1,583	1,749	1,774	1,770	1,629	1,721
% Change from Prior Year per Pupil	4.04%	-1.03%	-1.05%	-1.05%	-1.05%	-8.18%	5.67%
FOOD SERVICE							
Local Revenues	2,747,554	2,863,856	3,040,716	3,151,763	3,367,797	3,701,303	3,918,750
% of Fund Revenues	59.10%	57.93%	58.35%	57.37%	57.82%	57.52%	57.74%
State Assistance	100,726	129,066	141,510	154,210	157,383	181,042	179,650
% of Fund Revenues	2.17%	2.61%	2.72%	2.72%	2.72%	2.81%	2.65%
Federal Assistance	1,800,914	1,950,444	2,029,167	2,188,071	2,299,876	2,552,655	2,689,000
% of Fund Revenues	38.74%	39.46%	38.94%	38.94%	38.94%	39.67%	39.62%
FOOD SERVICE Total Revenue	4,649,194	4,943,366	5,211,393	5,494,044	5,825,056	6,435,000	6,787,400
per WADA Pupil Revenue	351	345	343	340	339	349	346
% Change from Prior Year per Pupil	2.37%	-1.75%	-0.45%	-0.98%	-0.23%	2.87%	-0.99%

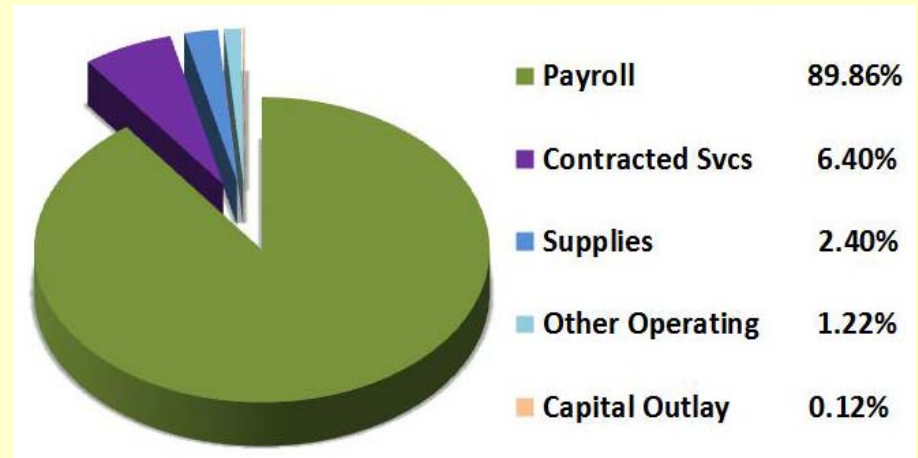
GENERAL FUND BUDGETED APPROPRIATIONS

The 2018-2019 proposed General Fund budget is \$130,000,000, which is 1.17% higher than the 2017-2018 adopted budget. The budget is divided into five major expenditure categories, with these expenditure categories called **object codes** in school accounting.

The object codes indicate expenses in payroll, contracted services, supplies and materials, other operating costs, and capital outlay. Education is a service-oriented business, and typical for this type of business, payroll costs are a very high percentage of expenditures. As can be seen in the pie chart, payroll is the largest expense in the General Fund budget at 89.86% of the total budget.

The 2018-2019 total General Fund budget increased by \$1,500,000 over the previous year. Payroll increased by \$2,657,924 or 2.33% over the previous year. Contracted Services is primarily the cost of utilities and 6.40% of the total budget. This category decreased by \$264,042 or -3.08% over the prior year. Supplies and materials are 2.40% of the total budget and decreased by \$387,804 from the previous year. Other Operating Expenses are 1.22% of the total budget and primarily includes the costs related to travel for

students and staff and property casualty insurance. This budget category decreased by \$11,278 or -0.7% from the prior year. Capital Outlay is 0.12% of the total budget and is the costs primarily related to equipment replacement. This category decreased \$494,800 or -75.56% from the prior year.



EXPENDITURES	2017-2018	2018-2019
Payroll	\$ 114,156,986	\$ 116,814,910
Contracted Services	\$ 8,583,373	\$ 8,319,331
Supplies & Materials	\$ 3,503,866	\$ 3,116,062
Other Operating Expenses	\$ 1,600,975	\$ 1,589,697
Capital Outlay	\$ 654,800	\$ 160,000
TOTAL	\$ 128,500,000	\$ 130,000,000
Percent Change from Prior	5.54%	1.17%

DEFINITIONS—USING FUNCTION CODES

Texas public school accounting expenditures are coded by function codes to identify the purpose of the expense. Budgets must be approved by fund and by function.

10 Instruction & Instructional-Related Services — This function code series is used for expenditures/expenses that provide direct interaction between staff and students to achieve learning, and provide staff members with the appropriate resources to achieve the appropriate student learning through either materials or development. Technology used by students is also included here (11, 12, 13).



20 Instructional and School Leadership — This function code series is used for expenditures that relate to the managing, directing, supervising and leadership of staff who are providing either instructional or instructional-related services. This function code series also includes the general management and leadership of a school campus (21, 23).

30 Student Support Services — This function code series is used for expenditures/expenses that directly support and improve students' well-being and that supplement the teaching process. This includes guidance services, health services, psychological services, and support services for students with disabilities (31, 32, 33, 34, 36).



40 Administrative Support Services — A function code series for the overall general administrative support services

of the school district. This includes planning, research, development, evaluation, information, & statistical/data processing services (41).

50 Non-Student Based Support Services — This function code series is used for expenditures/expenses that are school district support services (51, 52, 53).



60 Ancillary Services — This function code series is used for expenditures/expenses that are for school district support services supplemental to the operation of the school district. This includes transportation and school maintenance (61).

70 Debt Service — This function code series is used for expenditures that are used for the payment of debt principal and interest (71).

80 Capital Outlay — This function code series is used for expenditures that are acquisitions, construction, or major renovation of school district facilities (81).

90 Intergovernmental Charges — This function code is appropriate where one governmental unit transfers resources to another (95, 99).



BUDGET BY DETAILED FUNCTION CODES

The General Fund budget must be approved by the Board of Trustees by *Fund and Function*. Functions are classified by code in five general categories. **Instruction** is made up of the function codes beginning with a “1” and are 66.69% of the total budget. **Campus and Instruction Administration** are the function codes beginning with a “2” and are 8.03% of the total budget. **Student Support** are the function codes beginning with a “3” and are 11.07% of the total budget. **General Administration** is the single function code beginning with a “4” and 3.10% of the total budget. **Non-Student Support** are the function codes beginning with a “5” and are 10.26% of the total budget. Other less significant function codes beginning with a “6, 8, or 9” and are only 0.85% of the total budget.

Direct instruction of students (11) is 64.52% of the total budget appropriations and is the largest single cost. Plant maintenance and operations (51) is the second highest cost and includes costs of building maintenance and repairs, lighting and conditioning of facilities. This function is 8.58% of the total budget. Campus leadership (23) includes the costs for student and staff management at the campus level. This function is 6.89% of the total budget.

Frequently discussion focuses on the high costs for extracurricular activities such as athletics. This cost is included in function 36 and is only 2.30% of the total budget. Another issue of contentious discussion is the high cost of administrators not at the campus level. Function 41 and Function 21 account for these costs and combined are 4.24% of the total budget. What is also included in the costs for function 41 are support staff needed for payroll processing, for reporting to federal and state agencies, and for processing payments to vendors. The school district is a normal business operation.

11	Instruction.....	\$ 83,874,982
12	Instructional Media Services.....	1,504,712
13	Curriculum/Staff Development.....	1,321,882
21	Instructional Leadership.....	1,481,762
23	Campus Leadership.....	8,951,748
31	Guidance & Counseling.....	4,366,717
32	Social Services.....	66,420
33	Health Services.....	1,588,777
34	Transportation.....	5,379,645
36	Extracurricular.....	2,990,075
41	General Administration.....	4,029,375
51	Plant Maintenance & Operations.....	11,148,937
52	Security Services.....	492,521
53	Data Processing.....	1,696,199
61	Community Services.....	619
95	JJAEP.....	20,847
99	Other Governmental Agencies.....	1,084,782
	TOTAL.....	\$ 130,000,000

2018-2019 PROPOSED BUDGET—EXPENDITURES

DESCRIPTION	2012-2013 Audited	2013-2014 Audited	2014-2015 Audited	2015-2016 Audited	2016-2017 Audited	2017-2018 Adopted	2018-2019 PROPOSED
Pupil Weighted ADA	13,259.430	14,347.397	15,193.194	16,175.065	17,189.469	18,443.441	19,619.758
% change from prior year	11.19%	8.21%	5.90%	6.46%	6.27%	7.30%	6.38%
GENERAL FUND less Construction							
Instructional Services	51,788,863	56,599,380	61,627,871	71,073,255	75,998,190	83,133,715	86,701,576
per WADA Pupil Costs 10's	3,906	3,945	4,056	4,394	4,421	4,507	4,419
Function % of Fund Expenditures	61.47%	61.66%	62.77%	64.30%	64.16%	64.70%	66.69%
School/Instruc Leadership	6,317,003	6,925,689	7,940,656	8,989,139	9,274,017	10,375,927	10,433,510
per WADA Pupil Costs 20's	476	483	523	556	540	563	532
Function % of Total Expenditures	7.50%	7.55%	8.09%	8.13%	7.83%	8.07%	8.03%
Student Support Services	10,927,611	11,371,790	11,904,333	12,986,751	14,411,702	14,884,073	14,391,634
per WADA Pupil Costs 30's	824	793	784	803	838	807	734
Function % of Fund Expenditures	12.97%	12.39%	12.12%	11.75%	12.17%	11.58%	11.07%
Administrative Support Services	2,796,846	3,001,782	3,177,954	3,435,101	3,674,465	4,056,286	4,029,375
per WADA Pupil Costs 40's	211	209	209	212	214	220	205
Function % of Fund Expenditures	3.32%	3.27%	3.24%	3.11%	3.10%	3.16%	3.10%
Non-Student Support Services	11,783,011	13,198,840	12,709,962	13,160,189	14,139,825	15,016,380	13,337,657
per WADA Pupil Costs 50's	889	920	837	814	823	814	680
Function % of Fund Expenditures	13.98%	14.38%	12.95%	11.91%	11.94%	11.69%	10.26%
Other/Ancillary Expenses	641,736	690,216	821,950	889,842	960,489	1,033,619	1,106,248
per WADA Pupil Costs 60 & 90's	48	48	54	55	56	56	56
Function % of Total Expenditures	0.76%	0.75%	0.84%	0.81%	0.81%	0.80%	0.85%
GENERAL FUND Expenditures	84,255,070	91,787,697	98,182,726	110,534,277	118,458,688	128,500,000	130,000,000
per WADA Pupil Costs	6,354	6,398	6,462	6,834	6,891	6,967	6,626
% Change from Prior Year per Pupil Costs	5.36%	0.68%	1.01%	5.75%	0.84%	1.10%	-4.90%
Dollar Difference from Prior Year	\$7,753,402	\$7,532,627	\$6,395,029	\$12,351,551	\$7,924,411	\$10,041,312	\$1,500,000
% Change from Prior Year in Dollars	10.13%	8.94%	6.97%	12.58%	7.17%	8.48%	1.17%
DEBT SERVICE Expenditures	21,353,363	23,238,287	27,532,402	27,393,609	30,765,036	28,500,000	33,770,000
per WADA Pupil Costs 70's	1,610	1,620	1,812	1,694	1,790	1,545	1,721
% Change from Prior Year per Pupil Costs	0.73%	0.57%	11.88%	-6.54%	5.68%	-13.66%	11.39%
FOOD SERVICE Expenditures	4,406,517	5,247,942	5,329,768	5,615,014	5,804,925	5,676,515	6,787,400
per WADA Pupil Costs 35	332	366	351	347	338	308	346
% Change from Prior Year per Pupil Costs	-0.88%	10.06%	-4.09%	-1.04%	-2.72%	-8.86%	12.40%

STAFF COUNT HISTORY—BY POSITION

The District currently has 2,107 employees. This staff is comprised of 1,233 (58.5%) professional and 874 (41.5%) non-professional positions. Of the total staff 988 (46.9%) are teachers, 165 (7.8%) are professional support such as librarians and counselors, 54 (2.56%) are campus administrators, 26 (1.2%) are professionals that have district-wide administrative duties,

211 (10.0%) are educational aides providing direct assistance to teachers, and 663 (31.5%) are support personnel for providing food services, custodial services, clerical support, transportation services, and maintenance of district plant facilities and grounds.

From 2014-2015 to 2017-2018 the number of employees rose at an average rate of 7.0% per year while student enrollment has risen at an average rate of 6.4%. During this time period the growth was 222 (59%) professional positions and 164 (41%) non-professional positions. The percentage change in total employees from year to year was: 2014-2015 increased by 5.58%, 2015-2016 increased by 7.72%, 2016-2017 increased by 6.9%, and 2017-2018 increased by 6.25%. The primary driver for the staffing increases in the past has been due to the opening of new schools. Not opening a new school next year allowed control of staffing additions for 2018-2019 to a 3.94% increase.

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
TOTAL PERSONNEL	1,722	1,855	1,983	2,107	2,190
TEACHERS	807 46.9%	875 47.2%	934 47.1%	988 46.9%	1042 47.6%
Pre-K & Kindergarten	73	72	91	83	ADD 54
Elementary	402	434	386	412	
Secondary	295	323	421	462	
All Level	37	46	36	32	
SUPPORT STAFF	147 8.5%	164 8.9%	163 8.2%	165 7.8%	170 7.8%
Counselors	24	28	29	31	ADD 5.0
Educ Diagnosticians	13	12	14	13	
Librarians	14	16	18	18	
Nurses	16	20	18	18	
Therapists	13	18	14	15	
Psychologists	7	8	6	7	
Other Support Staff	62	64	64	63	
ADMINISTRATORS	58 3.4%	67 3.6%	71 3.6%	80 3.8%	80 3.7%
Admin/Instr Officers	12	15	16	17	ADD 0.0
Principals	15	18	19	19	
Assistant Principals	27	30	32	35	
Superintendent	1	1	1	1	
Ass't Supt's	3	3	3	8	
TOTAL PROFESSIONAL	1,011 58.7%	1,106 59.6%	1,168 58.9%	1,233 58.5%	1,292 59.0%
EDUCATIONAL AIDES	159 9.2%	180 9.7%	194 9.8%	211 10.0%	215 9.8%
AUXILIARY STAFF	551 32.0%	569 30.7%	622 31.3%	663 31.5%	683 31.2%
	13,267	14,092	14,932	16,042	17,038
Student/Teacher Ratio	16.45	16.11	15.99	16.23	16.35
Student/Staff Ratio	7.71	7.60	7.53	7.62	7.78

FINANCIAL OVERVIEW - ONE DOLLAR

Where the money comes from . . .



State Education Funding
7 cents

Property Taxes
83 cents

State Pension Funding
4 cents

Other Revenues
6 cents
Local Meal Revenue (\$0.02)
Misc. Local Revenue (\$0.02)
Federal Funds (\$0.01)
Federal Funded Meals (\$0.01)

General Admin
3 cents

Technology
2 cents

Extra Curricular
2 cents

Debt Payments
20 cents

Instructional Services
51 cents



Child Nutrition
4 cents

Transportation
3 cents

School/Inst. Leadership
6 cents

Counseling/Other
3 cents

Facility Operations
6 cents

. . . Where the money goes.

2018-2019 FOOD SERVICE BUDGET

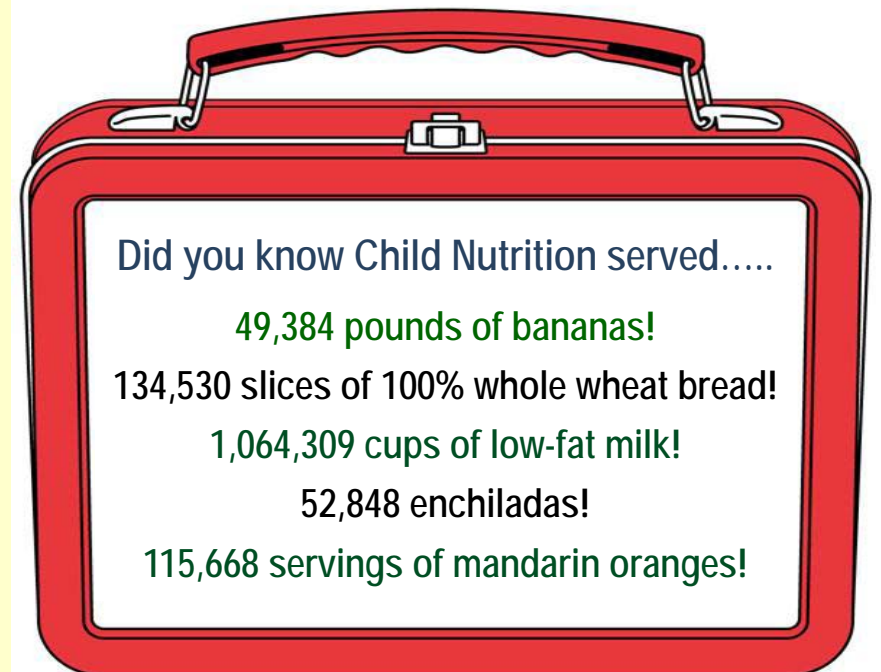
The total proposed Child Nutrition and Food Service budget for 2018-2019 is **\$6,787,400**. Various revenues from local, state, and federal sources will fully fund this budget. Local revenue from local meal charges will generate \$3,918,750 (57.74%) of the funding for this department. Federal child nutrition funds for subsidized free and reduced meal costs will pay \$2,689,000 or 39.62% of the costs for this department. State on-behalf payments for the TRS pension fund of \$147,400 (2.17%). Other state matching funds of \$32,250 (0.48%) will bring the total to \$6,787,400 in total revenue.



The cost of food is the largest expense in the food service budget, and totals 52.55% of the total budget. Payroll is second largest expense at 43.56% of the total budget. Other expenses included in the Food Service budget are for contracted services, miscellaneous operating expenses, and capital outlay. These account for the remaining 3.88% of the total budget. Total budgeted appropriations is \$6,787,400.

FOOD SERVICE 2018-2019

Payroll 43.56%	\$ 2,956,780
Contracted Services 2.72%	\$ 184,620
Supplies & Materials 52.55%	\$ 3,567,000
Other Operating Exp. 0.32%	\$ 22,000
Capital Outlay 0.84%	\$ 57,000
TOTAL	\$ 6,787,400



2018-2019 DEBT SERVICE BUDGET

The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest and for 2018-2019 is \$33,770,000. A separate tax rate is assessed to fund the debt payments based on the scheduled maturities. This debt tax rate, called the Interest and Sinking (I&S) tax rate, is approved by the Board of Trustees annually. The proposed Interest and Sinking tax rate for 2018-2019 is \$0.30, no change from the previous year.

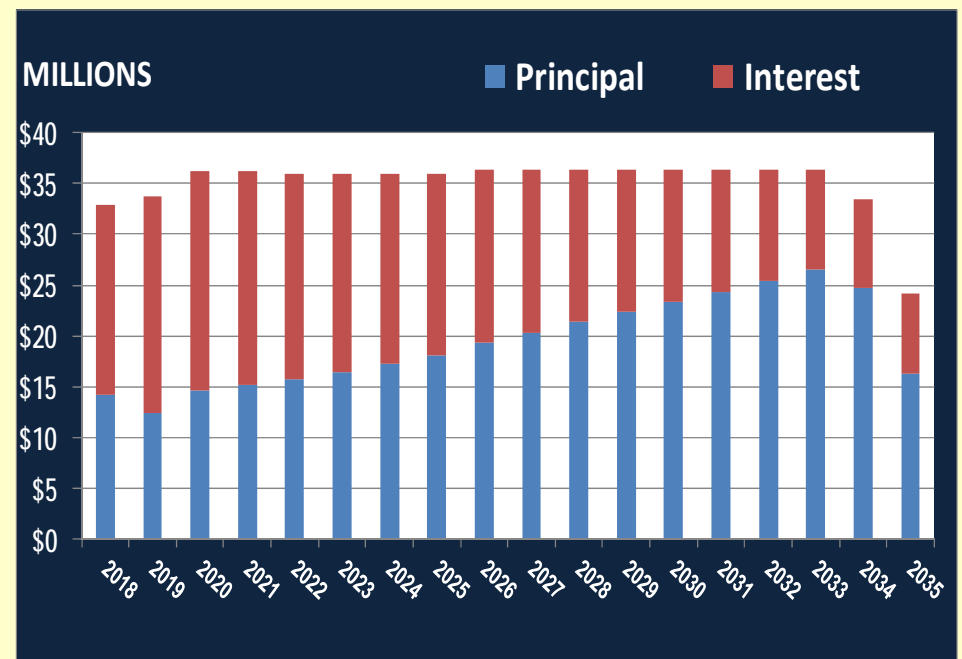
On March 9, 2016 Standard & Poor's (S&P) Ratings Services raised its underlying rating on Tomball Independent School District (ISD), Texas' general obligation (GO) debt one-notch to 'AA+' from 'AA'. The outlook is stable. The upgrade was based on the district's continued and projected maintenance of strong tax base growth, tax-raising flexibility, very strong reserves, and moderately high debt burden. Of the 1,022 Texas public school districts only 16 have an S&P rating this high.

RATING YEAR	MOODY'S	STANDARD & POOR'S	FITCH RATINGS
2018	Aa1 (Stable)	AA+ (Stable)	AA (Stable)
2017	Aa1	AA+ (Stable)	AA
2016	Aa1	AA+ (Stable)	AA
2015	Rating not requested	AA (Positive)	AA Reaffirmed
2014	Aa2	AA	Rating not requested

DEBT SERVICE 2018-2019

Principal	\$ 12,390,000
Interest	\$ 21,380,000
TOTAL	\$ 33,770,000

TISD FUTURE BOND PAYMENTS



2018-2019 PROPOSED BUDGET

Run Date:

07/12/18

	Function Code	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
Instruction:	11					
Payroll Costs		6100	82,304,800	0	0	82,304,800
Contracted Services		6200	529,569	0	0	529,569
Supplies & Materials		6300	961,330	0	0	961,330
Other Operating Costs		6400	54,283	0	0	54,283
Capital Outlay		6600	25,000	0	0	25,000
Total			\$83,874,982	\$0	\$0	\$83,874,982
Instruction Resources and Media Services:	12					
Payroll Costs		6100	1,387,505	0	0	1,387,505
Contracted Services		6200	5,420	0	0	5,420
Supplies & Materials		6300	110,168	0	0	110,168
Other Operating Costs		6400	1,619	0	0	1,619
Capital Outlay		6600	0	0	0	0
Total			\$1,504,712	\$0	\$0	\$1,504,712
Curriculum and Staff Development:	13					
Payroll Costs		6100	1,052,106	0	0	1,052,106
Contracted Services		6200	79,876	0	0	79,876
Supplies & Materials		6300	53,093	0	0	53,093
Other Operating Costs		6400	136,807	0	0	136,807
Capital Outlay		6600	0	0	0	0
Total			\$1,321,882	\$0	\$0	\$1,321,882
Instructional Leadership:	21					
Payroll Costs		6100	1,425,684	0	0	1,425,684
Contracted Services		6200	27,435	0	0	27,435
Supplies & Materials		6300	15,011	0	0	15,011
Other Operating Costs		6400	13,632	0	0	13,632
Capital Outlay		6600	0	0	0	0
Total			\$1,481,762	\$0	\$0	\$1,481,762

2018-2019 PROPOSED BUDGET

07/12/18	Function Code	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
School Leadership	23					
Payroll Costs		6100	8,810,840	0	0	8,810,840
Contracted Services		6200	34,714	0	0	34,714
Supplies & Materials		6300	55,647	0	0	55,647
Other Operating Costs		6400	50,547	0	0	50,547
Capital Outlay		6600	0	0	0	0
Total			\$8,951,748	\$0	\$0	\$8,951,748
Guidance, Counseling, and Evaluation	31					
Payroll Costs		6100	4,297,991	0	0	4,297,991
Contracted Services		6200	16,177	0	0	16,177
Supplies & Materials		6300	50,205	0	0	50,205
Other Operating Costs		6400	2,344	0	0	2,344
Capital Outlay		6600	0	0	0	0
Total			\$4,366,717	\$0	\$0	\$4,366,717
Social Work Services	32					
Payroll Costs		6100	65,568	0	0	65,568
Contracted Services		6200	0	0	0	0
Supplies & Materials		6300	0	0	0	0
Other Operating Costs		6400	852	0	0	852
Capital Outlay		6600	0	0	0	0
Total			\$66,420	\$0	\$0	\$66,420
Health Services	33					
Payroll Costs		6100	1,552,217	0	0	1,552,217
Contracted Services		6200	1,835	0	0	1,835
Supplies & Materials		6300	33,532	0	0	33,532
Other Operating Costs		6400	1,193	0	0	1,193
Capital Outlay		6600	0	0	0	0
Total			\$1,588,777	\$0	\$0	\$1,588,777

2018-2019 PROPOSED BUDGET

07/12/18	Function Code	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
Student Transportation	34					
Payroll Costs		6100	4,625,368	0	0	4,625,368
Contracted Services		6200	105,126	0	0	105,126
Supplies & Materials		6300	540,265	0	0	540,265
Other Operating Costs		6400	108,886	0	0	108,886
Capital Outlay		6600	0	0	0	0
		Total	\$5,379,645	\$0	\$0	\$5,379,645
Food Services	35					
Payroll Costs		6100	0	0	2,956,780	2,956,780
Contracted Services		6200	0	0	184,620	184,620
Supplies & Materials		6300	0	0	3,567,000	3,567,000
Other Operating Costs		6400	0	0	22,000	22,000
Capital Outlay		6600	0	0	57,000	57,000
		Total	\$0	\$0	\$6,787,400	\$6,787,400
Cocurricular/Extra-curricular Activities	36					
Payroll Costs		6100	1,947,419	0	0	1,947,419
Contracted Services		6200	165,455	0	0	165,455
Supplies & Materials		6300	210,688	0	0	210,688
Other Operating Costs		6400	531,513	0	0	531,513
Capital Outlay		6600	135,000	0	0	135,000
		Total	\$2,990,075	\$0	\$0	\$2,990,075
General Administration	41					
Payroll Costs		6100	2,529,972	0	0	2,529,972
Contracted Services		6200	1,134,667	0	0	1,134,667
Supplies & Materials		6300	110,978	0	0	110,978
Other Operating Costs		6400	253,758	0	0	253,758
Capital Outlay		6600	0	0	0	0
		Total	\$4,029,375	\$0	\$0	\$4,029,375

2018-2019 PROPOSED BUDGET

07/12/18	Function Code	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
Plant Maintenance	51					
Payroll Costs		6100	5,432,571	0	0	5,432,571
Contracted Services		6200	4,530,830	0	0	4,530,830
Supplies & Materials		6300	777,253	0	0	777,253
Other Operating Costs		6400	408,283	0	0	408,283
Capital Outlay		6600	0	0	0	0
Total			\$11,148,937	\$0	\$0	\$11,148,937
Security	52					
Payroll Costs		6100	82,845	0	0	82,845
Contracted Services		6200	390,804	0	0	390,804
Supplies & Materials		6300	17,892	0	0	17,892
Other Operating Costs		6400	980	0	0	980
Capital Outlay		6600	0	0	0	0
Total			\$492,521	\$0	\$0	\$492,521
Data Processing	53					
Payroll Costs		6100	1,299,405	0	0	1,299,405
Contracted Services		6200	191,794	0	0	191,794
Supplies & Materials		6300	180,000	0	0	180,000
Other Operating Costs		6400	25,000	0	0	25,000
Capital Outlay		6600	0	0	0	0
Total			\$1,696,199	\$0	\$0	\$1,696,199
Community Services	61					
Payroll Costs		6100	619	0	0	619
Contracted Services		6200	0	0	0	0
Other Operating Costs		6400	0	0	0	0
Total			\$619	\$0	\$0	\$619
Debt Service	71					
Capital Outlay		6500	0	33,770,000	0	33,770,000
Total			\$0	33,770,000	\$0	\$33,770,000
Facilities/Construction	81					
Debt Service		6600	0	0	0	0
Total			\$0	0	\$0	\$0
SSA-Pymnts to JJAEP	95					
Contracted Services		6200	20,847	0	0	20,847
Total			\$20,847	\$0	\$0	\$20,847
Other Intergovernmental	99					
		6200	1,084,782	0	0	1,084,782
Total			\$1,084,782	\$0	\$0	\$1,084,782

2018-2019 PROPOSED BUDGET

07/12/18

PROPOSED ESTIMATED REVENUES

	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
Summary:					
Payroll Costs	6100	116,814,910	0	2,956,780	119,771,690
Contracted Services	6200	8,319,331	0	184,620	8,503,951
Supplies & Materials	6300	3,116,062	0	3,567,000	6,683,062
Other Operating Costs	6400	1,589,697	0	22,000	1,611,697
Debt Service	6500	0	33,770,000	0	33,770,000
Capital Outlay	6600	160,000	0	57,000	217,000
Total Appropriations		\$130,000,000	33,770,000	\$6,787,400	\$170,557,400

2018-2019

PROPOSED ESTIMATED REVENUES

	Object Code	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
		1.040	0.300		1.340
Local Property Taxes	571X	108,540,987	33,224,426	0	141,765,413
Other Local Revenues	57XX	1,780,280	25,000	3,918,750	5,724,030
State On-Behalf Payments	583X	6,955,793	0	147,400	7,103,193
State Foundation Payments	581X	11,622,940	0	0	11,622,940
Other State Funds	5829	0	520,574	32,250	552,824
Federal CNP Program	592X	0	0	2,289,000	2,289,000
Other Federal Programs	59XX	1,100,000	0	400,000	1,500,000
Transfers In	7XXX	0	0	0	0
Total Revenues		\$130,000,000	33,770,000	\$6,787,400	\$170,557,400

PROPOSED CHANGES IN FUND BALANCES

	General Fund	Debt Service Fund	Food Service Fund	Total All Funds
Changes in Undesignated Unreserved Gen Fund	0	0	0	0
Changes in Reserves for Debt Service	0	0	0	0
Changes in Reserves for Food Service	0	0	0	0
	\$0	\$0	\$0	\$0