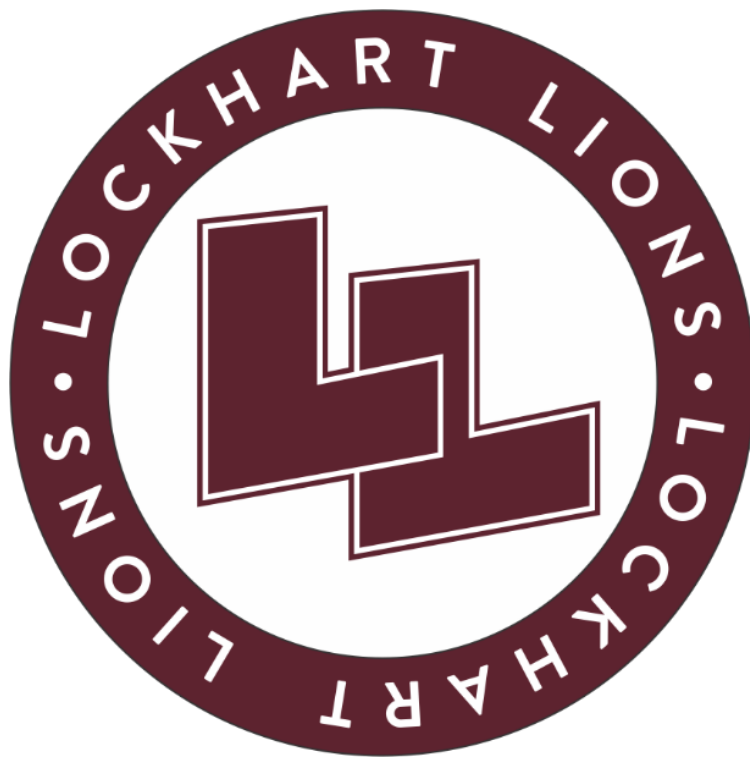


**LOCKHART INDEPENDENT SCHOOL DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**Lockhart, Texas**

**Prepared by the Business and Finance Office**

**Nicole Weiser, Chief Financial Officer**



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

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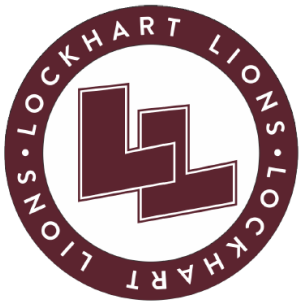
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# OFFICE OF BUSINESS AND FINANCE

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

November 18, 2024

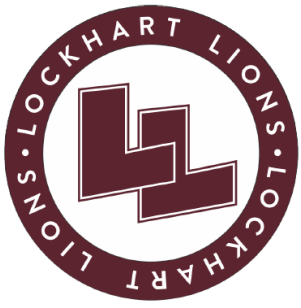
Board of Trustees  
Lockhart Independent School District  
P.O. Box 120  
Lockhart, TX 78644

Dear Board of Trustees:

The Annual Comprehensive Financial Report of the Lockhart Independent School District (the District) for the twelve months ended June 30, 2024 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 4 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, Pattillo, Brown & Hill 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 12<sup>th</sup> grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2023-2024 total enrollment was 6,604 as of the Public Education Information Management System (PEIMS) snapshot date in October 2023. The District has 400 certified teachers, 121 other professional staff, 30 administrative staff and 239 paraprofessional and other auxiliary staff.

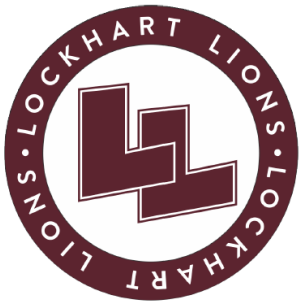
A seven-member Board of Trustees governs the District in accordance with state statutes and regulations. Members serve four-year staggered terms without compensation. Three members of the Board of Trustees are elected for at-large seats, using a cumulative voting system in which a voter may cast all 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 Districts 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.

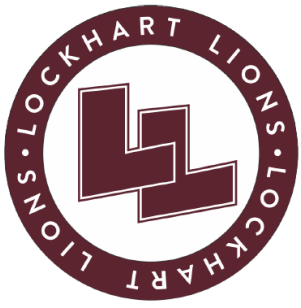
## **Economic Condition and Outlook**

### **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.

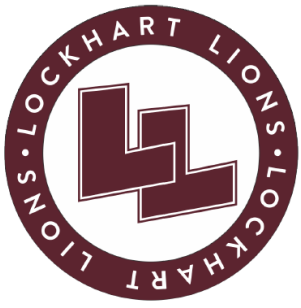
State Highway 130 (SH130) toll road bypass passes through Caldwell County and provides a thoroughfare for NAFTA-based traffic. The county is traversed by Interstate Highway 10, U.S. Highway 183 and State Highways 21, 80 and 304.

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 6,770 in 2023-2024, an increase of 164 students from 2023-2024, a 2.5% increase. The adopted 2024-2025 General Fund budget is \$71,802,983, an increase from \$62,418,269 in 2023-2024 of \$9,384,714. The increase in funding is attributable to an increase in student enrollment, which generates higher average daily attendance that generates additional state funding. The District presented a budget for 2024-2025, 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 as well as rising operating costs.



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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 2023-2024, the District invested \$1,017,459 in one-time capital improvement projects.

## **Relevant Financial Policies**

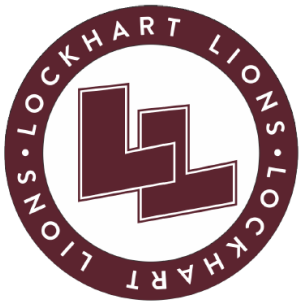
The 2023-2025 bank depository agreement provides for a floor of 1.00% in interest income and is secured by collateral. In the 2023-2025 bank depository agreement, additional terms included above average certificates of deposit interest rates.

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

## **Awards and Acknowledgements**

### **Awards**

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



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Lockhart Independent School District has received the Schools FIRST Superior Achievement ratings for each of the twelve 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 2014-2015 through 2022-2023 school years, the District received a Schools FIRST Superior Achievement rating. This makes twenty-two consecutive years of receiving the highest rating possible.

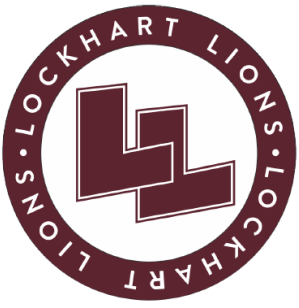
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lockhart Independent School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the nineteenth 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 annual comprehensive 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 annual comprehensive 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 twentieth 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, Lizz Cutney, Nancy Arana and Patricia Deutsch for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports throughout the year and at year-end.



## OFFICE OF BUSINESS AND FINANCE

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

Respectfully submitted,

*Nicole Weiser*

Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Lockhart Independent School District  
Texas**

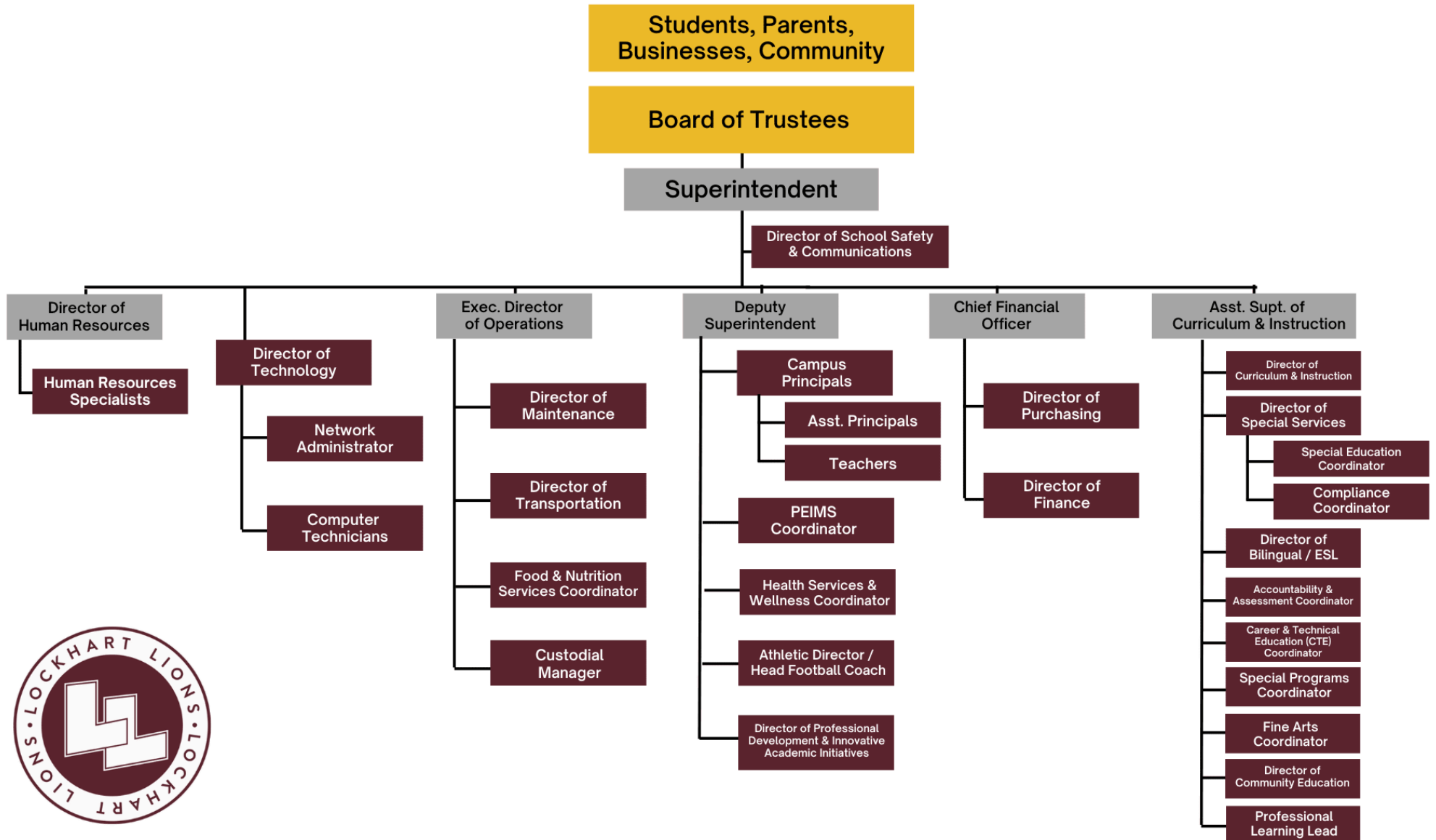
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart | Lockhart ISD (2024-25)



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL OFFICIALS

JUNE 30, 2024

**Board of Trustees**

Michael Wright, President

Warren Burnett, Vice President

Tom Guyton, Secretary

Dr. Barbara Sanchez

Rebecca Pulliam

Sam Lockhart

Rene Rayos

**District Leadership**

Mark Estrada, Superintendent of Schools

Stephaine Camarillo, Deputy Superintendent

Nicole Weiser, Chief Financial Officer

Susan Fambrough, Director of Human Resources

Ty Davidson, Assistant Superintendent of Curriculum & Instruction

James Acuna, Executive Director of Operations



CERTIFICATE OF THE 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) 6 approved 0 disapproved for the year ended June 30, 2024, at a meeting of the board of trustees of such school district on the 18<sup>th</sup> day of November, 2024.

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

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

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are): (attach list as necessary).

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees of  
Lockhart Independent School District  
Lockhart, Texas

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lockhart Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District, as of June 30, 2024, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lockhart Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lockhart Independent School District's basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by the audit 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, required TEA schedules 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 statements, required TEA schedules 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.

***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
November 18, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lockhart Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$12,258,234 (*net position*). Of this amount, (\$4,835,652) (*unrestricted net position - deficit*) may be used to meet the District's ongoing obligations.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$96,703,549, a decrease of \$9,531,442 in comparison with the prior year. \$23,200,304 is available for spending at the District's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,200,304, or 36% of total General Fund expenditures.

### USING THIS ANNUAL FINANCIAL 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. These provide information about the activities of the District as a whole and present a long-term view of the District's property and 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 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, the 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 government.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements of the fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The combining statements for nonmajor funds are presented immediately following the required supplementary information. The sections labeled TEA 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 is shown with the Statement of Net Position and Statement of Activities. Its primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, liabilities and deferred inflows/outflows of resources while the Statement of Activities includes all the revenue and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the same used by most private sector companies.

All of the current year's revenue and expenses are considered regardless of when cash is received or paid. The District's revenue is divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U. S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenue), and general revenue provided by the taxpayers or by TEA in equalization funding processes (general revenue). All of the District's assets are reported whether they serve the current year or future years. 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, liabilities and deferred inflows/outflows of resources) provide one measure of the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, 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, the District has two kinds of activity:

**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-type 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 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 ESEA Title I 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 has three types of funds:

**Governmental Funds** – The District reports most of its basic services in governmental funds. These funds 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 they 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 governmental fund financial statements. The District currently reports 34 governmental funds.

**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 fund reports 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 proprietary funds.

**Fiduciary Funds** - The District accounts for resources held for the benefit of individuals and groups outside the District in fiduciary funds. These funds are not included in the government-wide financial statements because the resources reported in these funds are not available to fund the operations of the District. The District maintains two fiduciary funds: the Scholarship Fund, a private-purpose trust fund; and the Student Activity Fund, a custodial fund.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Net position of the District's governmental activities increased from \$6,490,767 to \$12,258,234 as shown in Table 1. Unrestricted net position was (\$4,835,652) at June 30, 2024 as shown in Table 1.

Unrestricted net position reflects a deficit primarily as a result of the District's proportionate shares of the TRS pension and OPEB liabilities presented in accordance with GASB 68 and GASB 75, respectively. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

The District's total revenues increased by \$11,883,029 primarily as the result of increased operating grants and contributions.

The cost of all governmental activities this year as shown in the Statement of Activities was \$90,725,172 compared to \$84,295,148 last year. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$30,226,653 because some of the costs were paid by other government and organizations that subsidized certain programs with grants and contributions.

**TABLE 1**  
**CONDENSED SCHEDULE OF NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and other assets	\$ 112,641,525	\$ 119,207,211	\$ 93,254	\$ 110,932	\$ 112,734,779	\$ 119,318,143
Capital assets	<u>81,185,465</u>	<u>67,595,139</u>	-	-	<u>81,185,465</u>	<u>67,595,139</u>
Total assets	<u>193,826,990</u>	<u>186,802,350</u>	<u>93,254</u>	<u>110,932</u>	<u>193,920,244</u>	<u>186,913,282</u>
<b>Deferred Outflows of Resources:</b>						
Deferred charge for refunding	1,457,774	1,527,192	-	-	1,457,774	1,527,192
Teach Retirement System	<u>17,167,276</u>	<u>13,984,089</u>	-	-	<u>17,167,276</u>	<u>13,984,089</u>
Total deferred outflows of resources	<u>18,625,050</u>	<u>15,511,281</u>	-	-	<u>18,625,050</u>	<u>15,511,281</u>
<b>Liabilities:</b>						
Long-term liabilities	168,078,455	166,530,626	-	-	168,078,455	166,530,626
Other liabilities	<u>15,678,126</u>	<u>11,358,176</u>	<u>93,254</u>	<u>110,932</u>	<u>15,771,380</u>	<u>11,469,108</u>
Total liabilities	<u>183,756,581</u>	<u>177,888,802</u>	<u>93,254</u>	<u>110,932</u>	<u>183,849,835</u>	<u>177,999,734</u>
<b>Deferred Inflows of Resources:</b>						
Teacher Retirement System	<u>16,437,225</u>	<u>17,934,062</u>	-	-	<u>16,437,225</u>	<u>17,934,062</u>
<b>Net position:</b>						
Net investment in capital assets	7,311,602	2,252,718	-	-	7,311,602	2,252,718
Restricted	9,782,284	13,708,988	-	-	9,782,284	13,708,988
Unrestricted	<u>(4,835,652)</u>	<u>(9,470,939)</u>	-	-	<u>(4,835,652)</u>	<u>(9,470,939)</u>
Total net position	<u>\$ 12,258,234</u>	<u>\$ 6,490,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,258,234</u>	<u>\$ 6,490,767</u>

**TABLE 2**  
**CONDENSED SCHEDULE OF CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 439,908	\$ 434,365	\$ 807,272	\$ 799,268	\$ 1,247,180	\$ 1,233,633
Operating grants and contributions	19,151,992	17,455,980	75,553	61,605	19,227,545	17,517,585
General revenues:						
Maintenance and operations taxes	22,057,873	24,094,101	-	-	22,057,873	24,094,101
Debt service taxes	8,168,780	7,251,665	-	-	8,168,780	7,251,665
Grants and contributions not restricted	41,524,222	32,484,226	-	-	41,524,222	32,484,226
Investment earnings	4,597,074	1,652,709	-	-	4,597,074	1,652,709
Miscellaneous	798,489	1,482,263	-	-	798,489	1,482,263
Total revenues	<u>96,738,338</u>	<u>84,855,309</u>	<u>882,825</u>	<u>860,873</u>	<u>97,621,163</u>	<u>85,716,182</u>
<b>EXPENSES</b>						
Instruction	46,173,952	45,320,059	-	-	46,173,952	45,320,059
Instructional resources and media services	767,639	755,262	-	-	767,639	755,262
Curriculum and staff development	1,330,239	1,555,573	-	-	1,330,239	1,555,573
Instructional leadership	1,051,644	1,284,333	-	-	1,051,644	1,284,333
School leadership	3,924,396	3,691,734	-	-	3,924,396	3,691,734
Guidance, counseling, and evaluation services	2,678,117	2,919,694	-	-	2,678,117	2,919,694
Social work services	621,302	410,876	-	-	621,302	410,876
Health services	782,585	654,106	-	-	782,585	654,106
Student (pupil) transportation	4,170,255	4,030,562	-	-	4,170,255	4,030,562
Food service	6,173,340	5,442,921	-	-	6,173,340	5,442,921
Extracurricular activities	1,973,020	1,972,967	-	-	1,973,020	1,972,967
General administration	3,897,484	2,986,405	-	-	3,897,484	2,986,405
Facilities maintenance and operations	6,756,430	6,382,374	-	-	6,756,430	6,382,374
Security and monitoring services	881,411	453,079	-	-	881,411	453,079
Data processing services	1,170,078	1,274,355	-	-	1,170,078	1,274,355
Community services	798,300	563,708	-	-	798,300	563,708
Interest on long-term debt	5,530,185	2,268,741	-	-	5,530,185	2,268,741
Payments related to SSA	1,248,688	1,731,498	-	-	1,248,688	1,731,498
Other intergovernmental charges	796,107	596,901	-	-	796,107	596,901
Business-type activities	-	-	1,128,524	1,092,162	1,128,524	1,092,162
Total expenses	<u>90,725,172</u>	<u>84,295,148</u>	<u>1,128,524</u>	<u>1,092,162</u>	<u>91,853,696</u>	<u>85,387,310</u>
<b>Increase/(Decrease) in net position before transfers and special item</b>	6,013,166	560,161	(245,699)	(231,289)	5,767,467	328,872
<b>TRANSFERS</b>	<u>(245,699)</u>	<u>(231,289)</u>	<u>245,699</u>	<u>231,289</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>	<u>-</u>	<u>(882,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(882,500)</u>
<b>CHANGE IN NET POSITION</b>	<u>5,767,467</u>	<u>(553,628)</u>	<u>-</u>	<u>-</u>	<u>5,767,467</u>	<u>(553,628)</u>
<b>NET POSITION, BEGINNING</b>	<u>6,490,767</u>	<u>7,044,395</u>	<u>-</u>	<u>-</u>	<u>6,490,767</u>	<u>7,044,395</u>
<b>NET POSITION, ENDING</b>	<u>\$ 12,258,234</u>	<u>\$ 6,490,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,258,234</u>	<u>\$ 6,490,767</u>

## THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented on the governmental fund balance sheet) reported a combined fund balance of \$96,703,549, which is less than last year's total of \$106,234,991. This decrease in fund balance is mainly attributable to funds from the District's Series 2023 Unlimited Tax School Construction Bonds being spent on capital projects during the year.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into two categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts estimated in June 2023). 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.

The General Fund balance of \$27,554,583 reported in the financials differs from the General Fund's budgetary fund balance of \$24,075,573 reported in the budgetary comparison schedule, largely as a result of faster than expected growth in state foundation revenue. This accompanied an overall increase in fund balance of \$3,601,057 in the General Fund. This was primarily due to growing attendance figures throughout the District.

The Debt Service Fund reported an increase in fund balance of \$651,173 in the current year. This was the result of revenue from property taxes and state entitlement programs continuing to exceed principal and interest payments on long-term debt during the current year.

The ESSER III Fund account for proceeds and disbursements related to the Elementary and Secondary School Emergency Relief Fund of the ARP Act, which was awarded to the District to aid with costs incurred during the COVID-19 pandemic. The fund reported zero fund balance at year end, as revenues equaled expenditures in the fund.

The Capital Projects Fund was created during the prior year to account for the proceeds from the District's Series 2023 Unlimited Tax School Construction Bonds, which will be used for a variety of construction and renovation projects throughout the District. The fund reported ending fund balance of \$56,831,375, all of which is restricted for capital acquisitions.

## **CAPITAL ASSETS AND LONG-TERM LIABILITIES**

### **Capital Assets**

As of June 30, 2024, the District had \$81,185,465 (net of depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Significant capital additions during the year included various construction projects totaling \$16,345,464.

Additional information about the District's capital assets is presented in Note II. D in the notes to the financial statements.

### **Long-Term Liabilities**

As of June 30, 2024, the District had total long-term debt outstanding which totaled \$132,364,127. This is an increase of \$1,547,829 from June 30, 2023. The main reason for the increase was the recognition of the District's arbitrage liability of \$1,312,534 related to the issuance of its Series 2023 Unlimited Tax School Construction Bonds during the prior year.

The District also reported a net pension liability of \$25,225,621 and a net OPEB liability of \$10,488,707 as presented in accordance with GASB 68 and GASB 75, respectively.

Additional information about the District's long-term debt is presented in Note II. E in the notes 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 2024-2025 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 \$71.8 million for the 2024-2025 fiscal year. The budget increased from 2023-2024 to 2024-2025 by \$9.4 million, a result of 3% enrollment growth expected from demographer. Since the 2024-2025 school year began, the District has been experiencing the projected 3% enrollment growth.

Future enrollments are forecasted to have moderate enrollment growth and property values are forecasted to gradually increase, which will continue to produce revenues that will support projected expenditures in the near future. For the 2024-2025 budget year, the District has lowered total property tax rate to \$0.9546 per \$100 of taxable value, down from \$0.9569 in 2023-2024. Due to State Property Value Assignment in Tax Year 2022, the District experienced a decline in state revenues causing the need of a Voter Approval Tax Ratification Election that was passed in November of 2023.

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

This financial report is designed to provide our citizens, taxpayers, customers, and 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, TX 78644, or by calling 512-398-0000.

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## **BASIC FINANCIAL STATEMENTS**

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT A-1**

STATEMENT OF NET POSITION

JUNE 30, 2024

Control Codes		Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 88,571,698	\$ 120,127	\$ 88,691,825
1220	Property taxes receivable (delinquent)	4,079,040	-	4,079,040
1230	Allowance for uncollectible taxes	(203,952)	-	(203,952)
1240	Due from other governments	20,025,233	-	20,025,233
1250	Accrued interest	1,547	-	1,547
1260	Internal balances	93,820	(93,820)	-
1290	Other receivables	28,460	66,947	95,407
1410	Prepaid items	45,679	-	45,679
	Capital assets:			
1510	Land	2,366,551	-	2,366,551
1520	Buildings and improvements, net	59,702,089	-	59,702,089
1530	Furniture and equipment, net	2,071,783	-	2,071,783
1580	Construction in progress	17,045,042	-	17,045,042
1000	Total assets	<u>193,826,990</u>	<u>93,254</u>	<u>193,920,244</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred charge for refunding	1,457,774	-	1,457,774
1705	Deferred outflows related to NPL	10,741,921	-	10,741,921
1706	Deferred outflows related to OPEB	6,425,355	-	6,425,355
1700	Total deferred outflows of resources	<u>18,625,050</u>	<u>-</u>	<u>18,625,050</u>
<b>LIABILITIES</b>				
2110	Accounts payable	5,074,128	6,310	5,080,438
2140	Interest payable	3,267,826	-	3,267,826
2150	Payroll deductions & withholding	546,334	7,739	554,073
2160	Accrued wages payable	6,269,215	56,552	6,325,767
2180	Due to other governments	649	-	649
2300	Unearned revenue	519,974	22,653	542,627
	Noncurrent liabilities:			
	Due within one year:			
2501	Long-term debt	3,083,816	-	3,083,816
	Due in more than one year:			
2502	Long-term debt	129,280,311	-	129,280,311
2540	Net pension liability	25,225,621	-	25,225,621
2545	Net OPEB liability	10,488,707	-	10,488,707
2000	Total liabilities	<u>183,756,581</u>	<u>93,254</u>	<u>183,849,835</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred inflows related to NPL	1,026,104	-	1,026,104
2606	Deferred inflows related to OPEB	15,411,121	-	15,411,121
2600	Total deferred inflows of resources	<u>16,437,225</u>	<u>-</u>	<u>16,437,225</u>
<b>NET POSITION</b>				
3200	Net investment in capital assets	7,311,602	-	7,311,602
	Restricted:			
3820	Restricted for federal and state programs	1,879,254	-	1,879,254
3850	Restricted for debt service	7,903,030	-	7,903,030
3900	Unrestricted	(4,835,652)	-	(4,835,652)
3000	Total net position	<u>\$ 12,258,234</u>	<u>\$ -</u>	<u>\$ 12,258,234</u>

The accompanying notes are an integral part of this financial statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
11	Instruction	\$ 46,173,952	\$ -	\$ 8,093,444
12	Instructional resources and media services	767,639	-	30,491
13	Curriculum and staff development	1,330,239	-	476,469
21	Instructional leadership	1,051,644	-	444,612
23	School leadership	3,924,396	-	219,265
31	Guidance, counseling, and evaluation services	2,678,117	-	1,239,053
32	Social work services	621,302	-	285,230
33	Health services	782,585	-	62,062
34	Student (pupil) transportation	4,170,255	-	78,219
35	Food service	6,173,340	275,488	5,914,591
36	Extracurricular activities	1,973,020	114,697	43,820
41	General administration	3,897,484	-	173,062
51	Facilities maintenance and operations	6,756,430	49,723	82,366
52	Security and monitoring services	881,411	-	341,262
53	Data processing services	1,170,078	-	47,021
61	Community services	798,300	-	651,179
72	Interest on long-term debt	5,530,185	-	920,940
93	Payments related to SSA	1,248,688	-	48,906
99	Other intergovernmental charges	796,107	-	-
TG	Total governmental activities	<u>90,725,172</u>	<u>439,908</u>	<u>19,151,992</u>
Business-type activities:				
01	Summer recreation	82,957	108,419	5,474
02	After school program	200,873	269,942	15,288
03	Cubhouse students	255,817	-	18,723
04	GED Adult Education	87,610	84,669	-
06	Cubhouse employees	302,801	303,151	21,843
07	Community Ed Adm	198,466	41,091	14,225
TB	Total business-type activities	<u>1,128,524</u>	<u>807,272</u>	<u>75,553</u>
TP	Total primary government	<u>91,853,696</u>	<u>1,247,180</u>	<u>19,227,545</u>
General revenues:				
Taxes:				
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 financial statement.

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Governmental Activities	Business-type Activities	Total
\$ (38,080,508)	\$ -	\$ (38,080,508)
(737,148)	-	(737,148)
(853,770)	-	(853,770)
(607,032)	-	(607,032)
(3,705,131)	-	(3,705,131)
(1,439,064)	-	(1,439,064)
(336,072)	-	(336,072)
(720,523)	-	(720,523)
(4,092,036)	-	(4,092,036)
16,739	-	16,739
(1,814,503)	-	(1,814,503)
(3,724,422)	-	(3,724,422)
(6,624,341)	-	(6,624,341)
(540,149)	-	(540,149)
(1,123,057)	-	(1,123,057)
(147,121)	-	(147,121)
(4,609,245)	-	(4,609,245)
(1,199,782)	-	(1,199,782)
(796,107)	-	(796,107)
<u>(71,133,272)</u>	<u>-</u>	<u>(71,133,272)</u>
-	30,936	30,936
-	84,357	84,357
-	(237,094)	(237,094)
-	(2,941)	(2,941)
-	22,193	22,193
-	(143,150)	(143,150)
-	(245,699)	(245,699)
<u>(71,133,272)</u>	<u>(245,699)</u>	<u>(71,378,971)</u>
22,057,873	-	22,057,873
8,168,780	-	8,168,780
4,597,074	-	4,597,074
41,524,222	-	41,524,222
798,489	-	798,489
(245,699)	245,699	-
<u>76,900,739</u>	<u>245,699</u>	<u>77,146,438</u>
<u>5,767,467</u>	<u>-</u>	<u>5,767,467</u>
<u>6,490,767</u>	<u>-</u>	<u>6,490,767</u>
<u>\$ 12,258,234</u>	<u>\$ -</u>	<u>\$ 12,258,234</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		10	50	282
		<u>General</u>	<u>Debt Service</u>	<u>ESSER III</u>
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 14,921,865	\$ 9,787,953	\$ -
1220	Property taxes - delinquent	3,126,434	952,606	-
1230	Allowance for uncollectible taxes	(156,322)	(47,630)	-
1240	Due from other governments	13,720,316	477,927	3,373,156
1250	Accrued interest	1,547	-	-
1260	Due from other funds	5,825,755	-	-
1290	Other receivables	27,028	-	-
1410	Prepaid items	38,294	-	-
1000	Total assets	<u>37,504,917</u>	<u>11,170,856</u>	<u>3,373,156</u>
<b>LIABILITIES</b>				
2110	Accounts payable	1,063,626	-	4,950
2150	Payroll deductions and withholdings	460,343	-	14,282
2160	Accrued wages payable	5,583,014	-	115,262
2170	Due to other funds	133,407	-	3,238,662
2180	Due to other governments	32	-	-
2300	Unearned revenue	6,078	-	-
2000	Total liabilities	<u>7,246,500</u>	<u>-</u>	<u>3,373,156</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable revenue - property taxes	<u>2,703,834</u>	<u>823,842</u>	<u>-</u>
2600	Total deferred inflows of resources	<u>2,703,834</u>	<u>823,842</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3430	Prepaid items	38,294	-	-
Restricted Fund Balance:				
3450	Federal or state funds grant restriction	-	-	-
3470	Capital acquisitions	-	-	-
3480	Retirement of long-term debt	-	10,347,014	-
Committed Fund Balance:				
3510	Construction	4,012,381	-	-
3545	Other committed fund balance	303,604	-	-
3545	Campus activity	-	-	-
3600	Unassigned fund balance	<u>23,200,304</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>27,554,583</u>	<u>10,347,014</u>	<u>-</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,504,917</u>	<u>\$ 11,170,856</u>	<u>\$ 3,373,156</u>

The accompanying notes are an integral part of this financial statement.

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 60,284,037	\$ 2,806,246	\$ 87,800,101
-	-	4,079,040
-	-	(203,952)
-	2,453,834	20,025,233
-	-	1,547
-	131,819	5,957,574
-	1,432	28,460
-	7,385	45,679
<u>60,284,037</u>	<u>5,400,716</u>	<u>117,733,682</u>
3,452,457	553,095	5,074,128
-	71,709	546,334
-	570,939	6,269,215
205	1,719,883	5,092,157
-	617	649
-	513,896	519,974
<u>3,452,662</u>	<u>3,430,139</u>	<u>17,502,457</u>
-	-	3,527,676
-	-	3,527,676
-	-	38,294
-	1,879,254	1,879,254
56,831,375	-	56,831,375
-	-	10,347,014
-	-	4,012,381
-	-	303,604
-	91,323	91,323
-	-	23,200,304
<u>56,831,375</u>	<u>1,970,577</u>	<u>96,703,549</u>
<u>\$ 60,284,037</u>	<u>\$ 5,400,716</u>	<u>\$ 117,733,682</u>

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT C-2**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET POSITION

JUNE 30, 2024

Total fund balances - governmental funds	\$ 96,703,549
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	81,185,465
2 Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Losses on refunding of bonds and the premium on issuance of bonds payable are netted against the long-term liabilities in the statement of net position.	(134,174,179)
3 Included in the items related to debt is the recognition of the District's proportion share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$10,741,921, a deferred resource inflow in the amount of \$1,026,104, and a net pension liability in the amount of \$25,225,621. This resulted in a decrease in net position.	(15,509,804)
4 Included in the items related to debt is the recognition of the District's proportion share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$6,425,355, a deferred resource inflow in the amount of \$15,411,121, and a net OPEB liability in the amount of \$10,488,707. This resulted in a decrease in net position.	(19,474,473)
5 Uncollected property taxes and penalties and interest are reported as deferred inflows in the governmental funds balance sheet, but are recognized as revenue in the statement of activities.	<u>3,527,676</u>
29 Net position of governmental activities	<u>\$ 12,258,234</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		10	50	282
		General	Debt Service	ESSER III
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ 23,377,592	\$ 8,365,443	\$ -
5800	State program revenues	44,344,560	920,940	-
5900	Federal program revenues	<u>612,104</u>	<u>-</u>	<u>3,373,156</u>
5020	Total revenues	<u>68,334,256</u>	<u>9,286,383</u>	<u>3,373,156</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	36,939,526	-	2,548,223
0012	Instructional resources and media services	639,448	-	7,688
0013	Curriculum and instructional staff development	811,062	-	140,091
0021	Instructional leadership	594,504	-	142,259
0023	School leadership	3,552,830	-	44,879
0031	Guidance, counseling, and evaluation services	1,378,874	-	36,706
0032	Social work services	301,649	-	281,415
0033	Health services	713,480	-	10,751
0034	Student (pupil) transportation	3,764,926	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	1,729,372	-	4,417
0041	General administration	3,015,440	-	81,279
0051	Facilities maintenance and operations	5,943,004	-	13,939
0052	Security and monitoring services	545,699	-	1,148
0053	Data processing services	1,218,325	-	8,632
0061	Community services	29,436	-	50,462
Debt Service:				
0071	Principal on long-term debt	387,961	4,745,000	-
0072	Interest on long-term debt	44,550	3,888,710	-
0073	Bond issuance costs and fees	-	1,500	-
Capital Outlay:				
0081	Facilities acquisition and construction	309,721	-	1,267
Intergovernmental:				
0093	Payments to shared service arrangements	1,248,688	-	-
0099	Other intergovernmental	<u>796,107</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>63,964,602</u>	<u>8,635,210</u>	<u>3,373,156</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,369,654	651,173	-
<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Sale of real and personal property	5,505	-	-
8911	Transfers out	<u>(774,102)</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>(768,597)</u>	<u>-</u>	<u>-</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	<u>3,601,057</u>	<u>651,173</u>	<u>-</u>
0100	<b>FUND BALANCES, BEGINNING</b>	<u>23,953,526</u>	<u>9,695,841</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 27,554,583</u>	<u>\$ 10,347,014</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.



60	Other	Total
Capital Projects	Funds	Governmental
Funds	Funds	Funds
\$ 4,356,987	\$ 2,147,271	\$ 38,247,293
-	662,347	45,927,847
<u>-</u>	<u>10,564,952</u>	<u>14,550,212</u>
<u>4,356,987</u>	<u>13,374,570</u>	<u>98,725,352</u>
-	4,484,882	43,972,631
-	65,490	712,626
-	299,998	1,251,151
-	265,948	1,002,711
-	35,890	3,633,599
-	1,106,204	2,521,784
-	-	583,064
-	403	724,634
-	47,830	3,812,756
-	6,719,986	6,719,986
-	78,597	1,812,386
-	961	3,097,680
-	365,367	6,322,310
-	337,828	884,675
-	-	1,226,957
-	722,356	802,254
-	-	5,132,961
-	-	3,933,260
-	-	1,500
16,983,489	-	17,294,477
-	-	1,248,688
<u>-</u>	<u>-</u>	<u>796,107</u>
<u>16,983,489</u>	<u>14,531,740</u>	<u>107,488,197</u>
(12,626,502)	(1,157,170)	(8,762,845)
-	-	5,505
<u>-</u>	<u>-</u>	<u>(774,102)</u>
<u>-</u>	<u>-</u>	<u>(768,597)</u>
<u>(12,626,502)</u>	<u>(1,157,170)</u>	<u>(9,531,442)</u>
<u>69,457,877</u>	<u>3,127,747</u>	<u>106,234,991</u>
<u>\$ 56,831,375</u>	<u>\$ 1,970,577</u>	<u>\$ 96,703,549</u>

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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, 2024

Net change in fund balances - total governmental funds \$ (9,531,442)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Additions to capital assets	19,428,647
Disposals of capital assets	(57,039)
Depreciation on capital assets	(5,781,282)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	454,160
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in treatment of long-term debt and related items.

Principal payments on long-term debt	5,131,006
Amortization of bond premiums	346,006
Arbitrage liability	(1,312,534)
Amortization of deferred loss on bond refunding	(69,418)
Accrued interest payable	(1,808,354)
Accreted interest on capital appreciation bonds	(61,704)

GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,734,518. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,574,637. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$2,891,102. The net result is a decrease in the change in net position.	(2,731,221)
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GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$350,854. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$343,918. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$1,753,706. The net result is an increase in the change in net position.	<u>1,760,642</u>
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Change in net position of governmental activities	<u>\$ 5,767,467</u>
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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-1**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

JUNE 30, 2024

	Business-type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 120,127	\$ 771,597
Due from other funds	1,588	-
Other receivables	<u>66,947</u>	<u>-</u>
Total assets	<u>188,662</u>	<u>771,597</u>
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	6,310	-
Payroll deduction and withholdings	7,739	-
Accrued wages payable	56,552	-
Due to other funds	95,408	771,597
Unearned revenues	<u>22,653</u>	<u>-</u>
Total liabilities	<u>188,662</u>	<u>771,597</u>
 <b>NET POSITION</b>		
Total net position	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-2**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Business-type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
<b>OPERATING REVENUES:</b>		
Local and intermediate sources	\$ 807,272	\$ 4,411,491
State program revenues	<u>75,553</u>	<u>-</u>
Total operating revenues	<u>882,825</u>	<u>4,411,491</u>
<b>OPERATING EXPENSES:</b>		
Payroll costs	1,055,749	-
Professional and contracted services	27,104	-
Supplies and materials	33,699	-
Other operating costs	<u>11,972</u>	<u>4,939,894</u>
Total operating expenses	<u>1,128,524</u>	<u>4,939,894</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(245,699)</u>	<u>(528,403)</u>
<b>TRANSFERS IN(OUT)</b>		
Transfers in	383,185	528,403
Transfers out	<u>(137,486)</u>	<u>-</u>
Total transfers in (out)	<u>245,699</u>	<u>528,403</u>
<b>CHANGE IN NET POSITION</b>	-	-
<b>NET POSITION, BEGINNING</b>	<u>-</u>	<u>-</u>
<b>NET POSITION, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-3**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 788,584	\$ 4,411,491
Cash receipts from grants	75,553	-
Cash payments to employees	(908,105)	-
Cash payments to suppliers for goods and services	(99,223)	(4,168,297)
Net cash provided by operating activities	<u>(143,191)</u>	<u>243,194</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	383,185	528,403
Transfers to other funds	(137,486)	-
Net cash provided by non-capital financing activities	<u>245,699</u>	<u>528,403</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	102,508	771,597
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>90,180</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>192,688</u>	<u>771,597</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	<u>(245,699)</u>	<u>(528,403)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease (increase) in customer receivable	(25,269)	-
Decrease (increase) in due from other funds	(27,340)	-
Increase (decrease) in accounts payable	(1,210)	-
Increase (decrease) in payroll deductions	(2,921)	-
Increase (decrease) in wages payable	(20,487)	-
Increase (decrease) in due to other funds	173,070	771,597
Increase (decrease) in unearned revenue	6,665	-
Net cash provided (used) by operating activities	<u>\$ (143,191)</u>	<u>\$ 243,194</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

JUNE 30, 2024

	Private-Purpose Trust Fund	Custodial Fund
	Scholarship Fund	Student Activity Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 195,324	\$ 191,818
Accrued interest	1,081	-
Restricted assets	98,669	-
Total assets	<u>295,074</u>	<u>191,818</u>
<b>LIABILITIES</b>		
Accounts payable	148	5,768
Unearned revenue	10	-
Total liabilities	<u>158</u>	<u>5,768</u>
<b>NET POSITION</b>		
Held in trust	294,916	-
Restricted for other purposes	-	186,050
Total net position	<u>\$ 294,916</u>	<u>\$ 186,050</u>



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-2**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Fund</u>
	<u>Scholarship Fund</u>	<u>Student Activity Fund</u>
<b>ADDITIONS</b>		
Gifts and bequests	\$ 16,682	\$ -
Student fundraising activities	-	600,187
Investment income	<u>5,907</u>	<u>-</u>
Total additions	<u>22,589</u>	<u>600,187</u>
<b>DEDUCTIONS</b>		
Scholarships and awards	25,030	-
Cocurricular/extracurricular activities	<u>-</u>	<u>519,857</u>
Total deductions	<u>25,030</u>	<u>519,857</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	(2,441)	80,330
<b>NET POSITION, BEGINNING</b>	<u>297,357</u>	<u>105,720</u>
<b>NET POSITION, ENDING</b>	<u>\$ 294,916</u>	<u>\$ 186,050</u>

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# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Lockhart Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles, and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide").

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB").

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported by taxes, state foundation and intergovernmental revenue. The fund equity is segregated into the following categories invested in capital assets net of related debt, restricted net position, and unrestricted net position. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from / to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, business-type and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Property taxes, state foundation funds and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary fund financial statements are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and expenses in the accounting period in which they are incurred. Under this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

The fiduciary funds use the *economic resources measurement focus* and utilize the accrual basis of accounting for reporting assets, liabilities, additions and deductions.

The District reports the following major governmental funds:

**The General Fund** – The General Fund is the District's primary operating fund and is always reported as a major fund. It accounts for all financial resources except those required to be accounted for in another fund.

**The Debt Service Fund** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

**The Capital Projects Fund** – This fund accounts for construction expenditures made from the proceeds of the District's Series 2023 Unlimited Tax School Construction Bond.

**The ESSER III Grant Fund** – This fund accounts for the District's expenditures related to the Elementary and Secondary School Emergency Relief grant of the ARP act. The District received this grant to assist with costs incurred during the COVID-19 pandemic.

Additionally, the District reports the following fund types:

Governmental Funds:

**Special Revenue Funds** – The District accounts for resources restricted to or designated for specific purposes by the District or a grantor in a Special Revenue Fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds:

**Enterprise Funds** – Revenues and expenses related to services provided to organizations outside the District on a cost reimbursement basis are accounted for in enterprise funds.

**Internal Service Fund** – Revenues and expenses related to services provided to individuals and departments within the District on a cost reimbursement basis are accounted for in an internal service fund.

Fiduciary Funds:

**Private Purpose Trust Fund** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Fund is the Lockhart Education Foundation Fund.

**Custodial Fund** – The District accounts for resources held for others in a custodial capacity in Custodial Funds. The District's Custodial Fund is the Student Activities Fund.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalents**

Cash and cash equivalents include cash and highly liquid investments such as certificates of deposits, money market funds, local government investment pools, Treasury bills, and commercial paper that have a maturity from time of purchase of three months or less

**2. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District recognizes prepaid items as expenditures when consumed (consumption method) rather than when purchased (purchases method).

### **3. Capital Assets**

Capital assets, which include land, building, furniture and equipment are reported in the governmental activities column in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire the asset with equivalent service potential at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Buildings	50
Building improvements	20
Vehicles	2-15
Office equipment	3-15
Computer equipment	3-15

Land and construction in progress are not depreciated.

### **4. Unearned Revenue**

Certain payments related to state and local grant programs are received by the District prior to the criteria for revenue recognition being met. These amounts are recorded as unearned revenue until spent according to the terms of the relevant grant agreements.

### **5. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as current year debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **6. 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.

## **7. 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.

## **8. Deferred outflows/inflows of resources**

Deferred outflows and inflows of resources are reported in the financial statements as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pensions – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, and changes in actuarial assumptions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.
- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net pension liability, the differences between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District had three items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources as unavailable revenues – property taxes with the General Fund and Debt Service Fund respectively.
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, as well as changes in proportion and difference between the employer's contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience and changes in actuarial assumptions.

## **9. 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.

## **10. Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year. It also includes the long-term amount of loans and notes receivable.
- **Restricted:** This classification includes amounts that are restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions of enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the District's Board of Trustees. Those committed amounts cannot be used for any other purposes unless the Board removes or changes the specified use of the amounts by adopting a new resolution.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Board or by other officials to which the Board has delegated the authority to assign amounts to be used for specific purposes. When it is appropriate for fund balance to be assigned, the Board delegates the responsibility to assign funds to the Superintendent or his/her designee.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

## **11. Fund Balance Flow Assumption**

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, as signed, 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.



## **12. Net Position**

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **13. 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 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.

## **14. 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 located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid by February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Delinquent taxes not paid by June 30 are subject to penalty and interest charges plus delinquent collection fees for attorney costs. Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible taxes are periodically reviewed and written off by the District as provided by specific statutory authority from the Texas Legislature.

## **15. Data Control Codes**

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (“TEA”) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base policy development and funding plans.

## **16. Estimates**

The presentation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## II. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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.

State statutes and Board policy authorize the District to invest in 1) Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.; 2) Certificates of deposit and share certificates as permitted by Government Code 2256.010.; 3) Fully collateralized repurchase agreements permitted by Government Code 2256.011.; 4) A securities lending program as permitted by Government Code 2256.0115.; 5) Banker's acceptances as permitted by Government Code 2256.012.; 6) Commercial paper as permitted by Government Code 2256.013.; 7) No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014; 8) A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.; and 9) Public funds investment pools as permitted by Government Code 2256.016.

In compliance with the Public Funds Investment Act, the District has adopted an investment policy. The District is in substantial compliance with the requirements of the Act and with local policies.

#### **Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits, including checking, money market accounts and certificates of deposit, may not be returned to it.

The funds of the District must be deposited and invested under the terms of a contract, the contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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. During 2024 the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held by the District's agent.

Cash and deposits of the District include all amounts deposited at the District's depository bank, including demand deposits and certificates of deposit. At June 30, 2024, the carrying amount of the District's deposits were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

#### **Custodial Credit Risk - Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Any investment that is both uninsured and unregistered is exposed to custodial credit risk if the investment is held by the counterparty, or if the investment is held by the counterparty's trust department or agent, but not in the name of the investor government. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Positions in external investment pools are not subject to custodial credit risk.

#### **Interest Rate Risk**

Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

## Concentration of Credit Risk

Concentration risk is defined as positions of five percent or more in the securities of a single issuer. This is the issuer of the underlying investment, and not a pool. This does not apply to U.S. Government securities.

## Investment Pools

The District's investment pools at June 30, 2024, are shown below:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>
TexPool Prime	\$ 24,279,019	41	AAAm
Texas TERM/Range DAILY	<u>61,700,428</u>	41	AAAmmf
Total	<u>\$ 85,979,447</u>		

For the purposes of the statement of cash flows for proprietary fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

The investment pools used by the District are 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. The investment pools are Public Funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

The District's investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of the shares in each pool; the fair value of a share should approximately equal the book value of a share.

In accordance with state law and the District's investment policy, investments in investment pools must be rated at least AAA or have an equivalent rating, and obligations of states, agencies, counties and cities must be rated at least A or its equivalent. As of June 30, 2024, the District's investments in investment pools met or exceeded the ratings criteria.

Texas Term and TexPool each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

## **B. Due from Other Governments**

The District participates in variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2024 are reported on the combined financial statements as due from other governments.

**C. Interfund Balances and Transfers**

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 131,819
General	Nonmajor proprietary	1,588
Capital projects	General	205
Internal service	General	771,597
ESSER III	General	3,238,662
Nonmajor proprietary	General	95,408
Nonmajor governmental	General	<u>1,719,883</u>
		<u>\$ 5,959,162</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts due are scheduled to be repaid within one year.

Interfund transfers for the year ended June 30, 2024 consisted of the following individual fund amounts:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor proprietary	General	\$ 245,699
Internal service	General	528,403
Nonmajor proprietary	Nonmajor proprietary	<u>137,486</u>
		<u>\$ 911,588</u>

The transfers were made during the current year to fund overages of expenditures over revenues in other funds.

## D. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance 07/01/23	Increases	Decreases	Ending Balance 06/30/24
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 700,990	\$ 1,665,561	\$ -	\$ 2,366,551
Construction in progress	<u>705,795</u>	<u>16,345,464</u>	<u>(6,217)</u>	<u>17,045,042</u>
Total capital assets, not being depreciated	<u>1,406,785</u>	<u>18,011,025</u>	<u>(6,217)</u>	<u>19,411,593</u>
Capital assets, being depreciated:				
Buildings and improvements	131,701,994	321,250	-	132,023,244
Furniture and equipment	<u>8,369,192</u>	<u>1,096,372</u>	<u>(1,169,318)</u>	<u>8,296,246</u>
Total capital assets, being depreciated	<u>140,071,186</u>	<u>1,417,622</u>	<u>(1,169,318)</u>	<u>140,319,490</u>
Less accumulated depreciation for:				
Buildings and improvements	(67,206,208)	(5,114,947)	-	(72,321,155)
Furniture and equipment	<u>(6,676,624)</u>	<u>(666,335)</u>	<u>1,118,496</u>	<u>(6,224,463)</u>
Total accumulated depreciation	<u>(73,882,832)</u>	<u>(5,781,282)</u>	<u>1,118,496</u>	<u>(78,545,618)</u>
Total capital assets, being depreciated, net	<u>66,188,354</u>	<u>(4,363,660)</u>	<u>(50,822)</u>	<u>61,773,872</u>
Governmental activities capital assets, net	<u>\$ 67,595,139</u>	<u>\$ 13,647,365</u>	<u>\$ (57,039)</u>	<u>\$ 81,185,465</u>

Depreciation expense was charged to functions of the government as follows:

Instruction	\$ 3,479,158
Instructional Resources and Media Services	60,750
Curriculum and Staff Development	77,055
Instructional Leadership	55,869
School Leadership	337,537
Guidance, Counseling, & Evaluation Services	131,000
Social Work Services	28,658
Health Services	67,784
Student Transportation	357,687
Extracurricular Activities	164,299
General Administration	286,482
Plant Maintenance and Operations	564,616
Security and Monitoring Services	51,844
Data Processing Services	115,747
Community Services	<u>2,796</u>
Total depreciation expense - governmental activities	<u>\$ 5,781,282</u>

## E. Long-term Liabilities

The following is a summary of changes in long-term liabilities:

	Balance 07/01/23	Additions	Retirements/ Adjustments	Balance 6/30/2024	Amounts Due in One Year
Bonds payable	\$ 120,804,922	\$ -	\$ 4,745,000	\$ 116,059,922	\$ 2,738,816
Maintenance tax notes	1,775,000	-	335,000	1,440,000	345,000
Premium on CABs	5,557,642	-	-	5,557,642	-
Accreted interest on CABs	139,411	61,704	-	201,115	-
Financing arrangements	51,006	-	51,006	-	-
Arbitrage liability	-	1,312,534	-	1,312,534	-
Bond premium	<u>8,138,920</u>	<u>-</u>	<u>346,006</u>	<u>7,792,914</u>	<u>-</u>
Total long-term debt	<u>136,466,901</u>	<u>1,374,238</u>	<u>5,477,012</u>	<u>132,364,127</u>	<u>3,083,816</u>
Net pension liability	19,457,259	5,768,362	-	25,225,621	-
Net OPEB liability	<u>10,606,466</u>	<u>-</u>	<u>117,759</u>	<u>10,488,707</u>	<u>-</u>
Total long-term liabilities	<u>\$ 166,530,626</u>	<u>\$ 7,142,600</u>	<u>\$ 5,594,771</u>	<u>\$ 168,078,455</u>	<u>\$ 3,083,816</u>

The District's net pension and OPEB liabilities are typically liquidated by the General Fund.

### Bonds Payable

A summary of general obligation bonds payable for the year ended June 30, 2024 is as follows:

Description	Interest Rate Payable (%)	Amounts Original Issue	Balance 07/01/23	Additions	Retirements/ Adjustments	Balance 06/30/24	Amount Due in One Year
Refunding Building Bonds, Series 2007	3.92	\$ 8,834,988	\$ 4,405,000	\$ -	\$ 815,000	\$ 3,590,000	\$ 850,000
Building Bonds, Series 2014	3.00	58,500,000	1,525,000	-	1,525,000	-	-
Refunding Building Bonds, Series 2020	3.5-5.0	52,999,961	45,069,922	-	655,000	44,414,922	478,816
Unlimited Tax School Building Bonds, Series 2023	4-5.0	69,805,000	<u>69,805,000</u>	<u>-</u>	<u>1,750,000</u>	<u>68,055,000</u>	<u>1,410,000</u>
			<u>\$ 120,804,922</u>	<u>\$ -</u>	<u>\$ 4,745,000</u>	<u>\$ 116,059,922</u>	<u>\$ 2,738,816</u>

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

Year Ending June 30,	Principal	Interest	Total Requirements
2025	\$ 2,738,816	\$ 6,036,015	\$ 8,774,831
2026	4,366,290	6,045,134	10,411,424
2027	2,264,856	6,013,636	8,278,492
2028	4,435,000	3,792,735	8,227,735
2029	3,640,000	3,619,313	7,259,313
2030-2034	20,290,000	16,062,490	36,352,490
2035-2039	23,530,000	12,769,691	36,299,691
2040-2044	27,400,000	8,829,739	36,229,739
2045-2049	15,855,000	5,120,647	20,975,647
2050-2054	<u>17,400,000</u>	<u>1,852,331</u>	<u>19,252,331</u>
Total	<u>\$ 121,919,962</u>	<u>\$ 70,141,731</u>	<u>\$ 192,061,693</u>
Less:			
Premium on CABs	(5,557,642)		
Current accreted interest on CABs	(201,115)		
Future accreted interest on CABs	<u>(101,283)</u>		
Total bonds payable	<u>\$ 116,059,922</u>		

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2024.

**Maintenance Tax Notes**

In December 2017, the District issued Maintenance Tax Notes, Series 2017 in the amount of \$3,670,000. The notes have an interest rate of 2.14% annually and mature in August 2028.

Annual debt service requirements to maturity for the tax notes are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2025	\$ 345,000	\$ 27,125	\$ 372,125
2026	355,000	19,635	374,635
2027	365,000	11,931	376,931
2028	375,000	4,011	379,011
Total	<u>\$ 1,440,000</u>	<u>\$ 62,702</u>	<u>\$ 1,502,702</u>

**Financing Arrangements**

In May 2021 and July 2022, the District entered into financing arrangements with Toshiba Corporation for the acquisition of multiple copy machines for use throughout the District. The arrangements have a maximum interest rate of 5.2%, with payments due monthly until June 2024.

The arrangements have been paid in full as of June 30, 2024.

**Arbitrage**

The Tax Reform act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the District has reported an arbitrage liability at year end in the amount of \$1,312,534.

The District's outstanding bonds payable contain a provision that in an event of default, the outstanding amounts will be paid from the corpus of the Texas Permanent School Fund. The District's outstanding maintenance tax notes contain a provision that in an event of default, outstanding amounts become immediately due.

**F. Defined Benefit Pension Plan**

**Plan Description.** Lockhart Independent School 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). TRS's defined benefit pension plan 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**Pension Plan Fiduciary Net Position.** Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.trs.state.tx.us](http://www.trs.state.tx.us); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**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 (A) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

	Contribution Rates	
	2023	2024
Active Employee	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Current fiscal year employer contributions		\$ 2,047,402
Current fiscal year member contributions		3,632,572
2023 measurement year NECE on-behalf contributions		2,176,602

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.



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

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the member’s salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- 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.

**Actuarial Assumptions.** The total pension liability in the August 31, 2022 actuarial valuation was rolled forward to August 31, 2023 and was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return	7.00%
Municipal Bond Rate	4.13%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95% including inflation
Payroll Growth Rate	3.0%
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

**Discount Rate.** A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. 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 geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023 are summarized below:

Asset Class <sup>1</sup>	Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources and Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity			
Risk Parity	8.00%	4.50%	0.40%
Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag <sup>4</sup>			-0.90%
Expected Return	100.00%		8.00%

<sup>1</sup> Absolute Return includes Credit Sensitive Investments.

<sup>2</sup> Target allocations are based on the FY2023 policy model.

<sup>3</sup> Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net position liability would be if it were calculated using a discount rate one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of the net pension liability:	\$ 37,713,701	\$ 25,225,621	\$ 14,841,776

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2024 the District reported a liability of \$25,225,621 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	\$ 25,225,621
State's proportionate share that is associated with the District	<u>29,086,497</u>
Total	<u>\$ 54,312,118</u>

The net pension liability was measured as of August 31, 2023 and the total pension liability used in the measurement was rolled forward from an actuarial valuation as of August 31, 2022. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At August 31, 2023 the employer's proportion of the collective net pension liability was 0.0367236750%, which was an increase of 0.0039493758% from its proportion measured as of August 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$8,857,548 and revenue of \$4,391,809 for support provided by the State.

At June 30, 2024, the District's reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 898,797	\$ 305,455
Changes in actuarial assumptions	2,385,850	583,872
Difference between projected and actual investment earnings	3,670,940	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,051,816	136,777
Contributions paid to TRS subsequent to the measurement date	<u>1,734,518</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 10,741,921</u>	<u>\$ 1,026,104</u>

\$1,734,518 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Fiscal year ended June 30,	Pension Expense Amount
2025	\$ 1,747,016
2026	1,144,445
2027	3,475,814
2028	1,307,601
2029	306,423

**Change of Assumptions Since the Prior Measurement Date.** The actuarial assumptions and methods are the same as used in the determination of the prior year’s Net Pension Liability.

**Changes in Benefit Provisions Since Prior Measurement Date.** The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

**G. Defined Other Post-Employment Benefit Plans**

**Plan Description.** Lockhart Independent School 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 TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Issuance Code Chapter 1575. 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

**OPEB Plan Fiduciary Net Position.** Detailed information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.trs.state.tx.us](http://www.trs.state.tx.us); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

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

\* or surviving spouse

**Contributions.** Contribution rates for TRS-Care are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2023	2024
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%
Current fiscal year employer contributions		\$ 414,083
Current fiscal year member contributions		287,676
2023 measurement year NECE on-behalf contributions		495,926

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state’s actual obligation and then transferred to TRS-Care.

**Actuarial Assumptions.** The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB liability to August 31, 2023.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	4.13%
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	2.95% to 8.95%, including inflation
Healthcare Trend Rates	4.25% to 8.50%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

**Discount Rate.** A single discount rate of 4.13 percent was used to measure the total OPEB liability.

There was an increase of 0.22 percent in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2023, using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**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 (4.13%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
Proportionate share of net OPEB liability	\$ 12,353,513	\$ 10,488,707	\$ 8,966,981

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At June 30, 2024, the District reported a liability of \$10,488,707 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	\$ 10,488,707
State's proportionate share that is associated with the District	12,656,237
Total	<u>\$ 23,144,944</u>

The net OPEB liability was measured as of August 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of August 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the August 31, 2023 measurement date, the District's proportion of the collective net OPEB liability was 0.0473780940%, which was an increase of 0.0030811361% from its proportion measured as of August 31, 2022.

**Healthcare Cost Trend Rates Sensitivity Analysis.** 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 rate used.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 8,636,925	\$ 10,488,707	\$ 12,871,030

**Changes Since the Prior Actuarial Valuation.** The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

- The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

**Changes of Benefit Terms Since the Prior Measurement Date.** There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(4,115,424) and revenue of \$(2,705,636) for support provided by the State.

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experiences	\$ 474,534	\$ 8,824,260
Changes in actuarial assumptions	1,431,632	6,422,514
Differences between projected and actual investment earnings	4,532	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,163,803	164,347
Contributions paid to OPEB subsequent to the measurement date	<u>350,854</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 6,425,355</u>	<u>\$ 15,411,121</u>

\$350,854 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended June 30,</u>	<u>OPEB Expense</u>
2025	\$ (2,215,730)
2026	(1,734,662)
2027	(1,083,375)
2028	(1,545,750)
2029	(1,225,414)
Thereafter	(1,531,689)

#### **H. Active Employee Health Care Coverage**

The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. The plan is authorized by the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and by the Texas Administrative Code, Title 34, Part 3, Chapter 41. The District contributed approximately \$330 per month per participant to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS Active Care. That report may be obtained by visiting the TRS Website at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Texas Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling (800) 223-8778.

#### **I. Medicare Part D – On-behalf Payments**

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. These on-behalf payments of \$167,528 \$233,264, and \$235,659 were recognized for the years ended June 30, 2022, 2023, and 2024, respectively, as equal revenues and expenditures.0

#### **J. Commitments and Contingencies**

The District participates in numerous state and Federal 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 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 combined financial statements for such contingencies.

**K. Risk Management**

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024 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.

**L. Shared Services Arrangements**

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:

<b><u>Member Districts</u></b>	<b><u>Expenditures</u></b>
Lockhart ISD	\$ 1,248,688
Prairie Lea ISD	62,268
Total SSA expenditures	<u>\$ 1,310,956</u>

**M. New Accounting Standards**

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, Certain Risk Disclosures - The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, Financial Reporting Model Improvements - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT G-1**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 28,407,550	\$ 23,213,942	\$ 23,377,592	\$ 163,650
5800	State program revenues	32,609,370	43,757,181	44,344,560	587,379
5900	Federal program revenues	<u>691,000</u>	<u>571,000</u>	<u>612,104</u>	<u>41,104</u>
5020	Total revenues	<u>61,707,920</u>	<u>67,542,123</u>	<u>68,334,256</u>	<u>792,133</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	35,457,873	37,008,505	36,939,526	68,979
0012	Instructional resources and media sources	696,230	725,485	639,448	86,037
0013	Curriculum and instructional staff development	1,064,593	1,085,923	811,062	274,861
0021	Instructional leadership	877,737	697,645	594,504	103,141
0023	School leadership	3,601,720	3,752,964	3,552,830	200,134
0031	Guidance, counseling, and evaluation services	1,453,307	1,533,544	1,378,874	154,670
0032	Social work services	205,093	308,897	301,649	7,248
0033	Health services	699,771	746,189	713,480	32,709
0034	Student (pupil) transportation	3,629,375	3,829,375	3,764,926	64,449
0036	Extracurricular activities	1,725,288	1,829,917	1,729,372	100,545
0041	General administration	2,917,344	3,127,787	3,015,440	112,347
0051	Facilities maintenance and operations	5,786,289	6,160,173	5,943,004	217,169
0052	Security and monitoring services	442,551	1,069,145	545,699	523,446
0053	Data processing services	1,134,784	1,331,025	1,218,325	112,700
0061	Community services	10,933	57,605	29,436	28,169
Debt Service:					
0071	Principal on long-term debt	407,444	407,444	387,961	19,483
0072	Interest on long-term debt	48,285	48,285	44,550	3,735
Capital Outlay:					
0081	Facilities acquisition and construction	16,000	381,516	309,721	71,795
Intergovernmental:					
0093	Payments to shared service arrangements	1,443,652	1,443,652	1,248,688	194,964
0099	Other intergovernmental	<u>650,000</u>	<u>800,000</u>	<u>796,107</u>	<u>3,893</u>
6030	Total expenditures	<u>62,268,269</u>	<u>66,345,076</u>	<u>63,964,602</u>	<u>2,380,474</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(560,349)</u>	<u>1,197,047</u>	<u>4,369,654</u>	<u>3,172,607</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7913	Issuance of financing arrangements	-	-	5,505	5,505
8911	Transfers out	<u>-</u>	<u>(1,075,000)</u>	<u>(774,102)</u>	<u>300,898</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>(1,075,000)</u>	<u>(768,597)</u>	<u>306,403</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	<u>(560,349)</u>	<u>122,047</u>	<u>3,601,057</u>	<u>3,479,010</u>
0100	<b>FUND BALANCE, BEGINNING</b>	<u>23,953,526</u>	<u>23,953,526</u>	<u>23,953,526</u>	<u>-</u>
3000	<b>FUND BALANCE, ENDING</b>	<u>\$ 23,393,177</u>	<u>\$ 24,075,573</u>	<u>\$ 27,554,583</u>	<u>\$ 3,479,010</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2024

Plan Year Ended August 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability (asset)	0.0367237%	0.0327743%	0.0311585%
District's proportionate share of the net pension liability (asset)	\$ 25,225,621	\$ 19,457,259	\$ 7,934,963
State's proportionate share of the net pension liability (asset) associated with the District	<u>29,086,497</u>	<u>26,493,926</u>	<u>11,473,864</u>
Total	<u>\$ 54,312,118</u>	<u>\$ 45,951,185</u>	<u>\$ 19,408,827</u>
District's covered payroll	\$ 42,781,562	\$ 39,909,108	\$ 36,790,770
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	58.96%	48.75%	21.57%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0311202%	0.0319815%	0.0319815%	0.0292449%	0.0287948%	0.0292538%	0.0197780%
\$ 16,667,345	\$ 16,624,983	\$ 17,538,416	\$ 9,350,942	\$ 10,881,118	\$ 10,340,829	\$ 5,282,977
<u>23,504,344</u>	<u>21,206,089</u>	<u>23,582,936</u>	<u>14,653,093</u>	<u>16,826,316</u>	<u>16,271,958</u>	<u>13,744,870</u>
<u>\$ 40,171,689</u>	<u>\$ 37,831,072</u>	<u>\$ 41,121,352</u>	<u>\$ 24,004,035</u>	<u>\$ 27,707,434</u>	<u>\$ 26,612,787</u>	<u>\$ 19,027,847</u>
\$ 35,521,492	\$ 32,358,591	\$ 31,692,894	\$ 29,968,151	\$ 28,764,071	\$ 27,754,797	\$ 26,227,055
46.92%	51.38%	55.34%	31.20%	37.83%	37.26%	20.14%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year Ended June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 2,047,402	\$ 1,785,430	\$ 1,485,693
Contributions in relation to the contractually required contribution	<u>(2,047,402)</u>	<u>(1,785,430)</u>	<u>(1,485,693)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 44,031,180	\$ 42,627,537	\$ 39,223,830
Contribution as a percentage of covered payroll	4.65%	4.19%	3.79%

**EXHIBIT G-3**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,342,220	\$ 1,250,665	\$ 1,116,036	\$ 1,043,672	\$ 927,988	\$ 903,438	\$ 810,976
<u>(1,342,220)</u>	<u>(1,250,665)</u>	<u>(1,116,036)</u>	<u>(1,043,672)</u>	<u>(927,988)</u>	<u>(903,438)</u>	<u>(810,976)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 36,570,653	\$ 35,049,035	\$ 32,154,893	\$ 31,186,506	\$ 29,668,119	\$ 28,456,580	\$ 27,582,011
3.67%	3.57%	3.47%	3.35%	3.13%	3.17%	2.94%

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2024

Plan Year Ended August 31,	2023	2022	2021
District's proportion of the net OPEB liability (asset)	0.0473781%	0.0442970%	0.0422828%
District's proportionate share of the net OPEB liability (asset)	\$ 10,488,707	\$ 10,606,466	\$ 16,310,380
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>12,656,237</u>	<u>12,938,222</u>	<u>21,852,275</u>
Total	<u>\$ 23,144,944</u>	<u>\$ 23,544,688</u>	<u>\$ 38,162,655</u>
District's covered payroll	\$ 43,008,026	\$ 39,665,371	\$ 37,714,914
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	24.39%	26.74%	43.25%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0413786%	0.0399940%	0.0405306%	0.0365625%
\$ 15,729,861	\$ 18,887,885	\$ 20,237,284	\$ 15,899,673
<u>21,137,162</u>	<u>25,097,775</u>	<u>26,359,820</u>	<u>22,917,035</u>
<u>\$ 36,867,023</u>	<u>\$ 43,985,660</u>	<u>\$ 46,597,104</u>	<u>\$ 38,816,708</u>
\$ 35,546,545	\$ 32,358,651	\$ 31,692,894	\$ 29,968,151
44.25%	58.37%	63.85%	53.06%
4.99%	2.66%	1.57%	0.91%

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2024

Fiscal year Ended June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 414,083	\$ 406,329	\$ 356,059
Contributions in relation to the contractually required contribution	<u>(414,083)</u>	<u>(406,329)</u>	<u>(356,059)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 44,257,865	\$ 42,515,926	\$ 39,091,897
Contribution as a percentage of covered payroll	0.94%	0.96%	0.91%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 310,521	\$ 269,292	\$ 246,418	\$ 239,614
<u>(310,521)</u>	<u>(269,292)</u>	<u>(246,418)</u>	<u>(239,614)</u>
\$ -	\$ -	\$ -	\$ -
\$ 36,595,692	\$ 35,049,487	\$ 32,148,410	\$ 31,192,689
0.85%	0.77%	0.77%	0.77%

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

**Budgetary Information**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the National Lunch and Breakfast Program Fund (which is included as a Special Revenue Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The ESSER III Grant Fund does not have a legally adopted budget. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget report appears in Exhibit G-1 and the other two reports are presented in Exhibits J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.
4. Once a budget is approved, it can only be amended at the function and fund level 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. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the fiscal year end. The budget was amended as necessary during the year.
5. Each budget is controlled at the organizational level by the administration, appropriate department head or campus principal within Board allocations at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

## **COMBINING STATEMENTS**

## NONMAJOR GOVERNMENTAL FUNDS

**ESEA, Title I, Part A – Improving Basic Programs** – Provides opportunities for children served to acquire the knowledge and skills to meet the challenging State performance standards.

**IDEA – Part B, Formula** – Operates educational programs for children with disabilities.

**IDEA – Part B, Preschool** – Supports programs for preschool children with disabilities.

**IDEA – Part B, Discretionary** – Provides additional support for children with disabilities.

**National Breakfast and Lunch Program** – Supports programs using federal reimbursement revenues from the United States Department of Agriculture (USDA).

**Career and Technical – Basic Grant** – Provides career and technology education to develop new and/or improved marketable skills for paid and unpaid employment.

**ESEA II, A, Training and Recruiting** – Provides programs for improvement for school principals and recruiting teachers.

**Title III, Part A – English Language Acquisition** – Improves the education of children with limited English proficiency, by assisting the children to learn English.

**Title IV, Part B – Community Learning** – Provides funding for after-school programs to improve the education of children from economically disadvantaged backgrounds.

**Gear Up Grant** – Provides funding to assist with college readiness programs.

**Gear Up Grant 2** – Provides funding to assist with college readiness programs.

**TCLAS Fund of the ARP Act** – Provides additional COVID-relief funding through the American Rescue Plan Act.

**IDEA – Part B, Formula - ARP Act** – Operates educational programs for children with disabilities.

**IDEA – Part B, Preschool - ARP Act** – Operates educational programs for preschool children with disabilities.

**Emergency Connectivity Fund** – Provides funding to reimburse technology purchases for student instruction.

**Other Federal Special Revenue** - This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.

**Visually Impaired SSVI** – Provides funding for programs provided to children with visual impairments.

**Children’s Trust Fund of Texas** – Accounts for proceeds related to the Children’s Trust Fund of Texas.

**State Textbook Fund** – This fund accounts for the purchase of instructional materials, technological equipment, and technology-related services through the TEA requisition system.

**Dyslexia Grant Award Program** – This fund accounts for funding that provides services for students with dyslexia.

**State Funded Special Revenue Funds** – This fund classification is used to account for various state special revenue funds. Included are funds awarded to recognize those students, teachers and schools that demonstrate success in achieving the state’s advanced academic standards.

**SSA Special Education** – This fund accounts for the District’s shared service arrangement for special education, for which the District serves as the fiscal agent.

**Campus Activity Funds** - Accounts for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the District’s board of trustees into the General Fund.

**Education Foundation** – This fund is used to account for local revenues related to the Lockhart Education Foundation.

**Kinder Morgan** – This fund is used to account for local revenues related to the District’s Kinder Morgan program.

**Saint David’s** – This fund is used to account for local revenues received from Saint David’s Children’s Hospital.

**Parent Teacher Organization** – This fund is used to account for local revenues related to the Lockhart Parent Teacher Organization.

**Miscellaneous Grants Fund** – This fund is used to account for local revenues other than those accounted for in the funds above.

**Athletic Programs Donations** – This fund is used to account for local revenues related to donations to the District’s athletic programs.

**Music Programs Donations** – This fund is used to account for local revenues related to donations to the District’s musical programs.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		Special Revenue Funds		
		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	320,047	477,264	23,704
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepaid expenses	-	-	-
1000	Total assets	<u>320,047</u>	<u>477,264</u>	<u>23,704</u>
<b>LIABILITIES</b>				
2110	Accounts payable	-	-	-
2150	Payroll deductions and withholdings	19,002	23,029	-
2160	Accrued wages payable	138,082	196,704	-
2170	Due to other funds	162,963	257,531	23,704
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>320,047</u>	<u>477,264</u>	<u>23,704</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or state funds grant restriction	-	-	-
Committed Fund Balance:				
3545	Campus activity	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 320,047</u>	<u>\$ 477,264</u>	<u>\$ 23,704</u>



Special Revenue Funds					
226	240	244	255	263	265
IDEA - Part B Discretionary	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning
\$ -	\$ 1,917,938	\$ -	\$ -	\$ -	\$ -
428,957	136,113	4,046	76,079	94,830	131,342
-	4,055	-	52	-	1,682
-	1,432	-	-	-	-
-	-	-	-	-	-
<u>428,957</u>	<u>2,059,538</u>	<u>4,046</u>	<u>76,131</u>	<u>94,830</u>	<u>133,024</u>
297,908	143,461	251	-	15,934	7,898
-	3,755	93	1,245	3,761	1,534
-	-	-	14,360	17,868	55,803
131,049	33,058	3,702	60,526	57,267	67,789
-	10	-	-	-	-
-	-	-	-	-	-
<u>428,957</u>	<u>180,284</u>	<u>4,046</u>	<u>76,131</u>	<u>94,830</u>	<u>133,024</u>
-	1,879,254	-	-	-	-
-	-	-	-	-	-
-	<u>1,879,254</u>	-	-	-	-
<u>\$ 428,957</u>	<u>\$ 2,059,538</u>	<u>\$ 4,046</u>	<u>\$ 76,131</u>	<u>\$ 94,830</u>	<u>\$ 133,024</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		Special Revenue Funds		
		270	274	279
		Gear UP Grant	Gear UP Grant 2	TCLAS Fund of the ARP Act
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	64,680	9,883	192,366
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepaid expenses	-	-	-
1000	Total assets	<u>64,680</u>	<u>9,883</u>	<u>192,366</u>
<b>LIABILITIES</b>				
2110	Accounts payable	23,689	-	-
2150	Payroll deductions and withholdings	119	106	134
2160	Accrued wages payable	182	-	-
2170	Due to other funds	40,690	9,170	192,232
2180	Due to other governments	-	607	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>64,680</u>	<u>9,883</u>	<u>192,366</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or state funds grant restriction	-	-	-
Committed Fund Balance:				
3545	Campus activity	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 64,680</u>	<u>\$ 9,883</u>	<u>\$ 192,366</u>

Special Revenue Funds					
284 IDEA - Part B Formula ARP Act	285 IDEA - Part B Preschool ARP Act	288 Emergency Connectivity Fund	289 Other Federal Special Revenue	385 Visually Impaired SSVI	397 Children's Trust Fund of Texas
\$ 13	\$ -	\$ -	\$ -	\$ 1,329	\$ 577
-	-	-	74,907	1,899	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13</u>	<u>-</u>	<u>-</u>	<u>74,907</u>	<u>3,228</u>	<u>577</u>
-	-	-	63,759	-	-
13	-	-	10	-	-
-	-	-	-	-	-
-	-	-	6,131	3,228	-
-	-	-	-	-	-
-	-	-	5,007	-	577
<u>13</u>	<u>-</u>	<u>-</u>	<u>74,907</u>	<u>3,228</u>	<u>577</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,907</u>	<u>\$ 3,228</u>	<u>\$ 577</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		Special Revenue Funds		
		410 State Textbook Fund	425 Dyslexia Grant Award Program	429 State Funded SR Fund
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 246,753	\$ -	\$ -
1240	Due from other governments	-	5,665	370,948
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepaid expenses	-	-	-
1000	Total assets	<u>246,753</u>	<u>5,665</u>	<u>370,948</u>
<b>LIABILITIES</b>				
2110	Accounts payable	-	-	-
2150	Payroll deductions and withholdings	-	2	1
2160	Accrued wages payable	-	-	-
2170	Due to other funds	-	5,663	370,933
2180	Due to other governments	-	-	-
2300	Unearned revenue	<u>246,753</u>	<u>-</u>	<u>14</u>
2000	Total liabilities	<u>246,753</u>	<u>5,665</u>	<u>370,948</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or state funds grant restriction	-	-	-
Committed Fund Balance:				
3545	Campus activity	<u>-</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 246,753</u>	<u>\$ 5,665</u>	<u>\$ 370,948</u>

Special Revenue Funds					
437 SSA Special Education	461 Campus Activity Funds	480 Education Foundation	490 Kinder Morgan	493 Saint David's	494 Parent Teacher Organization
\$ 198,591	\$ 91,539	\$ 29,874	\$ 39,197	\$ 222,371	\$ 23,371
41,104	-	-	-	-	-
126,030	-	-	-	-	-
-	-	-	-	-	-
7,385	-	-	-	-	-
<u>373,110</u>	<u>91,539</u>	<u>29,874</u>	<u>39,197</u>	<u>222,371</u>	<u>23,371</u>
-	143	-	-	52	-
18,899	-	-	-	4	-
147,940	-	-	-	-	-
206,271	73	-	-	87,783	-
-	-	-	-	-	-
-	-	29,874	39,197	134,532	23,371
<u>373,110</u>	<u>216</u>	<u>29,874</u>	<u>39,197</u>	<u>222,371</u>	<u>23,371</u>
-	-	-	-	-	-
-	91,323	-	-	-	-
-	91,323	-	-	-	-
<u>\$ 373,110</u>	<u>\$ 91,539</u>	<u>\$ 29,874</u>	<u>\$ 39,197</u>	<u>\$ 222,371</u>	<u>\$ 23,371</u>

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LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		Special Revenue Funds			Total Nonmajor Governmental Funds
		495 Miscellaneous Grants Fund	496 Athletic Programs Donations	497 Music Programs Donations	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 17,563	\$ 13,113	\$ 4,017	\$ 2,806,246
1240	Due from other governments	-	-	-	2,453,834
1260	Due from other funds	-	-	-	131,819
1290	Other receivables	-	-	-	1,432
1410	Prepaid expenses	-	-	-	7,385
1000	Total assets	<u>17,563</u>	<u>13,113</u>	<u>4,017</u>	<u>5,400,716</u>
<b>LIABILITIES</b>					
2110	Accounts payable	-	-	-	553,095
2150	Payroll deductions and withholdings	2	-	-	71,709
2160	Accrued wages payable	-	-	-	570,939
2170	Due to other funds	120	-	-	1,719,883
2180	Due to other governments	-	-	-	617
2300	Unearned revenue	<u>17,441</u>	<u>13,113</u>	<u>4,017</u>	<u>513,896</u>
2000	Total liabilities	<u>17,563</u>	<u>13,113</u>	<u>4,017</u>	<u>3,430,139</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or state funds grant restriction	-	-	-	1,879,254
Committed Fund Balance:					
3545	Campus activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,323</u>
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,970,577</u>
4000	Total liabilities and fund balances	<u>\$ 17,563</u>	<u>\$ 13,113</u>	<u>\$ 4,017</u>	<u>\$ 5,400,716</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Special Revenue Funds		
		211	224	225
		ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	<u>1,028,170</u>	<u>1,400,093</u>	<u>22,937</u>
5020	Total revenues	<u>1,028,170</u>	<u>1,400,093</u>	<u>22,937</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	874,722	683,122	22,937
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	140,596	716,971	-
0033	Health services	-	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	<u>12,852</u>	-	-
6030	Total expenditures	<u>1,028,170</u>	<u>1,400,093</u>	<u>22,937</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
0100	<b>FUND BALANCE, BEGINNING</b>	-	-	-
3000	<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Special Revenue Funds					
226 IDEA - Part B Discretionary	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning
\$ -	\$ 409,419	\$ -	\$ -	\$ -	\$ -
-	54,503	-	-	-	-
<u>428,957</u>	<u>5,443,414</u>	<u>43,702</u>	<u>198,859</u>	<u>243,922</u>	<u>646,957</u>
<u>428,957</u>	<u>5,907,336</u>	<u>43,702</u>	<u>198,859</u>	<u>243,922</u>	<u>646,957</u>
428,957	-	42,697	-	216,743	316
-	-	-	-	-	-
-	-	-	198,859	26,939	-
-	-	335	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	38,680
-	6,719,986	-	-	-	-
-	-	-	-	-	-
-	-	670	-	-	-
-	360,367	-	-	-	-
-	-	-	-	-	-
-	-	-	-	240	607,961
<u>428,957</u>	<u>7,080,353</u>	<u>43,702</u>	<u>198,859</u>	<u>243,922</u>	<u>646,957</u>
-	(1,173,017)	-	-	-	-
-	3,052,271	-	-	-	-
<u>\$ -</u>	<u>\$ 1,879,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Special Revenue Funds		
		270	274	279
		Gear UP Grant	Gear UP Grant 2	TCLAS Fund of the ARP Act
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	<u>383,559</u>	<u>6,751</u>	<u>604,289</u>
5020	Total revenues	<u>383,559</u>	<u>6,751</u>	<u>604,289</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	174,577	6	532,230
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	1,792	-	1,122
0021	Instructional leadership	-	-	54,033
0023	School leadership	7,701	-	16,904
0031	Guidance, counseling, and evaluation services	199,489	6,745	-
0033	Health services	-	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
6030	Total expenditures	<u>383,559</u>	<u>6,751</u>	<u>604,289</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
0100	<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
284 IDEA - Part B Formula ARP Act	285 IDEA - Part B Preschool ARP Act	288 Emergency Connectivity Fund	289 Other Federal Special Revenue	385 Visually Impaired SSVI	397 Children's Trust Fund of Texas
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,816	-
<u>5,375</u>	<u>17,259</u>	<u>7,305</u>	<u>83,403</u>	<u>-</u>	<u>-</u>
<u>5,375</u>	<u>17,259</u>	<u>7,305</u>	<u>83,403</u>	<u>1,816</u>	<u>-</u>
5,306	17,259	7,305	-	1,466	-
-	-	-	-	-	-
69	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	32,747	-	-
-	-	-	-	350	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	50,656	-	-
-	-	-	-	-	-
<u>5,375</u>	<u>17,259</u>	<u>7,305</u>	<u>83,403</u>	<u>1,816</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</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 GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Special Revenue Funds		
		410 State Textbook Fund	425 Dyslexia Grant Award Program	429 State Funded SR Fund
	<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	96,547	22,856	389,425
5900	Federal program revenues	-	-	-
5020	Total revenues	<u>96,547</u>	<u>22,856</u>	<u>389,425</u>
	<b>EXPENDITURES</b>			
	Current:			
0011	Instruction	96,547	-	48,493
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	18,674	52,500
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	4,182	1,260
0033	Health services	-	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	287,172
0061	Community services	-	-	-
6030	Total expenditures	<u>96,547</u>	<u>22,856</u>	<u>389,425</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
0100	<b>FUND BALANCE, BEGINNING</b>	-	-	-
3000	<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
437 SSA Special Education	461 Campus Activity Funds	480 Education Foundation	490 Kinder Morgan	493 Saint David's	494 Parent Teacher Organization
\$ 1,275,261	\$ 167,674	\$ 144,933	\$ -	\$ 88,728	\$ 22,838
90,246	-	-	-	6,954	-
-	-	-	-	-	-
<u>1,365,507</u>	<u>167,674</u>	<u>144,933</u>	<u>-</u>	<u>95,682</u>	<u>22,838</u>
1,141,575	27,264	144,933	-	-	18,398
-	61,050	-	-	-	4,440
-	43	-	-	-	-
211,580	-	-	-	-	-
-	10,019	-	-	-	-
3,202	-	-	-	-	-
-	53	-	-	-	-
9,150	-	-	-	-	-
-	-	-	-	-	-
-	53,107	-	-	-	-
-	291	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	95,682	-
<u>1,365,507</u>	<u>151,827</u>	<u>144,933</u>	<u>-</u>	<u>95,682</u>	<u>22,838</u>
-	15,847	-	-	-	-
-	75,476	-	-	-	-
<u>\$ -</u>	<u>\$ 91,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		495 Miscellaneous Grants Fund	496 Athletic Programs Donations	497 Music Programs Donations	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 9,211	\$ 29,207	\$ -	\$ 2,147,271
5800	State program revenues	-	-	-	662,347
5900	Federal program revenues	-	-	-	<u>10,564,952</u>
5020	Total revenues	<u>9,211</u>	<u>29,207</u>	<u>-</u>	<u>13,374,570</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	29	-	-	4,484,882
0012	Instructional resources and media services	-	-	-	65,490
0013	Curriculum and instructional staff development	-	-	-	299,998
0021	Instructional leadership	-	-	-	265,948
0023	School leadership	1,266	-	-	35,890
0031	Guidance, counseling, and evaluation services	1,012	-	-	1,106,204
0033	Health services	-	-	-	403
0034	Student (pupil) transportation	-	-	-	47,830
0035	Food service	-	-	-	6,719,986
0036	Extracurricular activities	1,904	23,586	-	78,597
0041	General administration	-	-	-	961
0051	Facilities maintenance and operations	5,000	-	-	365,367
0052	Security and monitoring services	-	-	-	337,828
0061	Community services	-	5,621	-	<u>722,356</u>
6030	Total expenditures	<u>9,211</u>	<u>29,207</u>	<u>-</u>	<u>14,531,740</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	(1,157,170)
0100	<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,127,747</u>
3000	<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,970,577</u>

## **NONMAJOR PROPRIETARY FUNDS**

**Summer Recreation** – Account for the receipts and payments related to the District’s summer recreation programs.

**After School Program** – Account for the provision after school programs to students.

**Cubhouse Students** – Account for the receipts and payments related to the District’s Cubhouse child care program.

**GED Adult Ed** – Account for the receipts and payments related to the District’s GED adult education program.

**Cubhouse Employees** – Account for the receipts and payments related to the District’s Cubhouse child care program.

**Community Ed. Adm.** – Account for the receipts and payments related to the District’s various community education programs.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF NET POSITION

NONMAJOR PROPRIETARY FUNDS

JUNE 30, 2024

Data Control Codes		712	713 After	714	715
		Summer Recreation	School Program	Cubhouse Students	GED Adult Ed
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 27,655	\$ 4,284	\$ 61,309	\$ -
1260	Due from other funds	698	-	868	-
1290	Other receivables	<u>2,563</u>	<u>4</u>	<u>-</u>	<u>20,806</u>
1000	Total assets	<u>30,916</u>	<u>4,288</u>	<u>62,177</u>	<u>20,806</u>
<b>LIABILITIES</b>					
2110	Accounts payable	4,232	-	548	204
2150	Payroll deductions and withholdings	122	100	3,573	-
2160	Accrued wages payable	4,899	-	22,260	-
2170	Due to other funds	-	4,148	35,796	20,602
2300	Unearned revenue	<u>21,663</u>	<u>40</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>30,916</u>	<u>4,288</u>	<u>62,177</u>	<u>20,806</u>
<b>NET POSITION</b>					
3000	Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



716	717	Total
Cubhouse Employees	Community Ed. Adm.	Nonmajor Funds
\$ 23,263	\$ 3,616	\$ 120,127
-	22	1,588
<u>43,574</u>	<u>-</u>	<u>66,947</u>
<u>66,837</u>	<u>3,638</u>	<u>188,662</u>
524	802	6,310
3,847	97	7,739
29,393	-	56,552
33,073	1,789	95,408
<u>-</u>	<u>950</u>	<u>22,653</u>
<u>66,837</u>	<u>3,638</u>	<u>188,662</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	712	713	714
<u>          </u>	<u>Summer Recreation</u>	<u>After School Program</u>	<u>Cubhouse Students</u>
<b>OPERATING REVENUES</b>			
5700 Local and intermediate sources	\$ 108,419	\$ 269,942	\$ -
5800 State program revenues	<u>5,474</u>	<u>15,288</u>	<u>18,723</u>
5020 Total operating revenues	<u>113,893</u>	<u>285,230</u>	<u>18,723</u>
<b>OPERATING EXPENSES</b>			
6100 Payroll costs	71,634	189,666	243,368
6200 Professional and contracted services	6,960	582	5,527
6300 Supplies and materials	3,820	9,909	6,162
6400 Other operating costs	<u>543</u>	<u>716</u>	<u>760</u>
6030 Total operating expenses	<u>82,957</u>	<u>200,873</u>	<u>255,817</u>
1100 <b>INCOME BEFORE TRANSFERS</b>	30,936	84,357	(237,094)
<b>TRANSFERS IN (OUT)</b>			
7915 Transfers in	-	-	237,094
8911 Transfers out	<u>(30,936)</u>	<u>(84,357)</u>	<u>-</u>
7080 Total transfers in (out)	(30,936)	(84,357)	237,094
1200 <b>CHANGE IN NET POSITION</b>	-	-	-
0100 <b>NET POSITION, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
3000 <b>NET POSITION, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

715	716	717	Total
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Nonmajor Funds
\$ 84,669	\$ 303,151	\$ 41,091	\$ 807,272
-	21,843	14,225	75,553
<u>84,669</u>	<u>324,994</u>	<u>55,316</u>	<u>882,825</u>
78,347	292,069	180,665	1,055,749
-	5,259	8,776	27,104
286	5,365	8,157	33,699
8,977	108	868	11,972
<u>87,610</u>	<u>302,801</u>	<u>198,466</u>	<u>1,128,524</u>
(2,941)	22,193	(143,150)	(245,699)
2,941	-	143,150	383,185
-	(22,193)	-	(137,486)
<u>2,941</u>	<u>(22,193)</u>	<u>143,150</u>	<u>245,699</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	712	713	714
	Summer	After	Cubhouse
	Recreation	School	Students
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 115,329	\$ 269,978	\$ -
Cash receipts from grants	5,474	15,288	18,723
Cash payments to employees	(84,057)	(194,077)	(252,274)
Cash payments to suppliers for goods and services	<u>(13,097)</u>	<u>(11,207)</u>	<u>(12,308)</u>
Net cash provided by operating activities	<u>23,649</u>	<u>79,982</u>	<u>(245,859)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	237,094
Transfers to other funds	<u>(30,936)</u>	<u>(84,357)</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>(30,936)</u>	<u>(84,357)</u>	<u>237,094</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(7,287)	(4,375)	(8,765)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>34,942</u>	<u>8,659</u>	<u>34,278</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>27,655</u>	<u>4,284</u>	<u>25,513</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	<u>30,936</u>	<u>84,357</u>	<u>(237,094)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease (increase) in customer receivable	304	(4)	-
Decrease (increase) in due from other funds	(19)	-	-
Increase (decrease) in accounts payable	(1,774)	-	-
Increase (decrease) in payroll deductions	(272)	(588)	(1,846)
Increase (decrease) in wages payable	(12,130)	(4,356)	(7,060)
Increase (decrease) in due to other funds	(21)	533	(35,655)
Increase (decrease) in unearned revenue	<u>6,625</u>	<u>40</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 23,649</u>	<u>\$ 79,982</u>	<u>\$ (281,655)</u>

715	716	717	Total Nonmajor Funds
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	
\$ 85,742	\$ 278,252	\$ 41,091	\$ 790,392
-	21,843	14,225	75,553
(79,432)	(254,856)	(180,876)	(1,045,572)
<u>(9,251)</u>	<u>(10,598)</u>	<u>(15,460)</u>	<u>(71,921)</u>
<u>(2,941)</u>	<u>34,641</u>	<u>(141,020)</u>	<u>(251,548)</u>
2,941	-	143,150	383,185
-	(22,193)	-	(137,486)
<u>2,941</u>	<u>(22,193)</u>	<u>143,150</u>	<u>245,699</u>
-	12,448	2,130	(5,849)
-	<u>10,815</u>	<u>1,486</u>	<u>90,180</u>
-	<u>23,263</u>	<u>3,616</u>	<u>84,331</u>
<u>(2,941)</u>	<u>22,193</u>	<u>(143,150)</u>	<u>(245,699)</u>
(670)	(24,899)	-	(25,269)
-	-	-	(19)
12	-	552	(1,210)
-	(4)	(211)	(2,921)
(1,085)	4,144	-	(20,487)
1,743	33,207	1,789	1,596
-	-	-	<u>6,665</u>
<u>\$ (2,941)</u>	<u>\$ 34,641</u>	<u>\$ (141,020)</u>	<u>\$ (287,344)</u>

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**REQUIRED TEXAS EDUCATION  
AGENCY SCHEDULES**

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELINQUENT TAXES RECIEVABLE

FOR THE YEAR ENDED JUNE 30, 2024

Last Ten Years Ended June 30,	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 07/01/23
	Maintenance				
2015 and prior years	various		various	various	\$ 479,542
2016	1.040000		0.389100	1,055,788,818	62,262
2017	1.040000		0.290500	1,050,678,392	75,614
2018	1.040000		0.292400	1,100,291,396	88,887
2019	1.040000		0.292400	1,230,861,929	124,798
2020	1.040000		0.292400	1,360,183,381	227,917
2021	0.970000		0.292400	1,608,178,491	286,908
2022	0.909400		0.257700	1,792,989,375	546,924
2023	0.854600		0.257700	2,795,333,993	1,342,428
2024 (School year under audit)	0.699200		0.257700	3,162,200,125	-
1000 Totals					<u>\$ 3,235,280</u>

8000 - Taxes refunded



**EXHIBIT J-1**

20	31	32	40	50	99
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/24	Total Taxes Refunded under Section 26.1115 (c)
\$ -	\$ 11,814	\$ 1,585	\$ (332)	\$ 465,811	
-	2,964	1,109	-	58,189	
-	6,664	1,861	-	67,089	
-	9,177	2,580	-	77,130	
-	21,513	6,048	-	97,237	
-	55,994	15,743	-	156,180	
-	93,421	28,161	63,663	228,989	
-	166,380	47,148	32,959	366,355	
-	401,644	121,114	(37,507)	782,163	
<u>30,259,093</u>	<u>20,506,276</u>	<u>7,557,877</u>	<u>(415,043)</u>	<u>1,779,897</u>	
<u>\$ 30,259,093</u>	<u>\$ 21,275,847</u>	<u>\$ 7,783,226</u>	<u>\$ (356,260)</u>	<u>\$ 4,079,040</u>	
					<u>\$ 396,023</u>

## LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - NATIONAL LUNCH AND BREAKFAST PROGRAM

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 400,000	\$ 402,437	\$ 409,419	\$ 6,982
5800	State program revenues	18,573	20,202	54,503	34,301
5900	Federal program revenues	<u>5,171,564</u>	<u>5,485,838</u>	<u>5,443,414</u>	<u>(42,424)</u>
5020	Total revenues	<u>5,590,137</u>	<u>5,908,477</u>	<u>5,907,336</u>	<u>(1,141)</u>
<b>EXPENDITURES</b>					
0035	Food services	5,378,571	7,049,065	6,719,986	329,079
0051	Facilities maintenance and operations	<u>209,418</u>	<u>426,878</u>	<u>360,367</u>	<u>66,511</u>
6030	Total expenditures	<u>5,587,989</u>	<u>7,475,943</u>	<u>7,080,353</u>	<u>395,590</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	2,148	(1,567,466)	(1,173,017)	394,449
0100	<b>FUND BALANCE, BEGINNING</b>	<u>3,052,271</u>	<u>3,052,271</u>	<u>3,052,271</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 3,054,419</u>	<u>\$ 1,484,805</u>	<u>\$ 1,879,254</u>	<u>\$ 394,449</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 8,938,400	\$ 8,258,625	\$ 8,365,443	\$ 106,818
5800	State program revenues	-	886,760	920,940	34,180
5020	Total revenues	<u>8,938,400</u>	<u>9,145,385</u>	<u>9,286,383</u>	<u>140,998</u>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on long-term debt	4,745,000	4,745,000	4,745,000	-
0072	Interest on long-term debt	3,888,710	3,888,710	3,888,710	-
0073	Bond issuance cost and fees	<u>7,000</u>	<u>7,000</u>	<u>1,500</u>	<u>5,500</u>
6030	Total expenditures	<u>8,640,710</u>	<u>8,640,710</u>	<u>8,635,210</u>	<u>5,500</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	297,690	504,675	651,173	146,498
0100	<b>FUND BALANCE, BEGINNING</b>	<u>9,695,841</u>	<u>9,695,841</u>	<u>9,695,841</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 9,993,531</u>	<u>\$ 10,200,516</u>	<u>\$ 10,347,014</u>	<u>\$ 146,498</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2024

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 7,106,337
AP4	Actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 3,333,069

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district’s fiscal year.	\$ 1,452,120
AP8	Actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25)	\$ 597,030

## **STATISTICAL SECTION**

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## **STATISTICAL SECTION**

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes a number of schedules that fall within the following categories:

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trend Data</b> These schedules contain trend information on how the District's financial performance and well-being have changed over time.	76-83
<b>Revenue Capacity Data</b> These schedules contain information on the District's most significant local revenue source, the property tax.	84-89
<b>Debt Capacity Data</b> These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	90-94
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	95-99
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.	100-106

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Primary Government				
Net Investment in Capital Assets	\$ 7,356,000	\$ 14,345,000	\$ 14,095,000	\$ 16,009,000
Restricted	5,403,000	5,521,000	6,067,000	5,967,000
Campus Activities	-	-	-	-
Unrestricted	<u>7,331,000</u>	<u>1,223,000</u>	<u>740,000</u>	<u>(20,404,000)</u>
Total Primary Government Net Position	<u>\$ 20,090,000</u>	<u>\$ 21,089,000</u>	<u>\$ 20,902,000</u>	<u>\$ 1,572,000</u>

Source of Information: Lockhart Independent School District Financial Statements

Note: Net position for the District's business-type activities was zero for each of the fiscal years presented; therefore, they are omitted from this table.



**TABLE 1**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 13,050,000	\$ 12,007,000	\$ 10,355,000	\$ 5,274,686	\$ 2,252,718	\$ 7,311,602
6,245,000	6,885,000	8,083,000	10,894,716	13,708,988	9,782,284
66,000	67,000	67,000	-	-	-
<u>(19,831,000)</u>	<u>(19,641,000)</u>	<u>(15,935,000)</u>	<u>(9,125,007)</u>	<u>(9,470,939)</u>	<u>(4,835,652)</u>
<u>\$ (470,000)</u>	<u>\$ (682,000)</u>	<u>\$ 2,570,000</u>	<u>\$ 7,044,395</u>	<u>\$ 6,490,767</u>	<u>\$ 12,258,234</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 26,836,890	\$ 29,129,813	\$ 31,313,283	\$ 23,317,881
Instruction resources and media services	691,780	718,093	790,158	592,088
Curriculum and staff development	362,660	442,361	667,962	739,664
Instructional leadership	738,348	731,929	705,170	572,442
School leadership	2,765,342	3,254,546	3,360,237	2,197,030
Guidance, counseling and evaluation services	1,789,186	1,915,436	1,888,007	1,375,052
Social work services	114,788	121,420	167,429	173,530
Health services	449,124	467,290	472,680	353,123
Student transportation	2,174,699	1,947,846	2,271,603	2,789,253
Food service	3,183,623	3,219,733	3,532,495	3,130,521
Cocurricular/Extracurricular Activities	1,405,619	1,452,000	1,646,960	1,210,738
General administration	2,303,973	2,057,187	2,061,212	1,741,417
Plant maintenance and operations	4,523,846	5,139,411	5,039,892	4,016,322
Security and monitoring services	122,069	159,028	186,313	208,345
Data processing services	195,125	341,502	448,059	435,339
Community services	54,456	26,944	59,428	59,986
Debt Service - Interest on long-term debt	2,613,218	2,963,302	2,916,359	3,055,185
Bond Issuance Costs & Fees	730	7,455	6,050	55,351
Payments related to shared services arrangements	848,986	847,369	784,554	782,590
Other intergovernmental charges	287,784	328,103	319,083	328,694
<b>Total primary government expenses</b>	<u>51,462,246</u>	<u>55,270,768</u>	<u>58,636,934</u>	<u>47,134,551</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Food Services	413,259	408,364	398,290	350,762
Cocurricular/Extracurricular Activities	104,770	128,880	120,502	89,864
Plant Maintenance & Operations	90,662	64,903	42,752	48,982
Operating grants and contributions	7,048,607	7,301,147	7,853,010	828,205
<b>Total primary government program revenues</b>	<u>7,657,298</u>	<u>7,903,294</u>	<u>8,414,554</u>	<u>1,317,813</u>
<b>Net (Expense)/Revenue</b>	<u>(43,804,948)</u>	<u>(47,367,474)</u>	<u>(50,222,380)</u>	<u>(45,816,738)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	11,206,272	11,016,253	11,864,875	12,968,574
Property taxes, levied for debt service	4,117,021	3,055,997	3,259,897	3,624,442
Grants and contributions not restricted	29,777,819	32,320,360	33,477,563	35,319,591
Investment earnings	186,095	385,185	278,137	419,464
Miscellaneous	1,118,321	1,587,520	2,054,716	2,087,837
Transfers	1,052,896	572,204	-	-
Special item	-	-	-	-
Total government activities	<u>47,458,424</u>	<u>48,937,519</u>	<u>50,935,188</u>	<u>54,419,908</u>
<b>Change in Net Position</b>	<u>\$ 3,653,476</u>	<u>\$ 1,570,045</u>	<u>\$ 712,808</u>	<u>\$ 8,603,170</u>

**TABLE 2**

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 36,755,001	\$ 40,329,397	\$ 41,902,217	\$ 41,294,972	\$ 45,320,059	\$ 46,173,952	
778,049	740,444	687,991	676,430	755,262	767,639	
986,288	907,308	802,858	1,193,850	1,555,573	1,330,239	
963,224	910,426	886,507	997,556	1,284,333	1,051,644	
3,474,410	3,711,586	3,627,146	3,360,691	3,691,734	3,924,396	
2,239,935	2,769,082	2,628,034	2,904,135	2,919,694	2,678,117	
191,921	206,351	222,343	199,259	410,876	621,302	
584,491	689,754	592,417	552,864	654,106	782,585	
3,136,283	3,130,144	3,388,099	3,490,682	4,030,562	4,170,255	
3,815,492	4,306,789	3,543,119	3,812,152	5,442,921	6,173,340	
1,707,932	1,652,448	1,653,879	1,734,400	1,972,967	1,973,020	
2,771,648	2,680,979	2,670,608	2,711,289	2,986,405	3,897,484	
5,782,889	6,295,724	6,259,841	5,876,853	6,382,374	6,756,430	
349,282	327,903	372,044	413,974	453,708	881,411	
663,905	901,531	991,782	1,232,446	1,274,355	1,170,078	
19,078	100,661	39,669	120,933	563,708	798,300	
3,061,515	2,888,158	1,931,112	1,606,998	2,268,741	5,530,185	
6,177	6,345	224,625	-	-	-	
847,498	1,420,482	1,438,819	1,600,422	1,731,498	1,248,688	
<u>339,437</u>	<u>374,024</u>	<u>365,283</u>	<u>479,303</u>	<u>596,901</u>	<u>796,107</u>	
<u>68,474,455</u>	<u>74,349,536</u>	<u>74,228,393</u>	<u>74,259,209</u>	<u>84,295,777</u>	<u>90,725,172</u>	
426,831	236,020	74,275	234,328	255,019	275,488	
83,460	93,470	61,938	123,560	120,264	114,697	
92,207	58,571	44,249	41,928	59,082	49,723	
-	-	16,376,245	16,648,292	17,455,980	19,151,992	
<u>602,498</u>	<u>388,061</u>	<u>16,556,707</u>	<u>17,048,108</u>	<u>17,890,345</u>	<u>19,591,900</u>	
<u>(67,871,957)</u>	<u>(73,961,475)</u>	<u>(57,671,686)</u>	<u>(57,211,101)</u>	<u>(66,404,803)</u>	<u>(71,133,272)</u>	
14,359,509	15,750,406	16,480,526	20,221,375	24,094,101	22,057,873	
4,003,239	4,732,542	4,674,340	5,963,106	7,251,665	8,168,780	
35,854,643	39,113,647	39,130,576	34,705,255	32,484,226	41,524,222	
470,584	416,634	165,473	88,006	1,652,709	4,597,074	
1,250,706	2,324,073	781,764	842,647	1,482,263	798,489	
-	-	(308,988)	(134,551)	(231,289)	(245,699)	
-	-	-	-	(882,500)	-	
<u>55,938,681</u>	<u>62,337,302</u>	<u>60,923,691</u>	<u>61,685,838</u>	<u>65,851,175</u>	<u>76,900,739</u>	
<u>\$ (11,933,276)</u>	<u>\$ (11,624,173)</u>	<u>\$ 3,252,005</u>	<u>\$ 4,474,737</u>	<u>\$ (553,628)</u>	<u>\$ 5,767,467</u>	

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>General Fund</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	443,574	250,000	2,876,509	2,523,133
Other Comitted	3,968,856	1,958,657	884,602	83,443
Assigned	-	-	-	-
Unassigned	<u>10,443,865</u>	<u>12,595,343</u>	<u>11,285,985</u>	<u>13,285,802</u>
Total general fund	<u>14,856,295</u>	<u>14,804,000</u>	<u>15,047,096</u>	<u>15,892,378</u>
<b>All Other Governmental Funds</b>				
Restricted:				
Federal/State Grant Reestrictions	929,401	699,045	847,719	560,172
Capital Acquisition & Contractual Obligations	59,062,983	27,189,772	5,591,743	2,971,968
Retirement of Long-Term Debt	4,414,486	4,742,964	5,128,158	5,329,582
Other Restrictions of Fund Balance	114,541	132,619	131,209	66,403
Committed	-	-	-	-
Other Comitted	<u>302,700</u>	<u>366,797</u>	<u>243,714</u>	<u>243,714</u>
Total all other governmental funds	<u>64,824,111</u>	<u>33,131,197</u>	<u>11,942,543</u>	<u>9,171,839</u>
<b>Total Governmental Funds</b>	<u>\$ 79,680,406</u>	<u>\$ 47,935,197</u>	<u>\$ 26,989,639</u>	<u>\$ 25,064,217</u>

Source of Information: Lockhart Independent School District Fianacial Statements.

**TABLE 3**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ 207,753	\$ 259,448	\$ 38,294
3,000,000	4,990,240	4,390,396	4,093,261	4,012,381	4,012,381
200,579	634,525	181,093	108,843	11,542	303,604
-	-	-	570,081	710,349	-
<u>13,756,220</u>	<u>14,408,839</u>	<u>19,924,719</u>	<u>19,826,771</u>	<u>18,959,806</u>	<u>23,200,304</u>
<u>16,956,799</u>	<u>20,033,604</u>	<u>24,496,208</u>	<u>24,806,709</u>	<u>23,953,526</u>	<u>27,554,583</u>
859,443	1,440,037	1,853,804	3,385,417	3,052,271	1,879,254
38,000	249	-	-	69,457,877	56,831,375
6,215,064	5,371,314	6,278,970	6,536,927	9,695,841	10,347,014
65,851	66,656	63,735	-	-	-
-	-	-	84,335	75,476	91,323
-	-	-	-	-	-
<u>7,178,358</u>	<u>6,878,256</u>	<u>8,196,509</u>	<u>10,006,679</u>	<u>82,281,465</u>	<u>69,148,966</u>
<u>\$ 24,135,157</u>	<u>\$ 26,911,860</u>	<u>\$ 32,692,717</u>	<u>\$ 34,813,388</u>	<u>\$ 106,234,991</u>	<u>\$ 96,703,549</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Local and intermediate sources	\$ 17,234,011	\$ 16,949,450	\$ 17,490,384	\$ 18,911,795
State programs revenues	30,900,874	32,808,846	34,491,663	38,195,236
Federal programs revenues	<u>5,937,792</u>	<u>5,873,926</u>	<u>6,453,507</u>	<u>6,176,118</u>
Total Revenues	<u>54,072,677</u>	<u>55,632,222</u>	<u>58,435,554</u>	<u>63,283,149</u>
Expenditures by Function				
Instruction	\$ 25,667,253	\$ 26,780,411	\$ 28,345,147	\$ 30,118,736
Instruction resources and media services	663,121	655,513	733,010	693,801
Curriculum and staff development	345,826	406,470	607,013	833,457
Instructional leadership	706,572	674,258	645,743	766,110
School leadership	2,645,294	2,931,898	3,003,332	2,948,861
Guidance, counseling and evaluation services	1,713,426	1,759,956	1,721,684	1,812,175
Social work services	108,887	112,675	152,474	170,377
Health services	430,143	425,064	428,546	468,529
Student transportation	2,231,062	1,945,251	2,087,285	2,580,065
Food service	3,146,880	3,496,246	3,493,029	3,637,969
Extracurricular activities	1,341,518	1,342,195	1,550,541	1,414,720
General administration	2,194,922	1,870,799	1,852,902	2,115,839
Facilities maintenance and operations	4,343,568	4,723,583	4,572,146	4,712,063
Security and monitoring services	115,895	231,551	357,073	257,415
Data processing services	185,360	311,674	405,229	493,317
Community services	10,043	6,532	44,573	17,986
Debt service - principal on long-term debt	2,050,000	2,090,000	2,360,000	1,888,863
Debt service - interest on long-term debt	1,869,963	3,340,304	3,277,516	3,818,513
Debt service - bond issuance cost and fees	730	7,455	6,050	55,351
Facilities acquisition and construction	5,748,711	33,051,734	22,510,695	9,312,654
Payments related to shared services arrangement	848,986	847,369	784,554	782,590
Other intergovernmental charges	<u>287,784</u>	<u>328,103</u>	<u>319,083</u>	<u>328,694</u>
Total Expenditures by Function	<u>56,655,944</u>	<u>87,339,041</u>	<u>79,257,625</u>	<u>69,228,085</u>
Excess of Revenues Over (Under) Expenditures	(2,583,267)	(31,706,819)	(20,822,071)	(5,944,936)
Other Financing Sources (Uses)				
Capital-Related Debt Issued (Regular Bonds)	58,500,000	-	-	-
Sale of Real or Personal Property	14,964	29,944	4,432	705,765
Issuance of Non-Current Debt	-	-	-	3,670,000
Premium/discount on issuance of bond	6,084,182	-	-	-
Transfers in	462,087	460,855	460,843	525,496
Prepaid Interest	-	8,392	-	-
Transfers out	(609,689)	(537,759)	(588,357)	(623,422)
Payment to bond refunding escrow agent	-	-	-	(494,721)
Total Other Financing Sources (Uses)	<u>64,451,544</u>	<u>(38,568)</u>	<u>(123,082)</u>	<u>3,783,118</u>
Special/Extraordinary Items	-	-	-	-
Net change in fund balances	<u>\$ 61,868,277</u>	<u>\$ (31,745,387)</u>	<u>\$ (20,945,153)</u>	<u>\$ (2,161,818)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.70%	10.02%	9.95%	9.62%

**TABLE 4**

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 20,622,294	\$ 23,221,069	\$ 24,348,824	\$ 27,759,173	\$ 36,790,760	\$ 38,247,293	
36,561,469	39,867,292	40,747,560	37,846,573	35,842,652	45,927,847	
<u>7,729,110</u>	<u>9,232,999</u>	<u>12,803,884</u>	<u>14,793,942</u>	<u>13,870,804</u>	<u>14,550,212</u>	
<u>64,912,873</u>	<u>72,321,360</u>	<u>77,900,268</u>	<u>80,399,688</u>	<u>86,504,216</u>	<u>98,725,352</u>	
\$ 31,126,847	\$ 33,795,414	\$ 37,403,274	\$ 40,513,556	\$ 42,315,344	\$ 43,972,631	
660,282	614,035	605,402	658,187	711,463	712,626	
838,393	771,121	707,095	1,175,236	1,524,373	1,251,151	
834,793	786,318	803,071	1,011,264	1,260,629	1,002,711	
2,882,084	3,062,329	3,163,393	3,290,422	3,480,704	3,633,599	
1,952,746	2,375,924	2,410,369	2,991,061	2,894,630	2,521,784	
170,257	184,306	199,703	182,834	393,904	583,064	
490,533	576,691	523,832	546,514	623,228	724,634	
3,556,143	2,878,074	3,082,802	3,185,371	3,727,332	3,812,756	
3,700,107	4,141,369	3,472,243	4,034,960	5,283,454	6,719,986	
1,564,210	1,718,237	1,456,700	1,648,015	1,817,775	1,812,386	
2,369,893	2,252,830	2,346,593	2,653,024	2,817,352	3,097,680	
5,098,054	5,148,052	5,334,194	5,642,285	5,848,111	6,322,310	
333,231	292,324	347,769	401,054	426,790	884,675	
583,329	770,476	885,110	1,191,736	1,211,264	1,226,957	
35,023	40,698	25,917	193,160	620,603	802,254	
2,849,725	2,646,030	62,132,295	4,024,830	3,337,903	5,132,961	
3,846,521	3,127,878	2,147,642	1,643,699	1,507,240	3,933,260	
6,177	15,633	224,637	6,345	682,721	1,500	
1,678,738	902,244	2,614,908	1,071,188	2,558,276	17,294,477	
847,498	1,420,482	1,438,819	1,600,422	1,731,498	1,248,688	
<u>339,437</u>	<u>374,024</u>	<u>365,283</u>	<u>479,303</u>	<u>596,901</u>	<u>796,107</u>	
<u>65,764,021</u>	<u>67,894,490</u>	<u>131,691,051</u>	<u>78,144,466</u>	<u>85,371,495</u>	<u>107,488,197</u>	
(851,148)	4,426,870	(53,790,783)	2,255,222	1,132,721	(8,762,845)	
-	-	52,999,961	-	69,805,000	-	
463	94,178	5,667	-	-	5,505	
-	-	-	-	59,022	-	
-	-	6,874,990	-	1,872,986	-	
546,472	525,542	366,274	215,619	-	-	
-	-	-	-	-	-	
(624,846)	(835,816)	(675,262)	(350,170)	(565,626)	(774,102)	
-	<u>(1,435,217)</u>	-	-	-	-	
<u>(77,911)</u>	<u>(1,651,313)</u>	<u>59,571,630</u>	<u>(134,551)</u>	<u>71,171,382</u>	<u>(768,597)</u>	
-	-	-	-	(882,500)	-	
\$ (929,059)	\$ 2,775,557	\$ 5,780,847	\$ 2,120,671	\$ 71,421,603	\$ (9,531,442)	
10.46%	8.64%	49.97%	7.36%	5.77%	10.30%	

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

		C		D		E		F
(Tax) Calendar Year	Fiscal Year End	Residential Property		Commercial Property		Industrial Property		Other Property
2014	2015	\$ 460,649,870		\$ 104,122,828		\$ 79,549,780		\$ 339,809,316
2015	2016	453,305,400		108,683,415		75,737,390		310,384,293
2016	2017	469,393,839		111,598,571		81,376,230		358,839,069
2017	2018	519,864,266		128,595,445		81,405,700		405,054,221
2018	2019	618,825,726		143,216,332		81,514,490		426,437,424
2019	2020	649,042,050		153,678,918		81,422,170		643,309,653
2020	2021	737,976,501		176,223,241		87,604,070		705,665,940
2021	2022	877,423,474		184,886,495		137,549,113		869,546,833
2022	2023	1,089,460,602		242,863,698		172,403,233		1,135,157,311
2023	2024	1,133,642,211		298,551,981		183,492,942		1,462,128,815



**TABLE 5**

G	H	I	J	Taxable Assessed Value as a Percentage of Actual Taxable Value
Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	
\$ 110,607,020	\$ 1,094,738,814	1.4291	\$ 978,567,198	111.872%
112,794,291	1,060,904,789	1.3305	958,658,962	110.666%
114,148,288	1,135,355,997	1.3324	1,013,351,519	112.040%
140,014,811	1,274,934,443	1.3324	1,133,521,437	112.476%
144,298,796	1,414,292,768	1.3324	1,253,285,112	112.847%
150,247,737	1,677,700,528	1.2624	1,481,556,050	113.239%
165,601,723	1,873,071,475	1.1671	1,644,372,424	113.908%
169,517,795	1,899,888,120	1.1297	1,966,448,871	96.615%
227,632,566	2,412,252,278	1.1123	2,569,745,407	93.871%
252,860,728	2,824,955,221	0.9569	3,085,377,567	91.559%

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**LOCKHART INDEPENDENT SCHOOL DISTRICT****TABLE 6**

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

## LAST TEN FISCAL YEARS

(Tax) Calendar Year	Fiscal Year	District Direct Tax Rates			Overlapping Rates	
		General Purposes	Capital Purposes	Total	Caldwell County	City of Lockhart
2014	2015	1.0400	0.3891	1.4291	0.6905	0.7227
2015	2016	1.0400	0.2905	1.3305	0.7174	0.7333
2016	2017	1.0400	0.2924	1.3324	0.7752	0.7333
2017	2018	1.0400	0.2924	1.3324	0.7752	0.7260
2018	2019	1.0400	0.2924	1.3324	0.7752	0.7107
2019	2020	0.9700	0.2924	1.2624	0.7430	0.6842
2020	2021	0.9094	0.2577	1.1671	0.7053	0.6354
2021	2022	0.8720	0.2577	1.1297	0.6718	0.6354
2022	2023	0.8546	0.2577	1.1123	0.5531	0.6006
2023	2024	0.6922	0.2577	0.9499	0.4691	0.5348

SOURCE: CALDWELL COUNTY APPRAISAL DISTRICT AND DISTRICT RECORDS

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2024		
	Taxable Value	Rank	Percentage of Total Taxable Value
Permian Highway Pipeline	\$ 79,795,880	1	2.59%
Lcra Transmission Svcs Corp	43,967,050	2	1.43%
Fhr Corpus Christi, Llc	19,985,390	3	0.65%
Wal-Mart Stores Texas Lp	15,695,010	4	0.51%
Union Pacific Railroad Co	11,747,490	5	0.38%
Economy Realty Ltd	11,768,900	6	0.38%
Blackjack Block I LLC	11,124,110	7	0.36%
Chelle Holdings Inc	11,091,970	8	0.36%
Pilot-Legacy Stanton LLC	10,865,682	9	0.35%
Bluebonnet Electric Coop Inc	<u>9,650,240</u>	<u>10</u>	<u>0.31%</u>
The Turner Company			
Flint Hills Resources Lp (Tpl)			
Eagle Energy Acquisitions			
North South Oil LLC			
Dormae Products, Inc			
Total	<u>\$ 225,691,722</u>		<u>7.31%</u>

SOURCE: CALDWELL COUNTY APPRAISAL DISTRICT, TEXAS MUNICIPAL REPORTS, AND DISTRICT RECORDS

**TABLE 7**

<b>2015</b>		
<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>
\$ 34,329,240	2	3.30%
8,286,590	5	0.80%
5,610,760	9	0.50%
7,214,180	7	0.70%
5,010,150	10	0.50%
40,821,400	1	3.90%
11,426,160	3	1.10%
11,008,120	4	1.10%
<u>5,661,310</u>	<u>8</u>	<u>0.50%</u>
<u>\$ 129,367,910</u>		<u>12.40%</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**TABLE 8**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied During Fiscal Year	Current Collections Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 15,088,278	\$ 14,240,485	94.38%	\$ 733,298	\$ 14,973,783	99.24%
2016	13,979,276	13,288,416	95.06%	575,943	13,864,359	99.18%
2017	14,659,842	13,974,566	95.33%	513,857	14,488,423	98.83%
2018	16,399,512	15,653,418	95.45%	618,055	16,271,473	99.22%
2019	18,122,539	17,272,203	95.31%	762,217	18,034,420	99.51%
2020	20,301,002	19,277,367	94.96%	935,099	20,212,466	99.56%
2021	20,925,978	20,008,116	95.61%	862,763	20,870,879	99.74%
2022	24,181,481	23,098,908	95.52%	735,420	23,834,328	98.56%
2023	31,092,500	29,329,318	94.33%	522,758	29,852,076	96.01%
2024	30,259,093	28,064,153	92.75%	-	28,064,153	92.75%

SOURCE: CALDWELL COUNTY APPRAISAL DISTRICT, DISTRICT RECORDS

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**TABLE 9**

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds/ Tax Notes	Financing Arrangements	Total Debt	Debt Per Capita	Debt As a Percent of Personal Income	Per Capita Personal Income	Population
2015	\$ 81,087,858	\$ -	\$ 81,087,858	\$ 2,828	9.03%	\$ 31,229	27,098
2016	74,344,988	-	74,344,988	2,468	7.84%	31,504	28,676
2017	75,212,628	-	75,212,628	2,285	7.12%	32,209	29,942
2018	80,842,487	-	80,842,487	2,285	6.79%	33,073	31,281
2019	72,325,000	-	72,325,000	2,306	6.69%	34,617	31,364
2020	63,068,687	-	63,068,687	1,918	6.05%	34,617	32,889
2021	65,954,961	34,958	65,989,919	2,044	5.91%	34,617	32,261
2022	68,327,465	23,202	68,350,667	1,993	5.15%	38,734	34,276
2023	136,415,895	51,006	136,466,901	4,110	10.61%	38,734	33,193
2024	127,967,777	-	127,967,777	3,855	9.95%	38,734	33,193

SOURCE: District Records and Bureau of Economic Analysis

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**TABLE 10**

RATIOS OF DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (Note 1)	Less Amounts Restricted for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Debt As a Percent of Personal Income	Bonded Debt Per Capita
2015	\$ 81,087,858	\$ 4,414,486	\$ 76,673,372	7.72%	8.56%	2,674
2016	74,344,988	4,742,964	69,602,024	7.11%	7.38%	2,325
2017	75,212,628	5,128,158	70,084,470	7.31%	6.96%	2,240
2018	80,842,487	5,329,582	75,512,905	7.45%	7.28%	2,408
2019	72,325,000	6,215,064	66,109,936	5.83%	5.81%	2,010
2020	68,440,000	5,371,314	63,068,686	5.03%	5.65%	1,955
2021	70,940,521	6,278,970	64,661,551	4.36%	5.79%	2,004
2022	68,327,465	6,536,927	61,790,538	3.76%	4.65%	1,803
2023	136,415,895	10,656,717	125,759,178	6.40%	9.78%	3,789
2024	127,967,777	7,903,030	120,064,747	4.67%	9.34%	3,617

Note 1: General Obligations includes Maintenance Tax Notes

SOURCES: BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE, DISTRICT RECORDS



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**TABLE 11**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

Governmental Unit	Debt Outstanding	Estimated Percentage	Estimated Share of Direct and Overlapping Debt
Caldwell County	\$ 14,010,000	69.09%	\$ 9,679,509
City of Lockhart	20,035,000	100.00%	20,035,000
Mustang Ridge, City of	319,000	19.23%	<u>61,344</u>
			<u>\$ 29,775,853</u>
Lockhart ISD (See Note 1)	136,466,901	100.00%	<u>\$ 136,466,901</u>
Total Direct and Overlapping Debt			<u><u>\$ 166,242,754</u></u>
Total Direct and Overlapping Debt % of Assessed Value:			8.75%
Total Direct and Overlapping Debt per capita:			\$ 3,780

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

SOURCE: Texas Municipal Report

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit - 7% of assessed valuation	\$ 79,382,147	\$ 73,547,487	\$ 77,020,398	\$ 86,160,335
Applicable Debt	<u>73,902,781</u>	<u>69,754,893</u>	<u>70,237,870</u>	<u>75,501,747</u>
Legal Debt Margin	\$ 5,479,366	\$ 3,792,594	\$ 6,782,528	\$ 10,658,588
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	93.10%	94.84%	91.19%	87.63%

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

Taxable Assessed Valuation  
 Debt Limit (7% of Assessed Value)  
 Debt Applicable to Limit:  
     General Obligation Bonds  
     Less: Amount Set Aside for Repayment of  
             General Obligation Debt  
 Total Net Debt Applicable to Limit

Legal Debt Margin

SOURCE: TEXAS MUNICIPAL REPORTS, DISTRICT RECORDS

**TABLE 12**

2019	2020	2021	2022	2023	2024
\$ 87,729,958	\$ 103,708,924	\$ 115,106,070	\$ 137,651,421	\$ 168,857,659	\$ 197,746,865
<u>66,300,522</u>	<u>63,068,687</u>	<u>64,661,551</u>	<u>60,818,166</u>	<u>136,446,901</u>	<u>126,068,881</u>
\$ 21,429,436	\$ 40,640,237	\$ 50,444,519	\$ 76,833,255	\$ 32,410,758	\$ 71,677,984
75.57%	60.81%	56.18%	44.18%	80.81%	63.75%

\$ 2,824,955,221  
 197,746,865  
 136,415,895  
10,347,014  
126,068,881  
 \$ 71,677,984

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**LOCKHART INDEPENDENT SCHOOL DISTRICT****TABLE 13**

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## LAST TEN CALENDAR YEARS

Calendar Year	County Population	Personal Income (Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
2015	\$ 40,419	\$ 1,262,255	\$ 31,229	4.5%
2016	41,147	1,296,294	31,504	4.2%
2017	42,328	1,363,360	32,209	4.3%
2018	43,161	1,427,474	33,073	3.8%
2019	43,664	1,511,526	34,617	3.8%
2020	43,664	1,511,526	34,617	6.8%
2021	43,664	1,511,526	34,617	5.3%
2022	43,979	1,703,464	38,734	4.0%
2023	46,791	1,948,493	41,642	3.5%
2024	47,848	1,932,708	40,393	4.1%

SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS, TEXAS LMI TRACER, US CENSUS BUREAU

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2024		
	Number of Employees	Rank	Percentage of Total Employment
Lockhart ISD	731	1	3.4%
Wal-Mart	225	2	1.1%
Serta Dormae Mnfq	180	3	0.8%
Management and Training Corporation	175	4	0.8%
H.E.B. Food Store	170	5	0.8%
Pegasus	149	6	0.7%
City of Lockhart	145	7	0.7%
Iron Ox	100	8	0.5%
Student Transportation Specialist	85	9	0.4%
Parkview Nursing & Rehabilitation Center(Golden Age Home)	<u>80</u>	<u>10</u>	<u>0.4%</u>
The GEO Group, Inc.			
Chrisholm Trail Rehab Center			
Livengood Feed			
	<u>2040</u>		<u>9.6%</u>

Source: City of Lockhart Economic Development District

**TABLE 14**

2015		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
646	1	4.4%
225	3	1.5%
280	2	1.9%
154	5	1.1%
149	6	1.0%
145	7	1.0%
105	8	0.7%
195	4	1.3%
76	9	0.5%
<u>70</u>	<u>10</u>	<u>0.5%</u>
<u>2045</u>		<u>13.9%</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Teachers</u>					
Teacher	335.0	352.2	348.4	354.8	372.0
<u>Professional Support</u>					
Counselor	13.1	13.0	13.5	14.0	13.3
Educational Diagnostician	6.0	6.0	6.0	6.0	5.5
Librarian	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
LSSP/Psychologist	3.0	2.0	2.0	1.0	1.0
Social Worker	1.0	-	-	-	-
Speech Ther./Sp. Lang. Pathologist	2.0	4.0	4.5	8.5	8.5
Work-Based Learning Site Coord.	-	-	-	-	-
Teacher Facilitator	-	-	-	-	5.5
Athletic Trainer	-	-	-	-	2.5
District/Campus Inform.					
Technology	2.9	1.4	-	20.2	6.0
Food Services Professional	1.9	1.7	2.5	2.5	-
Athletics (Other than Athletic					
Director)	4.0	6.0	6.0	6.0	-
Maintenance	1.0	1.0	-	0.9	1.0
Business Services Professional				3.0	3.0
Campus Professional Personnel	6.1	2.6	2.3	3.4	3.4
Non-Instructional Professionals	5.4	7.4	10.7	10.0	10.0
Other Professionals	-	-	-	6.0	11.6
Instructional Coach	-	-	-	-	-
<u>Campus Administration</u>					
Assistant/Associate Principal	11.0	12.0	12.0	13.0	11.0
Principal	8.5	8.5	10.0	8.4	9.0
<u>Central Administration</u>					
Assistant/Assoc/Deputy Supt	3.0	3.0	3.0	3.0	3.0
Business Manager	-	-	-	1.0	1.0
District Instructional Program					
Director	3.0	4.0	3.0	3.0	3.0
Superintendent	1.0	1.0	1.0	1.0	1.0
Communications Professional	-	-	1.0	1.0	1.0
Athletic Director	1.0	1.0	1.0	1.0	1.0
Director of Personnel/HR	-	-	-	1.0	1.0
<u>Educational Aides</u>					
Educational Aide	50.7	47.6	41.9	42.6	42.8
<u>Auxiliary Staff</u>	<u>167.8</u>	<u>170.4</u>	<u>168.0</u>	<u>157.0</u>	<u>141.1</u>
<u>Total</u>	<u>637.3</u>	<u>653.8</u>	<u>645.8</u>	<u>676.3</u>	<u>669.2</u>

Source: District internal records



**TABLE 15**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
376.3	385.2	405.9	405.4	399.7
14.0	15.0	15.9	15.0	15.0
7.0	6.0	8.0	6.0	7.0
6.2	7.0	6.3	6.4	6.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
2.0	1.0	2.0	3.7	5.0
2.0	4.0	2.0	3.8	2.6
-	-	-	2.9	4.0
10.4	10.0	11.0	9.0	9.0
-	-	-	-	-
10.4	15.7	9.7	7.6	10.1
2.4	2.3	2.3	2.4	2.4
6.0	6.0	6.0	6.0	6.0
-	-	-	1.0	2.0
-	-	-	0.3	0.4
1.0	1.0	1.0	1.0	1.0
3.0	3.0	3.0	3.0	3.0
7.4	16.0	20.9	25.0	19.9
-	-	-	-	-
24.3	22.0	15.9	21.9	19.7
-	-	9.0	9.0	4.9
13.0	13.0	12.0	12.4	13
8.3	9.0	9.0	8.5	8.5
3.0	3.0	3.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
2.7	3.0	3.0	3.0	1.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	2.0	1.0	1.0
1.0	1.0	0.9	1.0	1.0
1.0	1.0	1.0	1.0	2.0
55.2	64.6	76.7	80.3	81.5
<u>139.6</u>	<u>136.4</u>	<u>140.2</u>	<u>150.4</u>	<u>157.7</u>
<u>701.2</u>	<u>730.2</u>	<u>770.7</u>	<u>793.0</u>	<u>789.4</u>

**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>Percent Change</u>	<u>Total Expenses</u>	<u>Cost Per Pupil</u>
2015	5,365	\$ 39,141,500	\$ 7,296	19.0%	\$ 56,643,219	\$ 10,558
2016	5,397	41,769,915	7,739	6.1%	87,339,041	16,183
2017	5,661	43,771,695	7,732	-0.1%	79,257,625	14,001
2018	5,925	48,296,959	8,151	5.4%	71,288,387	12,032
2019	6,123	47,306,104	7,726	-5.2%	65,764,021	10,740
2020	6,160	51,998,413	8,441	9.3%	70,165,523	11,391
2021	6,043	52,019,435	8,608	2.0%	71,491,051	11,830
2022	6,128	55,582,798	9,070	5.4%	74,259,209	12,118
2023	6,443	60,478,109	9,387	3.5%	85,177,648	13,220
2024	6,604	61,180,466	9,264	-1.3%	90,728,063	13,738

SOURCE: AEIS REPORTS, TAPR REPORTS AND DISTRICT PEIMS REPORTS

**TABLE 16**

<u>Percent Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Price Meals</u>
16.0%	335	16.0	70.1%
53.3%	352	15.3	70.0%
-13.5%	348	16.2	68.2%
-14.1%	355	16.7	72.1%
-10.7%	372	16.5	71.8%
6.1%	376	16.4	70.8%
3.9%	385	15.7	77.7%
2.4%	406	15.1	77.4%
9.1%	405	15.9	73.0%
3.9%	400	16.5	72.6%

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**LOCKHART INDEPENDENT SCHOOL DISTRICT****TABLE 17**

## TEACHER BASE SALARIES

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>County Average Salary</u>	<u>Statewide Average Salary</u>
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	46,622	54,122
2020	49,000	63,630	49,110	57,091
2021	49,000	63,630	49,110	57,091
2022	50,600	65,320	50,277	57,641
2023	51,500	68,525	52,548	58,887
2024	52,400	71,245	54,218	60,717

SOURCES: AEIS REPORTS, DISTRICT RECORDS, TEXAS EDUCATION AGENCY RECORDS

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

SCHOOL BUILDING INFORMATION

	Year Built	2015	2016	2017
<b>School Elementary</b>				
Carver Early Childhood Education Center	1953			
Square Feet		52,578	52,578	52,578
Functional Capacity		512	352	352
Enrollment		475	460	212
Clear Fork Elementary	1953			
Square Feet		57,113	57,113	57,113
Functional Capacity		489	674	674
Enrollment		585	575	488
Plum Creek Elementary	1986			
Square Feet		67,233	67,233	67,233
Functional Capacity		512	700	700
Enrollment		547	557	550
Navarro Elementary	1972			
Square Feet		55,573	55,573	55,573
Functional Capacity		449	562	562
Enrollment		484	497	457
Bluebonnet Elementary	2005			
Square Feet		64,992	64,992	64,992
Functional Capacity		606	694	694
Enrollment		625	640	663
Alma Brewer Strawn Elementary	2016			
Square Feet		N/A	N/A	58,216
Functional Capacity		N/A	N/A	579
Enrollment		N/A	N/A	454
<b>School Secondary</b>				
Lockhart Junior High School	2000			
Square Feet		152,105	152,105	152,105
Functional Capacity		1,700	1,550	1,550
Enrollment		1,173	1,148	1,292
Lockhart High School	1965			
Square Feet		175,180	175,180	280,000
Functional Capacity		1,480	1,900	1,900
Enrollment		1,070	1,086	1,523
<b>School Alternative</b>				
Pride High School	1992			
Square Feet		10,647	10,647	10,647
Functional Capacity		160	160	160
Enrollment		24	15	22
Discipline Management Center	1997			
Square Feet		8,088	8,088	8,088
Functional Capacity		46	46	46
Enrollment		n/a	n/a	n/a

**TABLE 18**

2018	2019	2020	2021	2022	2023	2024
52,578	52,578	52,578	52,578	52,578	52,578	52,578
352	337	337	337	337	337	337
251	329	336	248	240	308	308
57,113	57,113	57,113	57,113	57,113	57,113	57,113
674	475	475	475	475	475	475
475	450	443	442	477	517	517
67,233	67,233	67,233	67,233	67,233	67,233	67,233
700	653	653	653	653	653	653
578	574	560	513	518	503	503
55,573	55,573	55,573	55,573	55,573	55,573	55,573
562	554	554	554	554	554	554
532	518	504	519	529	580	580
64,992	64,992	64,992	64,992	64,992	64,992	64,992
694	614	614	614	614	614	614
579	572	545	538	555	550	550
58,216	58,216	58,216	58,216	58,216	58,216	58,216
579	535	535	535	535	535	535
503	498	494	491	514	523	523
152,105	152,105	152,105	152,105	152,105	152,105	152,105
1,550	1,560	1,560	1,560	1,560	1,560	1,560
1,393	1,491	1,529	1,484	1,385	1,433	1,433
280,000	280,000	280,000	280,000	280,000	280,000	280,000
1,900	1,834	1,834	1,834	1,834	1,834	1,834
1567	1,642	1,690	1,752	1,862	1,968	1,968
10,647	10,647	10,647	10,647	10,647	10,647	10,647
160	140	140	140	140	140	140
47	49	59	56	48	61	61
8,088	8,088	8,088	8,088	8,088	8,088	8,088
46	46	46	46	46	46	46
n/a	n/a	n/a	n/a	n/a	n/a	n/a

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

SCHOOL BUILDING INFORMATION

	Year Built	2015	2016	2017
<b>School (not included in ACFR) Support</b>				
Lockhart HS Freshman Campus/ML Cisneros Bldg.	1923			
Square Feet		71,057	71,057	71,057
Functional Capacity		487	487	n/a
Enrollment		382	419	n/a
Community Education (520 Pecos St)	1996			
Square Feet		3,298	3,298	3,298
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
Spec. Ed./Food Service	1956			
Square Feet		2,946	2,946	2,946
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
Administration Office	1993			
Square Feet		5,022	5,022	5,022
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
Technology Annex	1995			
Square Feet		1532	1532	1532
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
San Jacinto Building	1980			
Square Feet		4,330	4,330	4,330
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
Maintenance				
Square Feet		7,200	7,200	7,200
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a
Bus Barn				
Square Feet		6,000	6,000	6,000
Functional Capacity		n/a	n/a	n/a
Enrollment		n/a	n/a	n/a

Note: Capacity above is Functional Capacity.

Source: TSDS PEIMS DISAGGREGATION OF PEIMS STUDENT DATA.



**TABLE 18**

2018	2019	2020	2021	2022	2023	2024
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
3,298	3,298	3,298	3,298	3,298	3,298	3,298
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
2,946	2,946	2,946	2,946	2,946	2,946	2,946
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
5,022	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
1532	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
4,330	4,330	4,330	4,330	4,330	4,330	4,330
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
7,200	7,200	7,200	7,200	7,200	7,200	7,200
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
6,000	6,000	6,000	6,000	6,000	6,000	6,000
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a

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## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S 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

We have audited in accordance with the auditing standard 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, business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District (the "District") as of and for the year ended June 30, 2024, 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 18, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lockhart Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that have not been identified.

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 financial statements. 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 internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lockhart Independent School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lockhart Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
November 18, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees of  
Lockhart Independent School District  
Lockhart, Texas

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

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

We have audited Lockhart Independent School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lockhart Independent School District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of District’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 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 Auditor's Responsibilities for the Audit of Compliance above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
November 18, 2024

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed through the Texas Education Agency:				
School Breakfast Program (SBP)	10.553	71402301	\$ 673,363	\$ -
School Breakfast Program (SBP)	10.553	71402401	1,289,220	-
Total Assistance Listing Number 10.553			<u>1,962,583</u>	<u>-</u>
National School Lunch Program (NSLP)	10.555	71302301	390,397	-
National School Lunch Program (NSLP)	10.555	71302401	2,340,586	-
Total Passed through the Texas Education Agency			<u>4,693,566</u>	<u>-</u>
Passed through the Texas Department of Agriculture:				
NSLP - Commodities - Non-cash assistance	10.555	NT4XL1YGLGC5	237,507	-
Supply Chain Assistance Program	10.555	NT4XL1YGLGC5	246,345	-
Total Assistance Listing Number 10.555			<u>3,214,835</u>	<u>-</u>
Total Child Nutrition Cluster			<u>5,177,418</u>	<u>-</u>
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	265,996	-
Total Passed through the Texas Department of Agriculture			<u>749,848</u>	<u>-</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>5,443,414</u>	<u>-</u>
<b><u>U. S. DEPARTMENT OF DEFENSE</u></b>				
Direct Programs:				
US Air Force JROTC	12.000	N/A	72,751	-
Total Direct Programs			<u>72,751</u>	<u>-</u>
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			<u>72,751</u>	<u>-</u>
<b><u>U. S. FEDERAL COMMUNICATIONS COMMISSION</u></b>				
Direct Programs:				
COVID-19 - Emergency Connectivity Fund	32.009	141719	7,305	-
Total Direct Programs			<u>7,305</u>	<u>-</u>
<b>TOTAL U. S. FEDERAL COMMUNICATIONS COMMISSION</b>			<u>7,305</u>	<u>-</u>
<b><u>U. S. DEPARTMENT OF EDUCATION</u></b>				
Passed through the Texas Education Agency:				
Title I, Part A - Grants to Local Education Agencies	84.010A	2361010108902	373,166	-
Title I, Part A - Grants to Local Education Agencies	84.010A	2461010108902	689,386	-
Total Assistance Listing Number 84.010			<u>1,062,552</u>	<u>-</u>
IDEA B Formula - Special Education Grants to States	84.027A	66002212	1,446,930	-
COVID-19 - IDEA B Formula - Special Education Grants to States	84.027A	66002206	5,555	-
IDEA B Discretionary - Special Education Grants to States	84.027A	246610010019076000	428,957	-
Total Assistance Listing Number 84.027			<u>1,881,442</u>	<u>-</u>
IDEA Preschool - Special Education Preschool Grants	84.173A	246610010019076000	23,704	-
COVID-19 - IDEA Preschool - Special Education Preschool Grants	84.173A	225360020289025000	17,836	-
Total Assistance Listing Number 84.173			<u>41,540</u>	<u>-</u>
Total Special Education (IDEA) Cluster			<u>1,922,982</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
<b><u>U. S. DEPARTMENT OF EDUCATION (Continued)</u></b>				
Passed through the Texas Education Agency (Continued):				
Perkins IV - Career and Technical Education	84.048A	22420006028902	45,163	-
Title III, Part A - English Language Acquisition	84.365A	22671001028902	200,456	-
Title III, Part A - English Language Acquisition	84.365A	23671001028902	51,623	-
Total Assistance Listing Number 84.365A			<u>252,079</u>	<u>-</u>
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	24694501028902	205,509	-
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	24680101028902	86,192	-
COVID-19 - ESSER III	84.425U	21528001001907	3,373,156	-
COVID-19 - ESSER III TCLAS	84.425U	21528042028902	623,288	-
Total Assistance Listing Number 84.425			<u>3,996,444</u>	<u>-</u>
Total Passed through the Texas Education Agency			<u>7,570,921</u>	<u>-</u>
Passed through Education Service Center Region 13:				
ACE Grant	84.287C	S287C200044	646,957	-
Total Passed through Education Service Center Region 13			<u>646,957</u>	<u>-</u>
Passed through the University of Texas at Austin:				
Gear Up Grant	84.334A	P334A180067	383,559	-
Gear Up Grant	84.334A	P334A190067	6,751	-
Total Assistance Listing Number 84.334A			<u>390,310</u>	<u>-</u>
Total Passed through the University of Texas at Austin			<u>390,310</u>	<u>-</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>8,608,188</u>	<u>-</u>
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Passed through Texas Health and Human Services Commission:				
Medicaid Administrative Claiming Program	93.778	529-14-00472-00022	19,893	-
Total Medicaid Cluster			<u>19,893</u>	<u>-</u>
Total Passed through Texas Health and Human Services Commission			<u>19,893</u>	<u>-</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>19,893</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 14,151,551</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2024

**1. GENERAL**

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal award programs of Lockhart Independent School District. The District’s reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA.

**2. BASIS OF ACCOUNTING**

The SEFA is presented using the modified accrual basis of accounting. The District’s significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the 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). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**3. INDIRECT COSTS**

The District did not elect to use a de minimis cost rate as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

**4. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the fiscal year:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 14,550,212
Less:	
School Health And Related Services	<u>(398,661)</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$ 14,151,551</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Auditor's Results**

Financial Statements:

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Material noncompliance material to financial statements noted?

No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

None

Identification of major programs:

Assistance Listing Number(s):

Name of Federal Program or Cluster:

84.010

Title I, Part A

84.425

COVID-19 - ESSER

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes

**Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

None reported

**Findings and Questioned Costs for Federal Awards**

None reported

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