Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Lockhart Independent School District
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Lockhart Independent School District
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

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Introductory Section

LOCKHART
Independent School District

Celebrate Innovate
Redefine Possible

November 11, 2015

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

Dear Board of Trustees:

The Comprehensive Annual Financial Report of the Lockhart Independent School District (LISD) for the twelve months ended June 30, 2015 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 school 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 14 provides further information.

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

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

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The Reporting Entity and Its Services

Basic Information

This report includes all of the funds and account groups of the Lockhart ISD. The District provides elementary and secondary education (Pre-Kindergarten to 12th grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2014-2015 total enrollment was 5,365 as of the Public Education Information Management System (PEIMS) snapshot date in October 2014. The District has 335 certified teachers, 84 other professional staff, and 219 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, delegates management to the single executive head (the Superintendent), approves personnel, sets annual District goals, and evaluates policies in terms of effectiveness in attaining District goals.

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. To ensure budgetary compliance, the Texas Education Agency (T.E.A.) 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, T.E.A 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 (ISD) is located in and around the city of Lockhart which is the county seat and principal commercial center of Caldwell County. Lockhart is located about 30 miles southeast of Austin and 60 miles northeast of San Antonio. Over the past century, Caldwell County's economy has changed from cattle to cotton to oil. Within Lockhart ISD is the City of Lockhart. The county seat and commercial center is in the City of Lockhart. Though some of Caldwell County's employment still remains in the oil and gas industry, the local economy is primarily engaged in services, local government and agriculture. Caldwell County is a prime location for business. The economic base includes minerals such as sand, oil, gravel and gas. Agricultural industries consist of nurseries, hay, eggs, cotton, broiler production and beef cattle. Lockhart is just twenty-five miles south of Austin-Bergstrom International airport.

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. Lockhart is an easy commute for those seeking higher education.

In addition, the State Highway 130 (SH130) toll road bypass opened in 2012, which passes through Caldwell County 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.

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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 and Hispanic Chamber of Commerce have continued to work hard to bring new businesses to Lockhart.

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 5,394 in 2015-2016, an increase of 29 students from 2014-2015. The adopted 2015-2016 General Fund budget is $42,165,518, an increase from $40,028,737 in 2014-2015, or $2,136,781. The increase in funding is attributable to an increase in state revenues for the new biennium, as well as increases in student average daily attendance which generates more state revenues. The increase in funding funded a competitive pay and benefits plan for employees, school bus purchases, capital expenditures as well as additional classroom teachers.

Long-term Financial Policies

The LISD General Fund balance has been constantly increasing over the past few years. LISD 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 2014-2015, the District invested $315 thousand in one-time capital improvement projects, using General Fund balance. In 2014, the voters approved $63.9 million in bonds to build a new elementary school, remodel and add capacity to the current high school including adding a performing arts center, remodeling the high school stadium, and various capital improvements at the other schools in the district. As part of the bond program, the District management and the school board have committed $3.0 million in the General Fund towards furniture, fixtures and equipment for the building program, which is expected to be complete in 2017. Work on some of the projects began in the summer of 2015.

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Relevant Financial Policies

The 2013-2015 bank depository agreement provides for a floor of 0.85% in interest income and is secured by collateral. In the 2013-2015 bank depository agreement, additional terms included above average certificates of deposit interest rates. The District secured $2.1 million in General Fund one-year certificates of deposit in June 2015 at an interest rate of 1.25% APR which is also secured by collateral.

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, debt affordability reviews, and user fee cost-recovery analysis and implementation.

Awards and Acknowledgements

Awards

The Texas Education Agency has a Financial Accountability Rating System named Schools FIRST (Financial Integrity Rating System of Texas). This rating system was required in SB 218 of the 77th Texas Legislature (2001). The primary goal of Schools FIRST is to improve the management of school District's 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.

Lockhart ISD 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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lockhart Independent School District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the tenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

We respectfully acknowledge the responsible and sincere involvement and participation of the school board, 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, Mandy Yañez, Jennifer Velasquez, and Stefanie Cisneros 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.

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

Respectfully submitted,

Tina Knudsen, CPA
Chief Financial Officer

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

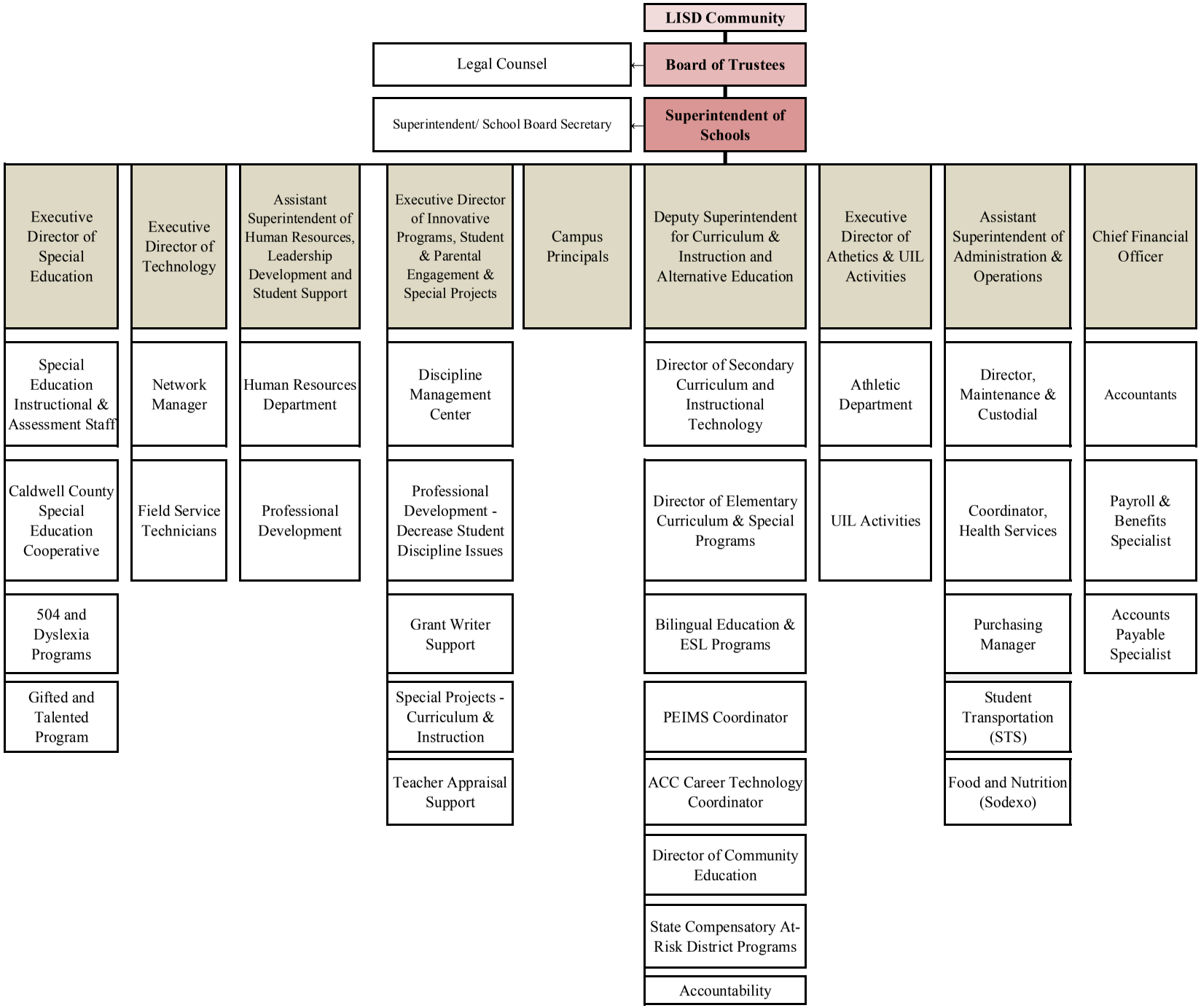
Lockhart Independent School District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

LISD ORGANIZATIONAL CHART 2014-2015



As of June 2, 2015

LOCKHART INDEPENDENT SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

Elected Officials

Name	Office
Brenda Spillmann	President
Steve Johnson	Vice-President
Tom Guyton	Secretary
Carl Cisneros	Trustee
Jessica Neyman	Trustee
Jon Reyes	Trustee
Michael Wright	Trustee

Appointed Officials

Name	Position
Susan Bohn	Superintendent
Janie Wright	Deputy Superintendent Curriculum, Instruction and Alternative Education
Larry Ramirez	Assistant Superintendent Administration and Operations
Daniel Vera	Assistant Superintendent Human Resources, Leadership Development and Student Support Services
Tina Knudsen	Chief Financial Officer
Monica Parks	Executive Director of Special Education, 504 and Gifted and Talented

CERTIFICATE OF BOARD

Lockhart Independent School District	Caldwell	028-902
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended June 30, 2015, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

_____ _____

Signature of Board Secretary Signature of Board President

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

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Financial Section

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WEST, DAVIS & COMPANY, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lockhart Independent School District ("the District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District as of June 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2015, Lockhart Independent School District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for contributions made Subsequent to the Measurement Date -- an amendment of GASB Statement No. 68.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lockhart Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015 on our consideration of Lockhart Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lockhart Independent School District's internal control over financial reporting and compliance.

West, Davis & Company

West, Davis & Company, LLP
Austin, Texas
November 11, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Lockhart Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended June 30, 2015. Please read it in conjunction with the independent auditors' report on page 11, and the District's Basic Financial Statements, which begin on page 20. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 20 through 22). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise. Fund financial statements (starting on page 23) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 32) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 20. Its primary purpose is to show whether the District is better off or worse off as a result of this year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

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

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

- Governmental activities–Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 23 and provide detailed information about the most significant funds–not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds–governmental and proprietary–use different accounting approaches.

- Governmental funds–Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds–The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds report activities that provide supplies and services for the District's other programs and activities–such as the District's self-insurance programs. The District, at present, maintains seven Community Education proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 30 and 31. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities decreased from $23.5 million to $20.1 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was $7.2 million at June 30, 2015. The decrease in governmental net position was primarily due to a $6.1 million prior period adjustment to report the effect of GASB 68 retroactively. More information is presented in the paragraph following Table II on the next page.

Table I
Lockhart Independent School Distrit

NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	87,262	23,096	68	83	87,330	23,179
Capital assets	31,947	28,397	-	-	31,947	28,397
Total Assets	119,209	51,493	68	83	119,277	51,576
Deferred Outflow Related to Pensions	1,164	-	-	-	1,164	-
Long-term Liabilities	90,785	21,246	-	-	90,785	21,246
Other liabilities	7,881	6,727	68	83	7,949	6,810
Total liabilities	98,666	27,973	68	83	98,734	28,056
Deferred Inflow Related to Pensions	1,616	-	-	-	1,616	-
Net Position:						
Net investment in capital assets	7,356	6,682	-	-	7,356	6,682
Restricted	5,577	3,982	-	-	5,577	3,982
Unrestricted	7,158	12,856	-	-	7,158	12,856
Total net position	20,091	23,520	-	-	20,091	23,520

Table II
Lockhart Independent School District

CHANGES IN NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	609	652	-	-	609	652
Operating grants and contributions	7,049	6,987	-	-	7,049	6,987
General Revenues:						
Maintenance and operations taxes	11,206	10,942	-	-	11,206	10,942
Debt Service taxes	4,117	1,474	-	-	4,117	1,474
Grants and Contributions not restricted to specific functions	29,778	27,212	89	86	29,867	27,298
Investment Earnings	186	60	-	-	186	60
Miscellaneous	1,266	1,139	605	514	1,871	1,653
Total Revenue	54,211	48,466	694	600	54,905	49,066
Expenses:						
Instruction, curriculum and media services	27,893	25,642	-	-	27,893	25,642
Instructional and school leadership	3,503	3,494	-	-	3,503	3,494
Student support services	4,528	4,407	-	-	4,528	4,407
Child Nutrition	3,184	3,203	-	-	3,184	3,203
Co-curricular activities	1,405	1,425	-	-	1,405	1,425
General administration	2,304	1,622	-	-	2,304	1,622
Plant maintenance, security and data processing	4,841	4,782	-	-	4,841	4,782
Community services	55	63	-	-	55	63
Debt services	2,614	544	-	-	2,614	544
Payments related to SSA	849	754	-	-	849	754
Intergovernmental Charges	288	287	-	-	288	287
Business-type activities	-	-	841	822	841	822
Total Expenses	51,464	46,222	841	822	52,305	47,044
Change in net position before transfers	2,747	2,244	(147)	(222)	2,600	2,022
Transfers	(147)	(222)	147	222	-	-
Change in Net Position	2,600	2,022	-	-	2,600	2,022

NET PENSION LIABILITY (GASB 68)

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the District must assume their proportionate share of the Net Pension Liability of the Teacher Retirement System. The District's net pension liability at year end totaled $5.3 million

Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is $(6.1) million. The restated beginning net position is $17.5 million.

THE DISTRICT'S FUNDS

As the District completed this annual period, its General funds (as presented in the balance sheet on page 23) reported a fund balance of $14.9 million, which is $1.2 million more than last years' total of $13.7 million. The increase in fund balance is mainly attributable to increased student average daily attendance which earned more state revenues than was previously anticipated.

The District's Bond Program fund reported a fund balance of $59 million. The Bond Program fund balance was $59 million more at June 30, 2015, as compared to 2014, due to an issuance of School Building Bonds during the fiscal year. The purpose of the Bond Program Fund is to account for financial resources and expenditures relating to the District's Bonds. The major projects covered in the bond include new construction and renovations to Lockhart High School, building one new elementary school, and various renovations at all of the remaining campuses.

The District's other governmental funds reported a fund balance of $5.8 million as compared to $1.3 million in 2014, which is $4.5 million more than the previous year. In 2015, the Bond Program became the major fund instead of the Debt Service Fund. Additionally, another difference between fiscal 2014 and fiscal 2015 governmental funds was that the school nutrition fund balance increased by $173 thousand due to more student meals served than in the prior year, combined with effective management of expenses in the fund, as well as $1.5 million set aside in the Debt Service Funds to pay scheduled debt service payments due shortly after the fiscal year end.

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 2014). The second category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 2015, the District had $32 million (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. The $32 million (net of accumulated depreciation) as compared to the previous years' $28.3 million, was due to construction in progress projects in the amount of $5.5 million and the current year's depreciation expense in the amount of $2.5 million.

The District's fiscal year 2014-2015 General Fund capital budget provided no funds for expenditures for new instructional facilities, however it budgeted $315 thousand for capital expenditures. The $315 thousand is comprised of $105 thousand for athletic facilities and $210 thousand for vehicles. More detailed information about the District's capital assets is presented in Note D to the financial statements.

Debt

At year-end, the District had $85.5 million in bonds outstanding, maintenance tax notes and accumulated accretion on CAB's versus $23.3 million last year. The increase of $62.2 million is attributable to bonds issued during fiscal 2015.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2015-2016 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 $42.1 million for the 2015-2016 fiscal year. The budget increased from 2014-2015 to 2015-2016 by $2.1 million, a direct result from increased student average daily attendance which generates more state revenues, and increased state revenues appropriations. The District is experiencing moderate to high level growth in student enrollment. The majority of the District's budget increase was attributed primarily to the implementation of a competitive pay and benefits plan as well as appropriations for capital outlay, some of which included vehicles. The 2015-2016 budget provided a pay increase for all employees and added an increase in the employer portion of health benefits.

Future enrollments are forecasted to have moderate to high enrollment growth and property values are forecast to gradually increase, which will continue to produce revenues that will support projected expenditures in the near future. For the 2015-2016 budget year, the District has held constant its maintenance and operations tax rate to $1.04 per hundred of taxable value, due to legislative maintenance and operations tax rate restrictions. The District has the capability to call a tax ratification election which could authorize up to 13 additional cents for maintenance and operations. The District has no current plans to call a tax ratification election.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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Basic Financial Statements

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LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2015

Data Control Codes		1 Governmental Activities	2 Business-type Activities	3 Total
	ASSETS:			
1110	*Cash and Cash Equivalents*	$ 4,036,373	$ 57,957	$ 4,094,330
1120	*Current Investments*	73,424,529	--	73,424,529
1225	*Property Taxes Receivable (Net)*	1,079,874	--	1,079,874
1240	*Due from Other Governments*	8,047,521	--	8,047,521
1250	*Accrued Interest*	144,907	--	144,907
1267	*Due from Fiduciary*	17,036	--	17,036
1290	*Other Receivables (Net)*	388,347	9,646	397,993
1410	*Unrealized Expenses*	123,579	144	123,723
	Capital Assets:			
1510	*Land*	2,581,361	--	2,581,361
1520	*Buildings and Improvements, Net*	20,505,682	--	20,505,682
1530	*Furniture and Equipment, Net*	3,370,827	--	3,370,827
1580	*Construction in Progress*	5,489,461	--	5,489,461
1000	Total Assets	119,209,497	67,747	119,277,244
	DEFERRED OUTFLOWS OF RESOURCES:			
1705	*Deferred Outflow Related to Pensions*	1,163,810	--	1,163,810
1700	Total Deferred Outflows of Resources	1,163,810	--	1,163,810
	LIABILITIES:			
2110	*Accounts Payable*	1,646,459	4,212	1,650,671
2140	*Interest Payable*	1,379,068	--	1,379,068
2165	*Accrued Liabilities*	4,614,731	54,402	4,669,133
2177	*Due to Fiduciary*	4,274	--	4,274
2180	*Due to Other Governments*	60,758	--	60,758
2300	*Unearned Revenue*	119,491	9,133	128,624
2400	*Payable from Restricted Assets*	56,047	--	56,047
	Noncurrent Liabilities:			
2501	*Due Within One Year*	2,090,000	--	2,090,000
2502	*Due in More Than One Year*	83,412,343	--	83,412,343
2540	*Net Pension Liability*	5,282,977	--	5,282,977
2000	Total Liabilities	98,666,148	67,747	98,733,895
	DEFERRED INFLOWS OF RESOURCES:			
2605	*Deferred Inflow Related to Pensions*	1,616,079	--	1,616,079
2600	Total Deferred Inflows of Resources	1,616,079	--	1,616,079
	NET POSITION:			
3200	Net Investment in Capital Assets	7,355,853	--	7,355,853
	Restricted For:			
3820	Federal and State Programs	929,401	--	929,401
3850	Debt Service	4,532,813	--	4,532,813
3870	Campus Activities	114,668	--	114,668
3900	Unrestricted	7,158,345	--	7,158,345
3000	Total Net Position	$ 20,091,080	$ --	$ 20,091,080

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions
	Governmental Activities:			
11	*Instruction*	$ 26,836,890	$ --	$ 3,282,290
12	*Instructional Resources and Media Services*	691,780	--	29,889
13	*Curriculum and Staff Development*	362,660	--	22,920
21	*Instructional Leadership*	738,348	--	39,203
23	*School Leadership*	2,765,342	--	133,503
31	*Guidance, Counseling, & Evaluation Services*	1,789,186	--	305,436
32	*Social Work Services*	114,788	--	1,802
33	*Health Services*	449,124	--	103,663
34	*Student Transportation*	2,174,699	--	49,262
35	*Food Service*	3,183,623	413,259	2,803,706
36	*Cocurricular/Extracurricular Activities*	1,405,619	104,770	40,667
41	*General Administration*	2,303,973	--	74,783
51	*Facilities Maintenance and Operations*	4,523,846	90,662	144,511
52	*Security and Monitoring Services*	122,069	--	1,839
53	*Data Processing Services*	195,125	--	5,921
61	*Community Services*	54,456	--	9,212
72	*Interest on Long-term Debt*	2,613,218	--	--
73	*Bond Issuance Costs and Fees*	730	--	--
93	*Payments Related to Shared Services Arrangements*	848,986	--	--
99	*Other Intergovernmental Charges*	287,784	--	--
TG	Total Governmental Activities	51,462,246	608,691	7,048,607
	Business-type Activities:			
01	Summer Recreation	60,204	--	--
02	After School Program	175,619	--	--
03	Cubhouse Students	182,583	--	--
04	GED Adult Ed.	95,939	--	--
06	Cubhouse Employees	151,853	--	--
07	Community Ed. Adm.	174,767	--	--
TB	Total Business-type Activities	840,965	--	--
TP	Total Primary Government	$ 52,303,211	$ 608,691	$ 7,048,607

	General Revenues:
MT	*Property Taxes, Levied for General Purposes*
DT	*Property Taxes, Levied for Debt Service*
IE	*Investment Earnings*
GC	*Grants and Contributions Not Restricted to Specific Programs*
MI	*Miscellaneous*
FR	*Transfers*
TR	Total General Revenues and Transfers
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment
	Net Position - Beginning, as Restated
NE	Net Position - Ending

The accompanying notes are an integral part of this statement.

6	7	8
Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (23,554,600)		$ (23,554,600)
(661,891)		(661,891)
(339,740)		(339,740)
(699,145)		(699,145)
(2,631,839)		(2,631,839)
(1,483,750)		(1,483,750)
(112,986)		(112,986)
(345,461)		(345,461)
(2,125,437)		(2,125,437)
33,342		33,342
(1,260,182)		(1,260,182)
(2,229,190)		(2,229,190)
(4,288,673)		(4,288,673)
(120,230)		(120,230)
(189,204)		(189,204)
(45,244)		(45,244)
(2,613,218)		(2,613,218)
(730)		(730)
(848,986)		(848,986)
(287,784)		(287,784)
(43,804,948)		(43,804,948)
--	$ (60,204)	(60,204)
--	(175,619)	(175,619)
--	(182,583)	(182,583)
--	(95,939)	(95,939)
--	(151,853)	(151,853)
--	(174,767)	(174,767)
--	(840,965)	(840,965)
(43,804,948)	(840,965)	(44,645,913)
11,206,272	--	11,206,272
4,117,021	--	4,117,021
186,236	--	186,236
29,777,819	88,886	29,866,705
1,264,514	604,477	1,868,991
(147,602)	147,602	--
46,404,260	840,965	47,245,225
2,599,312	--	2,599,312
23,549,672	--	23,549,672
(6,057,904)	--	(6,057,904)
17,491,768	--	17,491,768
$ 20,091,080	$ --	$ 20,091,080

LOCKHART INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

Data Control Codes		10 General Fund	60 Bond Program	Other Governmental Funds	98 Total Governmental Funds
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 2,311,163	$ 1,045,441	$ 679,769	$ 4,036,373
1120	*Current Investments*	9,186,174	59,016,761	5,221,594	73,424,529
1225	*Taxes Receivable, Net*	843,960	--	235,914	1,079,874
1240	*Due from Other Governments*	7,306,319	--	741,202	8,047,521
1250	*Accrued Interest*	2,117	139,833	2,957	144,907
1260	*Due from Other Funds*	313,741	--	39,016	352,757
1290	*Other Receivables*	327,870	--	60,477	388,347
1410	*Unrealized Expenditures*	122,543	--	1,036	123,579
1000	Total Assets	20,413,887	60,202,035	6,981,965	87,597,887
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 512,133	$ 1,057,949	$ 77,594	$ 1,647,676
2150	*Payroll Deductions & Withholdings*	1,085,616	--	70,416	1,156,032
2160	*Accrued Wages Payable*	3,062,402	--	396,297	3,458,699
2170	*Due to Other Funds*	42,363	25,443	270,972	338,778
2180	*Due to Other Governments*	372	--	60,386	60,758
2300	*Unearned Revenue*	854,319	--	345,046	1,199,365
2400	*Payable from Restricted Assets*	387	55,660	--	56,047
2000	Total Liabilities	5,557,592	1,139,052	1,220,711	7,917,355
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	929,401	929,401
3480	*Retirement of Long-Term Debt*	--	--	4,414,485	4,414,485
3490	*Other Restrictions of Fund Balance*	--	59,062,983	114,668	59,177,651
	Committed Fund Balances:				
3510	*Construction*	443,574	--	--	443,574
3545	*Other Committed Fund Balance*	3,968,856	--	302,700	4,271,556
3600	Unassigned	10,443,865	--	--	10,443,865
3000	Total Fund Balances	14,856,295	59,062,983	5,761,254	79,680,532
4000	Total Liabilities and Fund Balances	$ 20,413,887	$ 60,202,035	$ 6,981,965	$ 87,597,887

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances - governmental funds balance sheet	$ 79,680,532
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	31,947,333
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,079,874
Payables for bond principal which are not due in the current period are not reported in the funds.	(78,165,000)
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(1,017,787)
Payables for bond interest which are not due in the current period are not reported in the funds.	(1,379,068)
Bond premiums are recorded in the SNA but not in the funds.	(6,319,556)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(5,282,977)
Deferred Resource Inflows related to TRS are not reported in the funds.	(1,616,079)
Deferred Resource Outflows related to TRS are not reported in the funds.	1,163,810
Rounding difference	(2)
Net position of governmental activities - Statement of Net Position	$ 20,091,080

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		10 General Fund	60 Bond Program	Other Governmental Funds	98 Total Governmental Funds
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 11,488,960	$ 122,612	$ 5,621,171	$ 17,232,743
5800	*State Program Revenues*	29,033,938	--	1,866,936	30,900,874
5900	*Federal Program Revenues*	352,075	--	5,572,992	5,925,067
5020	Total Revenues	40,874,973	122,612	13,061,099	54,058,684
	EXPENDITURES:				
	Current:				
0011	*Instruction*	22,128,074	--	3,537,603	25,665,677
0012	*Instructional Resources and Media Services*	623,063	--	40,058	663,121
0013	*Curriculum and Staff Development*	333,191	--	12,635	345,826
0021	*Instructional Leadership*	511,584	--	194,988	706,572
0023	*School Leadership*	2,642,570	--	2,724	2,645,294
0031	*Guidance, Counseling, & Evaluation Services*	1,233,090	--	480,336	1,713,426
0032	*Social Work Services*	108,887	--	--	108,887
0033	*Health Services*	353,735	--	76,408	430,143
0034	*Student Transportation*	2,096,821	--	134,241	2,231,062
0035	*Food Service*	37,887	--	3,108,993	3,146,880
0036	*Cocurricular/Extracurricular Activities*	1,268,781	--	72,737	1,341,518
0041	*General Administration*	2,191,557	--	3,628	2,195,185
0051	*Facilities Maintenance and Operations*	4,229,814	--	101,199	4,331,013
0052	*Security and Monitoring Services*	115,641	--	254	115,895
0053	*Data Processing Services*	185,360	--	--	185,360
0061	*Community Services*	318	--	9,473	9,791
0071	*Principal on Long-term Debt*	--	--	2,050,000	2,050,000
0072	*Interest on Long-term Debt*	--	--	1,869,963	1,869,963
0073	*Bond Issuance Costs and Fees*	--	--	730	730
0081	*Capital Outlay*	104,900	5,643,811	--	5,748,711
0093	*Payments to Shared Service Arrangements*	688,443	--	160,543	848,986
0099	*Other Intergovernmental Charges*	287,784	--	--	287,784
6030	Total Expenditures	39,141,500	5,643,811	11,856,513	56,641,824
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	1,733,473	(5,521,199)	1,204,586	(2,583,140)
	Other Financing Sources and (Uses):				
7911	*Capital-Related Debt Issued (Regular Bonds)*	--	58,500,000	--	58,500,000
7912	*Sale of Real or Personal Property*	10,850	--	4,114	14,964
7915	*Transfers In*	--	--	462,087	462,087
7916	*Premium or Discount on Issuance of Bonds*	--	6,084,182	--	6,084,182
8911	*Transfers Out*	(609,689)	--	--	(609,689)
7080	Total Other Financing Sources and (Uses)	(598,839)	64,584,182	466,201	64,451,544
1200	Net Change in Fund Balances	1,134,634	59,062,983	1,670,787	61,868,404
0100	Fund Balances - Beginning	13,721,661	--	4,090,467	17,812,128
3000	Fund Balances - Ending	$ 14,856,295	$ 59,062,983	$ 5,761,254	$ 79,680,532

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	$	61,868,404
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		6,080,405
The depreciation of capital assets used in governmental activities is not reported in the funds.		(2,530,250)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		165,440
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		2,050,000
The accretion of interest on capital appreciation bonds is not reported in the funds.		(94,675)
(Increase) decrease in accrued interest from beginning of period to end of period.		(1,071,126)
Pension contributions made before the measurement date de-expended.		72,268
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.		(58,500,000)
Bond premiums are reported in the funds but not in the SOA.		(6,084,182)
Bond premiums are amortized in the SOA but not in the funds.		422,546
Pension contributions made after the measurement date but in current FY were de-expended and reduced NP		738,708
The District's share of the unrecognized deferred inflows and outflows for TRS had to be amortized.		332,347
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.		(820,665)
Change in net position of governmental activities - Statement of Activities	$	2,629,220

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2015

Data Control Codes		Nonmajor Enterprise Funds
	ASSETS:	
	Current Assets:	
1110	*Cash and Cash Equivalents*	$ 57,957
	Receivables:	
1290	*Other Receivables (net)*	9,646
1410	*Unrealized Expenses*	144
	Total Current Assets	67,747
1000	Total Assets	67,747
	LIABILITIES:	
	Current Liabilities:	
2110	*Accounts Payable*	$ 9,493
2150	*Payroll Deduction & Withholdings*	8,626
2160	*Accrued Wages Payable*	45,776
2170	*Due to Other Funds*	(5,281)
2300	*Unearned Revenues*	9,133
	Total Current Liabilities	67,747
2000	Total Liabilities	67,747
	NET POSITION:	
3000	Total Net Position	$ -

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		Nonmajor Enterprise Funds
	OPERATING REVENUES:	
5700	*Local and Intermediate Sources*	$ 604,477
5800	*State Program Revenues*	88,886
5020	Total Revenues	693,363
	OPERATING EXPENSES:	
6100	*Payroll Costs*	674,577
6200	*Professional and Contracted Services*	114,989
6300	*Supplies and Materials*	37,083
6400	*Other Operating Costs*	14,316
6030	Total Expenses	840,965
	Income (Loss) before Contributions and Transfers	(147,602)
7915	*Transfers In*	269,418
8911	*Transfers Out*	(121,816)
1300	Change in Net Position	--
0100	Total Net Position - Beginning	--
3300	Total Net Position - Ending	$ --

The accompanying notes are an integral part of this statement.

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LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 606,948
Cash Received from Grants	81,846
Cash Payments to Employees for Services	(674,926)
Cash Payments to Other Suppliers for Goods and Services	(163,930)
Net Cash Provided (Used) by Operating Activities	(150,062)
Cash Flows from Non-capital Financing Activities:	
Transfers From Other Funds	269,418
Transfers (To) Other Funds	(121,570)
Net Cash Provided (Used) by Non-capital Financing Activities	147,848
Net Increase (Decrease) in Cash and Cash Equivalents	(2,214)
Cash and Cash Equivalents at Beginning of Year	60,171
Cash and Cash Equivalents at End of Year	$ 57,957
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ (147,602)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Provision for Uncollectible Accounts	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	2,348
Decrease (Increase) in Interfund Receivables	10,869
Decrease (Increase) in Unrealized Expenses	316
Increase (Decrease) in Accounts Payable	1,397
Increase (Decrease) in Payroll Deductions	(167)
Increase (Decrease) in Accrued Wages Payable	(4,221)
Increase (Decrease) in Interfund Payables	(5,617)
Increase (Decrease) in Unearned Revenue	(7,385)
Total Adjustments	(2,460)
Net Cash Provided (Used) by Operating Activities	$ (150,062)

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

Data Control Codes		Private-purpose Trust Fund Scholarship Fund	Agency Fund Noncentralized Activity Funds
	ASSETS:		
1110	*Cash and Cash Equivalents*	$ 195,609	$ 159,048
1250	*Accrued Interest*	156	--
1260	*Due from Other Funds*	--	130
1290	*Other Receivables*	--	129
1800	*Restricted Assets*	151,581	--
1000	Total Assets	347,346	159,307
	LIABILITIES:		
	Current Liabilities:		
2110	*Accounts Payable*	$ --	$ 19,584
2170	*Due to Other Funds*	--	19,387
2190	*Due to Student Groups*	--	120,336
2300	*Unearned Revenues*	10	--
2000	Total Liabilities	10	159,307
	NET POSITION:		
3800	*Held in Trust*	347,336	--
3000	Total Net Position	$ 347,336	$ --

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private-Purpose Trusts
	Scholarship Funds
Additions:	
Investment Income	$ 2,369
Gifts and Bequests	28,595
Total Additions	30,964
Deductions:	
Personnel costs	1,015
Scholarships and Awards	54,750
Supplies and Materials	563
Professional Services	--
Total Deductions	56,328
Change in Net Assets	(25,364)
Net Position-Beginning of the Year	372,700
Net Position-End of the Year	$ 347,336

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Bond Program Fund: This fund accounts for bond proceeds, investment income and project expenditures relating to voter approval of $58.5 million in school building bonds. Voters approved additions and renovations to Lockhart HIgh School, the construction of one new elementary school, District-wide improvements to schools and the payment of costs associated with the issuance of the bonds.

In addition, the District reports the following fund types:

Enterprise Funds: These funds are used to report the activities of after school programs, child care programs, community education programs and adult education.

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

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

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

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

c. Prepaid Items

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

d. Capital Assets

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

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

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

e. Deferred Outflows and Inflows of Resources

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

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

f. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

i. Data Control Codes

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

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Committed Fund Balance consists of the following:

		General	Food Service
Various construction pojects		$ 443,574	$ --
Miscellaneous	$ 676,156		302,700
Bond Program support			
High School & Stadium	229,959		--
Program management	1,335,015		--
HVAC Elementary Schools	655,901		--
Technology	738,278		--
Food Service	302,700		--
Other	30,847	3,968,856	--
		$ 4,412,430	$ 302,700

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

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS' 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.

At June 30, 2015 the District reported the following:

Net Pension Asset	$ --
Net Pension Liability	$ 5,282,977

5. New Accounting Standards Adopted

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

-- Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
-- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
-- Statement No. 69, *Government Combinations and Disposals of Governmental Operations*
-- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
-- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

a. Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

1) Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.

2) Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

3) Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

b. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the

requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

c. Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operation. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

   There was no impact on the District's financial statements as a result of the implementation of Statement No. 69.

d. Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

   The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

   There was no impact on the District's financial statements as a result of the implementation of Statement No. 70.

e. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the

measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's final year-end, the effects from the District's reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

Violation	Action Taken
None reported	Not applicable

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

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

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Deposits and Investments

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

1. Cash Deposits:

At June 30, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $4,094,329 and the bank balance was $4,256,178**.** The District's cash deposits at June 30, 2015 and during the year ended June 30, 2015, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

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

The District's investments at June 30, 2015 are shown below.

Investment or Investment Type	Rating	Maturity	Fair Value
TexPool Investment Pool	AAAm	48 days weighted average	$ 4,168,644
Lone Star Investment Pool	AAA	32 days weighted average	1,639,086
Texas Class Investment Pool	AAAm	52 days weighted average	67,616,799
Total Investments			$ 73,424,529

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk as noted abo The District restricts investments to those rated at least AAA. The District does not have a formal investment polic that limits credit risk.

At June 30, 2015, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District investments representing more than 5% of total investments are disclosed above.

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

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

Lone Star

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAA by Standard and Poor's and operated in a manner consistent with the the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net asset value of 50 cents.

TexPool

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

Texas Class

The District invests in the Texs Cooperative Liquid Assets Securities System (Class), which is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Texas Class' is governed by a board of trustees, elected by its participants. Texas Class is rated at AAAm by Standard and Poor's Ratings Services and operated in a manner consistent Southwest Company and J. P. Morgan Investment Management, Inc. LOGIC is rated at a with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 2,412,787	$ 168,576	$ --	$ 2,581,363
Construction in progress	--	5,489,461	--	5,489,461
Total capital assets not being depreciated	2,412,787	5,658,037	--	8,070,824
Capital assets being depreciated:				
Buildings and improvements	59,316,792	97,034	--	59,413,826
Equipment	7,491,281	325,334	43,902	7,772,713
Total capital assets being depreciated	66,808,073	422,368	43,902	67,186,539
Less accumulated depreciation for:				
Buildings and improvements	(36,797,556)	(2,110,592)	--	(38,908,148)
Equipment	(4,026,131)	(419,658)	(43,902)	(4,401,887)
Vehicles	--	--	--	--
Total accumulated depreciation	(40,823,687)	(2,530,250)	(43,902)	(43,310,035)
Total capital assets being depreciated, net	25,984,386	(2,107,882)	--	23,876,504
Governmental activities capital assets, net	$ 28,397,173	$ 3,550,155	$ --	$ 31,947,328

Depreciation was charged to functions as follows:

Instruction	$ 1,381,121
Instructional Resources and Media Services	32,897
Curriculum and Staff Development	18,722
Instructional Leadership	38,125
School Leadership	141,290
Guidance, Counseling, & Evaluation Services	92,813
Social Work Services	6,031
Health Services	23,175
Student Transportation	127,324
Food Services	176,734
Extracurricular Activities	72,080
General Administration	119,410
Plant Maintenance and Operations	237,232
Security and Monitoring Services	6,382
Data Processing Services	10,105
Community Services	46,809
	$ 2,530,250

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2015, consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	Other Governmental Funds	$	270,972	Payroll costs
General Fund	Bond Program		25,443	Payroll costs
General Fund	Nonmajor Fiduciary Funds		17,326	Temporary advances
Nonmajor Special Revenue	General Fund		39,016	Support of various programs
Nonmajor Fiduciary Funds	Other Governmental Funds		130	Support of various programs
	Other Balances		--	
	Total	$	352,887	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2015, consisted of the following:

Transfers From	Transfers To		Amount	Reason
General fund	Maintenance Tax Debt Service	$	462,087	General Fund tax collections for maintenance note debt service
General fund	Nonmajor Enterprise Funds		147,602	General Fund support for internal service functions
Nonmajor Enterprise Funds	Nonmajor Enterprise Funds		121,816	Allocated costs
	Total	$	731,505	

F. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2015, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	$ 21,715,000	$ 58,500,000	$ 2,050,000	$ 78,165,000	$ 2,090,000
Capital leases	--	--	--	--	--
Accretion on CAB's	923,112	94,675	--	1,017,787	--
Compensated absences *	--	--	--	--	--
Premium on bonds	657,920	6,084,182	422,546	6,319,556	--
	23,296,032	64,678,857	2,472,546	85,502,343	2,090,000
Net Pension Liability *	6,057,904	820,665	1,595,592	5,282,977	--
Total governmental activities	$ 29,353,936	$ 65,499,522	$ 4,068,138	$ 90,785,320	$ 2,090,000

Due within one year	$ 2,090,000
Due in more than one year	83,412,343
	$ 85,502,343

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

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General

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

Date of Issue	Description	Interest Rates	Original Issue	Final Maturity Date	Debt Principal	CAB Accretion
2/15/2006	Series 2006	3.66%	$ 9,524,997	8/1/2022	$ 6,770,000	$ --
3/15/2007	Series 2007	3.92	8,834,988	8/1/2027	8,095,000	1,017,787
8/27/2008	Series 2008	3.75	2,345,000	8/1/2022	1,295,000	--
9/15/2011	Series 2011	2.00	2,740,000	8/1/2016	1,370,000	--
12/1/2012	Series 2012	2.00 to 3.00	2,930,000	2/1/2020	58,500,000	--
7/15/2014	Series 2014	3.00 to 5	58,500,000	8/1/2044	2,135,000	--
					$ 78,165,000	$ 1,017,787

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2015, are as follows:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2016	$ 2,090,000	$ 3,340,304	$ 5,430,304
2017	2,360,000	3,277,516	5,637,516
2018	1,833,024	3,810,611	5,643,635
2019	1,886,976	3,760,347	5,647,323
2020	2,540,000	3,086,907	5,626,907
2021-2025	11,555,000	14,030,626	25,585,626
2026-2030	11,885,000	11,442,149	23,327,149
2031-2035	11,315,000	9,019,236	20,334,236
2036-2040	14,420,000	5,829,689	20,249,689
2041-2045	18,280,000	1,932,130	20,212,130
Totals	$ 78,165,000	$ 59,529,515	$ 137,694,515

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2015, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Series 2002	$ 10,225,000
Series 2010	2,625,000
Total	$ 12,850,000

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2015, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

Detailed information about the TRS' fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.state.tx.us/about/documents/cafr.pdf#CAFR; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

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

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution, which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less that 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	2014	2015
Member	6.4%	6.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%

District's 2014 Employer Contributions	$	501,428
District's 2014 Member Contributions	$	1,678,531
NECE 2014 On-Behalf Contributions to District	$	1,301,800

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 TRS 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, when employing a retiree of the TRS the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial evaluation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8%
Long-term Expected Rate of Return*	8%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.5%

* Includes inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011, they contained significant margin for possible future mortality improvements. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards Practice No. 35.

6. Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was 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 expected rate of return on pension plan investments is 8%. 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 Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflat. Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy & Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
Total	100%		8.7%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point less and 1 percentage point greater than the discount rate that was used (8%) in measuring the 2014 net pension liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportionate share of the net pension liability	$ 9,440,360	$ 5,282,977	$ 2,174,029
Plan net pension liability (in millions from TRS CAFR)	$ 47,737	$ 26,717	$ 10,998

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

At June 30, 2015, the District reported a liability of $5,282,977 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	$ 5,282,977
State's proportionate share of the net pension liability associated with the District	13,744,870
Total	$ 19,027,847

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's measurement date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended June 30, 2015, the District recognized pension expense of $1,270,688 and revenue of $1,270,688 for support provided by the State.

At June 30, 2015, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual economic experience	$ 81,703	$ --
Changes in actuarial assumptions	343,399	--
Difference between projected and actual investment earnings	--	1,614,694
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	--	1,385
District contributions paid to TRS subsequent to the measurement date	738,708	
Total	$ 1,163,810	$ 1,616,079

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

Year Ended June 30		
2016	$	(332,192)
2017	$	(332,192)
2018	$	(332,192)
2019	$	(332,192)
2020	$	71,481
Thereafter	$	66,310

I. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at www.trs.state.tx.us under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active

employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1% for fiscal years 2015 and 2014 and 0.5% for fiscal year 2013 and the active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014 and 2013. For the years ended June 30, 2015, 2014, and 2013, the State's contributions to TRS-Care were $275,820, $235,460, and $114,014, respectively, the active member contributions were $179,282, $153,049, and $164,217, respectively, and the District's contributions were $151,705, $129,503, and $138,955, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on behalf of the District were $85,354, $73,029, and $71,462, respectively.

J. Employee Health Care Coverage

During the period ended June 30, 2015, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of $362 per month per employee to the Plan with the State providing an additional $75. Employees, at their option may authorize payroll withholdings to pay premiums for dependent coverage. The Teacher Retirement System of Texas (TRS) manages TRS Active Care. The Plan is administered by Aetna.

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

K. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at June 30,2015.

3. Construction Commitments

The District's Bond Program Fund (Capital Projects) has outstanding construction contract commitments in the amount of $42 million. These commitments relate to renovations of and additions to the High School.

L. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

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

Member Districts	Special Ed. Expenditures	Medicaid Expenditures
Lockhart ISD	$ 905,075	$ 9,110
Luling ISD	269,076	2,007
Prairie Lea ISD	48,923	382
Total	$ 1,223,074	$ 11,499

M. Subsequent Events

In July 2015, subsequent to year end, the District entered into a capital lease agreement to acquire certain equipment. The cost the equipment is $658,723. The capital lease payments will be billed semi-annually in the amount of $83,171 over a lease term of four (4) years.

This transactions will be recorded in the District's fiscal year ending June 30, 2016.

N. Prior Period Adjustment

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions**.** With GASB 68, the District must assume their proportionate share of the Net Pension Liability of the Teacher Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is $(6,057,904). The restated beginning net position is $17,461,858.

Required Supplementary Information

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 11,055,768	$ 11,280,677	$ 11,488,960	$ 208,283
5800	*State Program Revenues*	28,966,889	29,287,097	29,033,938	(253,159)
5900	*Federal Program Revenues*	210,650	210,765	352,075	141,310
5020	Total Revenues	40,233,307	40,778,539	40,874,973	96,434
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	*Instruction*	22,437,778	23,050,374	22,128,074	922,300
0012	*Instructional Resources and Media Services*	643,366	636,625	623,063	13,562
0013	*Curriculum and Staff Development*	297,505	382,076	333,191	48,885
	Total Instruction & Instr. Related Services	23,378,649	24,069,075	23,084,328	984,747
	Instructional and School Leadership:				
0021	*Instructional Leadership*	466,832	510,408	511,584	(1,176)
0023	*School Leadership*	2,858,938	2,663,964	2,642,570	21,394
	Total Instructional & School Leadership	3,325,770	3,174,372	3,154,154	20,218
	Support Services - Student (Pupil):				
0031	*Guidance, Counseling and Evaluation Services*	1,214,747	1,288,113	1,233,090	55,023
0032	*Social Work Services*	110,269	114,019	108,887	5,132
0033	*Health Services*	368,375	361,775	353,735	8,040
0034	*Student (Pupil) Transportation*	2,018,110	2,098,110	2,096,821	1,289
0035	*Food Services*	35,000	39,000	37,887	1,113
0036	*Cocurricular/Extracurricular Activities*	1,308,027	1,317,775	1,268,781	48,994
	Total Support Services - Student (Pupil)	5,054,528	5,218,792	5,099,201	119,591
	Administrative Support Services:				
0041	*General Administration*	1,702,887	2,224,929	2,191,557	33,372
	Total Administrative Support Services	1,702,887	2,224,929	2,191,557	33,372
	Support Services - Nonstudent Based:				
0051	*Plant Maintenance and Operations*	4,322,175	4,296,407	4,229,814	66,593
0052	*Security and Monitoring Services*	115,173	127,290	115,641	11,649
0053	*Data Processing Services*	267,869	202,720	185,360	17,360
	Total Support Services - Nonstudent Based	4,705,217	4,626,417	4,530,815	95,602
	Ancillary Services:				
0061	*Community Services*	2,050	2,050	318	1,732
	Total Ancillary Services	2,050	2,050	318	1,732
	Capital Outlay:				
0081	*Capital Outlay*	170,000	702,034	104,900	597,134
	Total Capital Outlay	170,000	702,034	104,900	597,134
	Intergovernmental Charges:				
0093	*Payments to Fiscal Agent/Member Dist.-SSA*	650,936	724,018	688,443	35,575
0099	*Other Intergovernmental Charges*	325,000	321,018	287,784	33,234
	Total Intergovernmental Charges	975,936	1,045,036	976,227	68,809
6030	Total Expenditures	39,315,037	41,062,705	39,141,500	1,921,205

LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	918,270	(284,166)	1,733,473	2,017,639
	Other Financing Sources (Uses):				
7912	*Sale of Real or Personal Property*	--	14,064	10,850	(3,214)
8911	*Transfers Out*	(713,700)	(713,700)	(609,689)	104,011
7080	Total Other Financing Sources and (Uses)	(713,700)	(699,636)	(598,839)	100,797
1200	Net Change in Fund Balance	204,570	(983,802)	1,134,634	2,118,436
0100	Fund Balance - Beginning	13,721,661	13,721,661	13,721,661	--
3000	Fund Balance - Ending	$ 13,926,231	$ 12,737,859	$ 14,856,295	$ 2,118,436

LOCKHART INDEPENDENT SCHOOL DISTRICT

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

	Fiscal Year				
	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	0.0197780%	--	--	--	--
District's proportionate share of the net pension liability (asset)	$ 5,282,977	$ --	$ --	$ --	$ --
State's proportionate share of the net pension liability (asset) associated with the District	13,744,870	--	--	--	--
Total	$ 19,027,847	$ --	$ --	$ --	$ --
District's covered-employee payroll	$ 26,227,055	$	$ --	$ --	$ --
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.14%	--	--	--	--
Plan fiduciary net position as a percentage of the total pension liability	83.25%	--	--	--	--

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

Fiscal Year				
2010	2009	2008	2007	2006
--	--	--	--	--
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
$ --	$ --	$ --	$ --	$ --
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--

LOCKHART INDEPENDENT SCHOOL DISTRICT

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Contractually required contribution	$ 810,976	$ --	$ --	$ --	$ --
Contributions in relation to the contractually required contribution	(810,976)	--	--	--	--
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --
District's covered-employee payroll	$ 27,582,011	$ --	$ --	$ --	$ --
Contributions as a percentage of covered-employee payroll	2.94%	--	--	--	--

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

Fiscal Year				
2010	2009	2008	2007	2006
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
$ --	$ --	$ --	$ --	$ --
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--

Budget

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

a. Prior to June 19th of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

c. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

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

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

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

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year end, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

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

Combining Statements and Budget Comparisons as Supplementary Information

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Data Control Codes		Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)
	ASSETS:			
1110	*Cash and Cash Equivalents*	$ 652,299	$ 27,470	$ 679,769
1120	*Current Investments*	1,039,245	4,182,349	5,221,594
1225	*Taxes Receivable, Net*	--	235,914	235,914
1240	*Due from Other Governments*	526,073	215,129	741,202
1250	*Accrued Interest*	156	2,801	2,957
1260	*Due from Other Funds*	39,016	--	39,016
1290	*Other Receivables*	53,743	6,734	60,477
1410	*Unrealized Expenditures*	1,036	--	1,036
1000	Total Assets	2,311,568	4,670,397	6,981,965
	LIABILITIES:			
	Current Liabilities:			
2110	*Accounts Payable*	$ 77,594	$ --	$ 77,594
2150	*Payroll Deductions & Withholdings*	70,416	--	70,416
2160	*Accrued Wages Payable*	396,297	--	396,297
2170	*Due to Other Funds*	270,820	152	270,972
2180	*Due to Other Governments*	40,540	19,846	60,386
2300	*Unearned Revenue*	109,132	235,914	345,046
2000	Total Liabilities	964,799	255,912	1,220,711
	FUND BALANCES:			
	Restricted Fund Balances:			
3450	*Federal/State Funds Grant Restrictions*	929,401	--	929,401
3480	*Retirement of Long-Term Debt*	--	4,414,485	4,414,485
3490	*Other Restrictions of Fund Balance*	114,668	--	114,668
	Committed Fund Balances:			
3545	*Other Committed Fund Balance*	302,700	--	302,700
3000	Total Fund Balances	1,346,769	4,414,485	5,761,254
4000	Total Liabilities and Fund Balances	$ 2,311,568	$ 4,670,397	$ 6,981,965

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 1,616,758	$ 4,004,413	$ 5,621,171
5800	*State Program Revenues*	898,552	968,384	1,866,936
5900	*Federal Program Revenues*	5,572,992	--	5,572,992
5020	Total Revenues	8,088,302	4,972,797	13,061,099
	EXPENDITURES:			
	Current:			
0011	*Instruction*	3,537,603	--	3,537,603
0012	*Instructional Resources and Media Services*	40,058	--	40,058
0013	*Curriculum and Staff Development*	12,635	--	12,635
0021	*Instructional Leadership*	194,988	--	194,988
0023	*School Leadership*	2,724	--	2,724
0031	*Guidance, Counseling, & Evaluation Services*	480,336	--	480,336
0033	*Health Services*	76,408	--	76,408
0034	*Student Transportation*	134,241	--	134,241
0035	*Food Service*	3,108,993	--	3,108,993
0036	*Cocurricular/Extracurricular Activities*	72,737	--	72,737
0041	*General Administration*	3,628	--	3,628
0051	*Facilities Maintenance and Operations*	101,199	--	101,199
0052	*Security and Monitoring Services*	254	--	254
0061	*Community Services*	9,473	--	9,473
0071	*Principal on Long-term Debt*	--	2,050,000	2,050,000
0072	*Interest on Long-term Debt*	--	1,869,963	1,869,963
0073	*Bond Issuance Costs and Fees*	--	730	730
0093	*Payments to Shared Service Arrangements*	160,543	--	160,543
6030	Total Expenditures	7,935,820	3,920,693	11,856,513
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	152,482	1,052,104	1,204,586
	Other Financing Sources and (Uses):			
7912	*Sale of Real or Personal Property*	4,114	--	4,114
7915	*Transfers In*	--	462,087	462,087
7080	Total Other Financing Sources and (Uses)	4,114	462,087	466,201
1200	Net Change in Fund Balances	156,596	1,514,191	1,670,787
0100	Fund Balances - Beginning	1,190,173	2,900,294	4,090,467
3000	Fund Balances - Ending	$ 1,346,769	$ 4,414,485	$ 5,761,254

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

Data Control Codes		211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula	225 IDEA-B Preschool Grant
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 26,506	$ 2,324	$ 26,607	$ 1,936
1120	*Current Investments*	--	--	--	--
1240	*Due from Other Governments*	230,824	753	104,919	3,749
1250	*Accrued Interest*	--	--	--	--
1260	*Due from Other Funds*	--	--	--	--
1290	*Other Receivables*	--	--	--	--
1410	*Unrealized Expenditures*	--	--	--	--
1000	Total Assets	257,330	3,077	131,526	5,685
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 1,472	$ --	$ 28,525	$ --
2150	*Payroll Deductions & Withholdings*	24,213	43	13,287	807
2160	*Accrued Wages Payable*	139,272	--	89,306	4,461
2170	*Due to Other Funds*	92,373	3,034	408	417
2180	*Due to Other Governments*	--	--	--	--
2300	*Unearned Revenue*	--	--	--	--
2000	Total Liabilities	257,330	3,077	131,526	5,685
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	--	--
3490	*Other Restrictions of Fund Balance*	--	--	--	--
	Committed Fund Balances:				
3545	*Other Committed Fund Balance*	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	$ 257,330	$ 3,077	$ 131,526	$ 5,685

226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	350 English Language Acquisition and Enhancement
$ --	$ 175,672	$ --	$ --	$ --
--	1,002,070	34,925	--	--
86,584	18,019	35,928	37,870	5,480
--	156	--	--	--
--	39,016	--	--	--
--	51,070	--	--	--
--	977	--	--	--
86,584	1,286,980	70,853	37,870	5,480
$ --	$ 33,910	$ 340	$ --	$ --
--	7,500	635	5,145	--
--	203	5,209	29,671	--
86,584	13,266	64,669	3,054	5,480
--	--	--	--	--
--	--	--	--	--
86,584	54,879	70,853	37,870	5,480
--	929,401	--	--	--
--	--	--	--	--
--	302,700	--	--	--
--	1,232,101	--	--	--
$ 86,584	$ 1,286,980	$ 70,853	$ 37,870	$ 5,480

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

Data Control Codes		385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenu Fund
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ --	$ --	$ 8,707	$ --
1120	*Current Investments*	--	2,250	--	--
1240	*Due from Other Governments*	--	--	--	--
1250	*Accrued Interest*	--	--	--	--
1260	*Due from Other Funds*	--	--	--	--
1290	*Other Receivables*	2,475	--	--	--
1410	*Unrealized Expenditures*	--	--	--	--
1000	Total Assets	2,475	2,250	8,707	--
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 2,475	$ --	$ --	$ --
2150	*Payroll Deductions & Withholdings*	--	--	--	--
2160	*Accrued Wages Payable*	--	--	--	--
2170	*Due to Other Funds*	--	1,327	--	--
2180	*Due to Other Governments*	--	--	--	--
2300	*Unearned Revenue*	--	923	8,707	--
2000	Total Liabilities	2,475	2,250	8,707	--
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	--	--
3490	*Other Restrictions of Fund Balance*	--	--	--	--
	Committed Fund Balances:				
3545	*Other Committed Fund Balance*	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	$ 2,475	$ 2,250	$ 8,707	$ --

e	437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	480 Education Foundation	481 Kiwanis Club
	$ 146,665	$ 45,295	$ 114,867	$ 21,930	$ 742
	--	--	--	--	--
	1,947	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	198	--	--	--
	59	--	--	--	--
	148,671	45,493	114,867	21,930	742
	$ 178	$ 6,354	$ 199	$ --	$ --
	18,786	--	--	--	--
	128,175	--	--	--	--
	131	--	--	--	77
	1,401	39,139	--	--	--
	--	--	--	21,930	665
	148,671	45,493	199	21,930	742
	--	--	--	--	--
	--	--	114,668	--	--
	--	--	--	--	--
	--	--	114,668	--	--
	$ 148,671	$ 45,493	$ 114,867	$ 21,930	$ 742

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

Data Control Codes		482 TASB Risk Management	483 Houghton Mifflin	484 Lions Club	485 Meadows Foundation
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 4,000	$ 355	$ 1,009	$ 14
1120	*Current Investments*	--	--	--	--
1240	*Due from Other Governments*	--	--	--	--
1250	*Accrued Interest*	--	--	--	--
1260	*Due from Other Funds*	--	--	--	--
1290	*Other Receivables*	--	--	--	--
1410	*Unrealized Expenditures*	--	--	--	--
1000	Total Assets	4,000	355	1,009	14
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ --	$ --	$ --	$ --
2150	*Payroll Deductions & Withholdings*	--	--	--	--
2160	*Accrued Wages Payable*	--	--	--	--
2170	*Due to Other Funds*	--	--	--	--
2180	*Due to Other Governments*	--	--	--	--
2300	*Unearned Revenue*	4,000	355	1,009	14
2000	Total Liabilities	4,000	355	1,009	14
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	--	--
3490	*Other Restrictions of Fund Balance*	--	--	--	--
	Committed Fund Balances:				
3545	*Other Committed Fund Balance*	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	$ 4,000	$ 355	$ 1,009	$ 14

486 Target	490 Sodexo	491 Wal-Mart	494 Parent Teacher Organization	495 Miscellaneous Grants Fund
$ 849	$ 1,761	$ 2,563	$ 28,182	$ 8,003
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
849	1,761	2,563	28,182	8,003
$ --	$ --	$ --	$ 199	$ 3,942
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
849	1,761	2,563	27,983	4,061
849	1,761	2,563	28,182	8,003
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
$ 849	$ 1,761	$ 2,563	$ 28,182	$ 8,003

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LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

Data Control Codes		496 Athletic Booster Club	497 Advanced Placement Strategies Grant	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 23,906	$ 8,113	$ 2,293	$ 652,299
1120	*Current Investments*	--	--	--	1,039,245
1240	*Due from Other Governments*	--	--	--	526,073
1250	*Accrued Interest*	--	--	--	156
1260	*Due from Other Funds*	--	--	--	39,016
1290	*Other Receivables*	--	--	--	53,743
1410	*Unrealized Expenditures*	--	--	--	1,036
1000	Total Assets	23,906	8,113	2,293	2,311,568
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ --	$ --	$ --	$ 77,594
2150	*Payroll Deductions & Withholdings*	--	--	--	70,416
2160	*Accrued Wages Payable*	--	--	--	396,297
2170	*Due to Other Funds*	--	--	--	270,820
2180	*Due to Other Governments*	--	--	--	40,540
2300	*Unearned Revenue*	23,906	8,113	2,293	109,132
2000	Total Liabilities	23,906	8,113	2,293	964,799
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	--	929,401
3490	*Other Restrictions of Fund Balance*	--	--	--	114,668
	Committed Fund Balances:				
3545	*Other Committed Fund Balance*	--	--	--	302,700
3000	Total Fund Balances	--	--	--	1,346,769
4000	Total Liabilities and Fund Balances	$ 23,906	$ 8,113	$ 2,293	$ 2,311,568

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula	225 IDEA-B Preschool Grant
	REVENUES:				
5700	*Local and Intermediate Sources*	$ --	$ --	$ --	$ --
5800	*State Program Revenues*	--	--	--	--
5900	*Federal Program Revenues*	958,952	3,663	1,177,406	23,830
5020	Total Revenues	958,952	3,663	1,177,406	23,830
	EXPENDITURES:				
	Current:				
0011	*Instruction*	722,621	--	1,027,419	23,830
0012	*Instructional Resources and Media Services*	--	--	--	--
0013	*Curriculum and Staff Development*	2,309	--	7,357	--
0021	*Instructional Leadership*	2,970	3,663	--	--
0023	*School Leadership*	--	--	--	--
0031	*Guidance, Counseling, & Evaluation Services*	145,877	--	94,358	--
0033	*Health Services*	76,408	--	--	--
0034	*Student Transportation*	--	--	48,253	--
0035	*Food Service*	--	--	--	--
0036	*Cocurricular/Extracurricular Activities*	--	--	--	--
0041	*General Administration*	--	--	--	--
0051	*Facilities Maintenance and Operations*	--	--	--	--
0052	*Security and Monitoring Services*	--	--	--	--
0061	*Community Services*	8,767	--	19	--
0093	*Payments to Shared Service Arrangements*	--	--	--	--
6030	Total Expenditures	958,952	3,663	1,177,406	23,830
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
	Other Financing Sources and (Uses):				
7912	*Sale of Real or Personal Property*	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	$ --	$ --	$ --	$ --

226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	350 English Language Acquisition and Enhancement
$ --	$ 467,877	$ --	$ --	$ --
--	25,268	--	--	5,480
89,320	2,880,396	62,863	204,520	--
89,320	3,373,541	62,863	204,520	5,480
88,332	--	62,863	204,520	5,480
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
988	--	--	--	--
--	3,108,993	--	--	--
--	--	--	--	--
--	--	--	--	--
--	96,134	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
89,320	3,205,127	62,863	204,520	5,480
--	168,414	--	--	--
--	4,114	--	--	--
--	4,114	--	--	--
--	172,528	--	--	--
--	1,059,573	--	--	--
$ --	$ 1,232,101	$ --	$ --	$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenu Fund
	REVENUES:				
5700	*Local and Intermediate Sources*	$ --	$ --	$ --	$ --
5800	*State Program Revenues*	2,475	1,327	571,230	26
5900	*Federal Program Revenues*	--	--	--	--
5020	Total Revenues	2,475	1,327	571,230	26
	EXPENDITURES:				
	Current:				
0011	*Instruction*	2,475	--	571,230	--
0012	*Instructional Resources and Media Services*	--	--	--	26
0013	*Curriculum and Staff Development*	--	1,327	--	--
0021	*Instructional Leadership*	--	--	--	--
0023	*School Leadership*	--	--	--	--
0031	*Guidance, Counseling, & Evaluation Services*	--	--	--	--
0033	*Health Services*	--	--	--	--
0034	*Student Transportation*	--	--	--	--
0035	*Food Service*	--	--	--	--
0036	*Cocurricular/Extracurricular Activities*	--	--	--	--
0041	*General Administration*	--	--	--	--
0051	*Facilities Maintenance and Operations*	--	--	--	--
0052	*Security and Monitoring Services*	--	--	--	--
0061	*Community Services*	--	--	--	--
0093	*Payments to Shared Service Arrangements*	--	--	--	--
6030	Total Expenditures	2,475	1,327	571,230	26
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
	Other Financing Sources and (Uses):				
7912	*Sale of Real or Personal Property*	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	$ --	$ --	$ --	$ --

e	437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	481 Kiwanis Club	485 Meadows Foundation
	$ 930,328	$ --	$ 164,722	$ 174	$ 486
	292,746	--	--	--	--
	--	172,042	--	--	--
	1,223,074	172,042	164,722	174	486
	706,263	11,499	80,661	--	--
	--	--	39,797	--	--
	--	--	349	--	--
	188,355	--	--	--	--
	--	--	2,724	--	--
	240,091	--	10	--	--
	--	--	--	--	--
	85,000	--	--	--	--
	--	--	--	--	--
	--	--	56,289	--	--
	3,365	--	263	--	--
	--	--	280	--	--
	--	--	254	--	--
	--	--	27	174	486
	--	160,543	--	--	--
	1,223,074	172,042	180,654	174	486
	--	--	(15,932)	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	(15,932)	--	--
	--	--	130,600	--	--
	$ --	$ --	$ 114,668	$ --	$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		486 Target	490 Sodexo	494 Parent Teacher Organization
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 65	$ 541	$ 16,491
5800	*State Program Revenues*	--	--	--
5900	*Federal Program Revenues*	--	--	--
5020	Total Revenues	65	541	16,491
	EXPENDITURES:			
	Current:			
0011	*Instruction*	65	--	9,718
0012	*Instructional Resources and Media Services*	--	--	235
0013	*Curriculum and Staff Development*	--	--	1,293
0021	*Instructional Leadership*	--	--	--
0023	*School Leadership*	--	--	--
0031	*Guidance, Counseling, & Evaluation Services*	--	--	--
0033	*Health Services*	--	--	--
0034	*Student Transportation*	--	--	--
0035	*Food Service*	--	--	--
0036	*Cocurricular/Extracurricular Activities*	--	541	460
0041	*General Administration*	--	--	--
0051	*Facilities Maintenance and Operations*	--	--	4,785
0052	*Security and Monitoring Services*	--	--	--
0061	*Community Services*	--	--	--
0093	*Payments to Shared Service Arrangements*	--	--	--
6030	Total Expenditures	65	541	16,491
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	--	--	--
	Other Financing Sources and (Uses):			
7912	*Sale of Real or Personal Property*	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--
1200	Net Change in Fund Balances	--	--	--
0100	Fund Balances - Beginning	--	--	--
3000	Fund Balances - Ending	$ --	$ --	$ --

495 Miscellaneous Grants Fund	496 Athletic Booster Club	497 Advanced Placement Strategies Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
$ 13,116	$ 6,261	$ 16,697	$ 1,616,758
--	--	--	898,552
--	--	--	5,572,992
13,116	6,261	16,697	8,088,302
3,930	--	16,697	3,537,603
--	--	--	40,058
--	--	--	12,635
--	--	--	194,988
--	--	--	2,724
--	--	--	480,336
--	--	--	76,408
--	--	--	134,241
--	--	--	3,108,993
9,186	6,261	--	72,737
--	--	--	3,628
--	--	--	101,199
--	--	--	254
--	--	--	9,473
--	--	--	160,543
13,116	6,261	16,697	7,935,820
--	--	--	152,482
--	--	--	4,114
--	--	--	4,114
--	--	--	156,596
--	--	--	1,190,173
$ --	$ --	$ --	$ 1,346,769

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2015

Data Control Codes		595 Maintenance Tax Note Debt Service	599 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit H-1)
	ASSETS:			
1110	*Cash and Cash Equivalents*	$ 114	$ 27,356	$ 27,470
1120	*Current Investments*	152,304	4,030,045	4,182,349
1225	*Taxes Receivable, Net*	--	235,914	235,914
1240	*Due from Other Governments*	--	215,129	215,129
1250	*Accrued Interest*	--	2,801	2,801
1290	*Other Receivables*	--	6,734	6,734
1000	Total Assets	152,418	4,517,979	4,670,397
	LIABILITIES:			
	Current Liabilities:			
2170	*Due to Other Funds*	$ 152	$ --	$ 152
2180	*Due to Other Governments*	--	19,846	19,846
2300	*Unearned Revenue*	--	235,914	235,914
2000	Total Liabilities	152	255,760	255,912
	FUND BALANCES:			
	Restricted Fund Balances:			
3480	*Retirement of Long-Term Debt*	152,266	4,262,219	4,414,485
3000	Total Fund Balances	152,266	4,262,219	4,414,485
4000	Total Liabilities and Fund Balances	$ 152,418	$ 4,517,979	$ 4,670,397

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		595 Maintenance Tax Note Debt Service	599 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit H-2)
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 694	$ 4,003,719	$ 4,004,413
5800	*State Program Revenues*	--	968,384	968,384
5020	Total Revenues	694	4,972,103	4,972,797
	EXPENDITURES:			
0071	*Principal on Long-term Debt*	400,000	1,650,000	2,050,000
0072	*Interest on Long-term Debt*	63,850	1,806,113	1,869,963
0073	*Bond Issuance Costs and Fees*	--	730	730
6030	Total Expenditures	463,850	3,456,843	3,920,693
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(463,156)	1,515,260	1,052,104
	Other Financing Sources and (Uses):			
7915	*Transfers In*	462,087	--	462,087
7080	Total Other Financing Sources and (Uses)	462,087	--	462,087
1200	Net Change in Fund Balances	(1,069)	1,515,260	1,514,191
0100	Fund Balances - Beginning	153,335	2,746,959	2,900,294
3000	Fund Balances - Ending	$ 152,266	$ 4,262,219	$ 4,414,485

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2015

Data Control Codes		Enterprise Fund Summer Recreation	Enterprise Fund After School Program	Enterprise Fund Cubhouse Students
	ASSETS:			
	Current Assets:			
1110	*Cash and Cash Equivalents*	$ 15,266	$ 10,023	$ 23,223
	Receivables:			
1290	*Other Receivables (net)*	--	80	--
1410	*Unrealized Expenses*	--	65	33
	Total Current Assets	15,266	10,168	23,256
1000	Total Assets	15,266	10,168	23,256
	LIABILITIES:			
	Current Liabilities:			
2110	*Accounts Payable*	$ 3,952	$ 160	$ 631
2150	*Payroll Deduction & Withholdings*	99	274	4,445
2160	*Accrued Wages Payable*	2,323	9,570	18,169
2170	*Due to Other Funds*	(241)	164	11
2300	*Unearned Revenues*	9,133	--	--
	Total Current Liabilities	15,266	10,168	23,256
2000	Total Liabilities	15,266	10,168	23,256
	NET POSITION:			
3000	Total Net Position	$ --	$ --	$ --

Enterprise Fund GED Adult Ed	Enterprise Fund Cubhouse Employees	Enterprise Fund Community Ed. Adm.	Total Nonmajor Enterprise Funds (See Exhibit D-1)
$ (6,352)	$ 14,039	$ 1,758	$ 57,957
9,268	230	68	9,646
--	33	13	144
2,916	14,302	1,839	67,747
2,916	14,302	1,839	67,747
$ 2,916	$ 1,031	$ 803	$ 9,493
--	3,660	148	8,626
--	15,080	634	45,776
--	(5,469)	254	(5,281)
--	--	--	9,133
2,916	14,302	1,839	67,747
2,916	14,302	1,839	67,747
$ --	$ --	$ --	$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		Enterprise Fund Summer Recreation	Enterprise Fund After School Program	Enterprise Fund Cubhouse Students
	OPERATING REVENUES:			
5700	*Local and Intermediate Sources*	$ 93,183	$ 229,672	$ 204
5800	*State Program Revenues*	1,525	11,713	48,872
5020	Total Revenues	94,708	241,385	49,076
	OPERATING EXPENSES:			
6100	*Payroll Costs*	49,800	160,812	171,395
6200	*Professional and Contracted Services*	5,345	4,434	3,345
6300	*Supplies and Materials*	3,575	10,324	7,768
6400	*Other Operating Costs*	1,484	49	75
6030	Total Expenses	60,204	175,619	182,583
	Income (Loss) before Contributions and Transfers	34,504	65,766	(133,507)
7915	*Transfers In*	--	--	133,507
8911	*Transfers Out*	(34,504)	(65,766)	--
1300	Change in Net Position	--	--	--
0100	Total Net Position - Beginning	--	--	--
3300	Total Net Position - Ending	$ --	$ --	$ --

Enterprise Fund GED Adult Ed	Enterprise Fund Cubhouse Employees	Enterprise Fund Community Ed. Adm.	Total Nonmajor Enterprise Funds (See Exhibit D-2)
$ 116,282	$ 138,466	$ 26,670	$ 604,477
--	14,590	12,186	88,886
116,282	153,056	38,856	693,363
--	144,964	147,606	674,577
83,666	2,038	16,161	114,989
1,500	4,611	9,305	37,083
10,773	240	1,695	14,316
95,939	151,853	174,767	840,965
20,343	1,203	(135,911)	(147,602)
--	--	135,911	269,418
(20,343)	(1,203)	--	(121,816)
--	--	--	--
--	--	--	--
$ --	$ --	$ --	$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Summer Recreation	After School Program	Cubhouse Students
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 93,375	$ 229,636	$ 204
Cash Received from Grants	(5,548)	11,713	48,872
Cash Payments to Employees	(56,011)	(160,812)	(166,315)
Cash Payments to Suppliers for Goods and Services	(10,007)	(15,868)	(11,208)
Net Cash Provided (Used) by Operating Activities	21,809	64,669	(128,447)
Cash Flows from Non-capital Financing Activities:			
Transfers From (To) Other Funds	(34,192)	(65,832)	133,507
Net Cash Provided (Used) by Non-capital Financing Activities	(34,192)	(65,832)	133,507
Net Increase (Decrease) in Cash and Cash Equivalents	(12,383)	(1,163)	5,060
Cash and Cash Equivalents at Beginning of Year	27,649	11,186	18,163
Cash and Cash Equivalents at End of Year	$ 15,266	$ 10,023	$ 23,223
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	$ 34,504	$ 65,766	$ (133,507)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	--	--	--
Provision for Uncollectible Accounts	--	--	--
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	--	33	--
Decrease (Increase) in Interfund Receivables	192	--	--
Decrease (Increase) in Unrealized Expenses	460	(65)	(33)
Increase (Decrease) in Accounts Payable	391	5	(20)
Increase (Decrease) in Payroll Deductions	99	(1,176)	1,132
Increase (Decrease) in Accrued Wages Payable	(6,211)	278	3,970
Increase (Decrease) in Interfund Payables	(241)	(172)	11
Increase (Decrease) in Unearned Revenue	(7,385)	--	--
Total Adjustments	(12,695)	(1,097)	5,060
Net Cash Provided (Used) by Operating Activities	$ 21,809	$ 64,669	$ (128,447)

GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Teen Parents	Total Nonmajor Enterprise Funds (See Exhibit D-3)
$ 118,337	$ 138,549	$ 26,847	$ --	$ 606,948
--	14,623	12,186	--	81,846
--	(144,083)	(147,705)	--	(674,926)
(95,569)	(1,250)	(26,271)	(3,757)	(163,930)
22,768	7,839	(134,943)	(3,757)	(150,062)
(20,343)	(1,203)	135,911	--	147,848
(20,343)	(1,203)	135,911	--	147,848
2,425	6,636	968	(3,757)	(2,214)
(8,777)	7,403	790	3,757	60,171
$ (6,352)	$ 14,039	$ 1,758	$ --	$ 57,957
$ 20,343	$ 1,203	$ (135,911)	$ --	$ (147,602)
--	--	--	--	--
--	--	--	--	--
2,055	83	177	--	2,348
--	10,677	--	--	10,869
--	(33)	(13)	--	316
370	150	501	--	1,397
--	347	148	(717)	(167)
--	881	(99)	(3,040)	(4,221)
--	(5,469)	254	--	(5,617)
--	--	--	--	(7,385)
2,425	6,636	968	(3,757)	(2,460)
$ 22,768	$ 7,839	$ (134,943)	$ (3,757)	$ (150,062)

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-10

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

Data Control Codes		97 Balance July 1, 2014	5030 Additions	6050 Deductions	98 Balance June 30, 2015
	Noncentralized Activity Funds:				
	ASSETS				
	Cash & Temporary Investments	$ 157,284	$ 480,644	$ 478,880	$ 159,048
	Due from Other Funds	--	130	--	130
	Other Receivables	129	--	--	129
	Total Assets	$ 157,413	$ 480,774	$ 478,880	$ 159,307
	LIABILITIES				
	Accounts Payable	$ 19,667	$ 19,257	$ 19,340	$ 19,584
	Due to Other Funds	--	19,387	--	19,387
	Due to Student Groups	137,746	485,429	502,839	120,336
	Total Liabilities	$ 157,413	$ 524,073	$ 522,179	$ 159,307

Other Supplementary Information

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2015

Year Ended June 30	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes
2006 and Prior Years	$ Various	$ Various	$ Various
2007	1.37	.17	753,235,584
2008	1.04	.162	764,288,852
2009	1.04	.185	823,703,755
2010	1.04	.19	852,035,448
2011	1.04	.1548	898,857,968
2012	1.04	.1482	972,780,008
2013	1.04	.1468	995,561,910
2014	1.04	.1395	1,036,856,855
2015 (School Year Under Audit)	1.04	.3891	1,055,788,818
1000 Totals			
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code			

10 Beginning Balance 7/1/14	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/15
$ 339,469	$ --	$ 10,502	$ 1,432	$ (79,725)	$ 247,810
54,559	--	5,537	687	(975)	47,360
57,382	--	8,589	1,338	(701)	46,754
81,843	--	9,587	1,682	(693)	69,881
113,859	--	23,820	4,352	(2,999)	82,688
168,031	--	48,634	7,239	(2,714)	109,444
225,357	--	72,442	10,323	(354)	142,238
322,684	--	107,859	15,216	(2)	199,607
588,738	--	237,513	31,867	(17,787)	301,571
--	15,088,278	10,363,670	3,876,815	(41,491)	806,302
$ 1,951,922	$ 15,088,278	$ 10,888,153	$ 3,950,951	$ (147,441)	$ 2,053,655
$ --	$ --	$ --	$ --	$ --	$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 539,069	$ 467,877	$ (71,192)
5800	*State Program Revenues*	45,986	25,268	(20,718)
5900	*Federal Program Revenues*	2,904,795	2,880,396	(24,399)
5020	Total Revenues	3,489,850	3,373,541	(116,309)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	*Food Services*	3,389,316	3,108,993	280,323
	Total Support Services - Student (Pupil)	3,389,316	3,108,993	280,323
	Support Services - Nonstudent Based:			
0051	*Plant Maintenance and Operations*	114,285	96,134	18,151
	Total Support Services - Nonstudent Based	114,285	96,134	18,151
6030	Total Expenditures	3,503,601	3,205,127	298,474
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(13,751)	168,414	182,165
	Other Financing Sources (Uses):			
7912	*Sale of Real or Personal Property*	7,158	4,114	(3,044)
7080	Total Other Financing Sources and (Uses)	7,158	4,114	(3,044)
1200	Net Change in Fund Balance	(6,593)	172,528	179,121
0100	Fund Balance - Beginning	1,059,573	1,059,573	--
3000	Fund Balance - Ending	$ 1,052,980	$ 1,232,101	$ 179,121

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

MAINTENANCE TAX NOTE DEBT SERVICE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 150	$ 694	$ 544
5020	Total Revenues	150	694	544
	EXPENDITURES:			
	Debt Service:			
0071	*Principal on Long-Term Debt*	400,000	400,000	--
0072	*Interest on Long-Term Debt*	63,850	63,850	--
	Total Debt Service	463,850	463,850	--
6030	Total Expenditures	463,850	463,850	--
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(463,700)	(463,156)	544
	Other Financing Sources (Uses):			
7915	*Transfers In*	463,700	462,087	(1,613)
7080	Total Other Financing Sources and (Uses)	463,700	462,087	(1,613)
1200	Net Change in Fund Balance	--	(1,069)	(1,069)
0100	Fund Balance - Beginning	153,335	153,335	--
3000	Fund Balance - Ending	$ 153,335	$ 152,266	$ (1,069)

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LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	*Local and Intermediate Sources*	$ 3,962,178	$ 4,003,719	$ 41,541
5800	*State Program Revenues*	970,381	968,384	(1,997)
5020	Total Revenues	4,932,559	4,972,103	39,544
	EXPENDITURES:			
	Debt Service:			
0071	*Principal on Long-Term Debt*	1,650,000	1,650,000	--
0072	*Interest on Long-Term Debt*	1,807,113	1,806,113	1,000
0073	*Bond Issuance Costs and Fees*	20,333	730	19,603
	Total Debt Service	3,477,446	3,456,843	20,603
6030	Total Expenditures	3,477,446	3,456,843	20,603
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	1,455,113	1,515,260	60,147
1200	Net Change in Fund Balance	1,455,113	1,515,260	60,147
0100	Fund Balance - Beginning	2,746,959	2,746,959	--
3000	Fund Balance - Ending	$ 4,202,072	$ 4,262,219	$ 60,147

WEST, DAVIS & COMPANY, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

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

Board of Trustees
Lockhart Independent School District
Lockhart, Texas

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lockhart Independent School District's basic financial statements, and have issued our report thereon dated November 11, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

West, Davis & Company

West, Davis & Company, LLP
Austin, Texas
November 11, 2015

WEST, DAVIS & COMPANY, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by OMB Circular A-133

Board of Trustees
Lockhart Independent School District
Lockhart, Texas

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Lockhart Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Lockhart Independent School District's major federal program for the year ended June 30, 2015. Lockhart Independent School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lockhart Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lockhart Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Lockhart Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Lockhart Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lockhart Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lockhart Independent School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

West, Davis & Company

West, Davis & Company, LLP
Austin, Texas
November 11, 2015

LOCKHART INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?	____	Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	____	Yes	X	None Reported
Noncompliance material to financial statements noted?	____	Yes	X	No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?	____	Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	____	Yes	X	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	____	Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee?	X	Yes	____	No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Direct Programs:			
ESEA Title I Part C - Education of Migratory Children	84.011	028-902	3,663
Total Direct Programs			3,663
Passed Through State Department of Education:			
*ESEA Title I Part A - Improving Basic Programs **	84.010A	15610101028902	981,150
*IDEA-B Formula **	84.027A	156600010289026000	1,199,558
*IDEA-B Discretionary **	84.027A	156600010289026000	2,736
*IDEA-B Discretionary **	84.027A	156600010289026000	86,584
Total CFDA Number 84.027A			1,288,878
Career and Technical - Basic Grant	84.048A	15420006028902	64,343
*IDEA-B Preschool **	84.173A	156610010289026000	23,830
SSA English Language Acquisition and Language Enhancement	84.365	14671001227950	5,480
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	15694501028902	209,328
Total Passed Through State Department of Education			2,573,009
Total U. S. Department of Education			2,576,672
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401501	1,023,480
National School Lunch Program *	10.555	71301501	1,588,054
National School Lunch Program (Non-cash) *	10.555	028-902	166,904
Total CFDA Number 10.555			1,754,958
Child and Adult Care Food Program	10.558	028-902	18,019
Total Passed Through State Department of Education			2,796,457
Total U. S. Department of Agriculture			2,796,457
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,373,129

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lockhart Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2015

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	$ 1,017,787
SF11	Net Pension Assets (object 1920) at fiscal year-end.	$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	$ 5,282,977
SF13	Pension Expense (object 6147) at fiscal year-end.	$ 488,318

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STATISTICAL SECTION

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

Contents **Page**

Financial Trends 97

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity 107

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.

Debt Capacity 112

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 117

These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 119

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year			
	2006	2007	2008	2009
Primary Government				
Invested in Capital Assets, Net of Related Debt	$ 4,786	$ 3,983	$ 3,331	$ 4,651
Restricted	1,401	1,235	2,620	2,752
Unrestricted	7,623	10,453	10,493	11,763
Total Primary Government Net Assets	$ 13,810	$ 15,671	$ 16,444	$ 19,166

TABLE L-1

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 3,863	$ 4,577	$ 4,014	$ 6,487	$ 6,682	$ 7,356
1,506	2,578	2,774	3,456	3,982	5,403
14,420	13,607	14,996	11,555	12,856	7,331
$ 19,789	$ 20,762	$ 21,784	$ 21,498	$ 23,520	$ 20,090

LOCKHART INDEPENDENT SCHOOL DISTRICT

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

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction	$ 20,392,666	$ 19,873,324	$ 22,165,983	$ 22,306,425
Instructional Resources & Media Services	1,073,048	742,381	686,262	745,650
Curriculum & Staff Development	141,502	153,623	343,372	351,557
Instructional Leadership	499,002	399,373	437,458	501,038
School Leadership	2,323,042	2,164,177	2,486,360	2,500,856
Guidance, Counseling & Evaluation Svcs	1,534,457	1,515,025	1,607,917	1,632,916
Social Work Services	214,988	203,554	200,342	193,996
Health Services	358,395	364,341	435,281	384,847
Student Transportation	1,543,043	1,471,497	1,663,148	1,694,203
Food Service	1,848,389	1,813,603	2,005,005	2,082,702
Cocurricular/Extracurricular Activities	1,039,678	873,588	1,009,164	1,151,084
General Administration	1,482,512	1,361,457	1,522,086	1,281,659
Plant Maintenance & Operations	3,700,807	3,371,101	3,629,965	3,896,398
Security & Monitoring Services	155,173	153,385	149,721	125,324
Data Processing Services	208,777	207,365	236,327	243,801
Community Services	1,024,296	870,314	923,126	38,843
Interest on Long-Term Debt	2,038,849	1,747,319	1,046,314	1,083,372
Bond Issuance Costs & Fees	144,278	158,110	57,695	59,457
Payments Related to SSA's	570,358	302,516	375,840	334,927
Other Intergovernmental Charges	--	--	--	237,876
Total Governmental Activities Expenses	40,293,260	37,746,053	40,981,366	40,846,931
Total Primary Government Expenses	$ 40,293,260	$ 37,746,053	$ 40,981,366	$ 40,846,931
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	$ 229,953	$ 240,433	$ 241,195	$ 170,398
Curriculum & Staff Development	--	200	--	2
Instructional Leadership	--	81,674	94,188	93,754
Guidance, Counseling & Evaluation Svcs	--	126,958	140,748	124,161
Student Transportation	--	7	20,810	38,775
Food Services	658,243	596,352	623,484	591,554
Cocurricular/Extracurricular Activities	76,230	97,126	90,769	114,138
General Administration	--	1,816	2,416	2,342
Plant Maintenance & Operations	--	63,132	64,916	76,287
Security & Monitoring Services	--	9	3,441	6,707
Community Services	--	531,085	567,390	--
Other Activities	979,506	--	--	--
Operating Grants and Contributions	5,427,937	5,378,881	6,048,948	6,137,485
Total Governmental Activities Program Rev.	7,371,869	7,117,673	7,898,305	7,355,603
Total Primary Government Program Rev.	7,371,869	7,117,673	7,898,305	7,355,603
Net (Expense)/Revenue				
Governmental Activities	$ (32,921,391)	$ (30,628,380)	$ (33,083,061)	$ (33,491,328)
Total Primary Government Net Expense	$ (32,921,391)	$ (30,628,380)	$ (33,083,061)	$ (33,491,328)

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

TABLE L-2

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 23,448,148	$ 23,811,319	$ 23,126,939	$ 23,550,568	$ 24,767,625	$ 26,838,466
786,278	763,821	665,402	696,941	665,913	691,780
324,272	362,855	198,022	196,088	208,221	362,660
552,081	593,199	559,929	562,175	623,622	738,348
2,549,598	2,700,025	2,670,357	2,793,717	2,869,896	2,765,342
1,723,302	1,771,468	1,594,179	1,656,732	1,739,127	1,789,186
191,717	191,079	49,221	78,397	113,030	114,788
402,739	408,659	412,369	374,275	426,452	449,124
1,874,478	1,869,828	1,982,269	2,025,891	2,127,960	2,174,699
2,481,645	2,606,953	2,996,583	3,013,114	3,202,728	3,183,623
1,216,754	1,170,177	1,133,889	1,120,391	1,425,266	1,405,619
1,304,514	1,428,539	1,381,121	1,385,684	1,621,938	2,303,710
4,052,169	4,052,978	4,008,165	4,031,777	4,321,452	4,523,676
124,360	135,554	184,485	113,219	219,855	122,069
230,952	236,028	241,584	248,929	240,789	195,125
91,136	82,489	68,720	54,114	63,198	54,708
1,136,473	906,126	1,092,486	912,664	538,218	2,613,218
15,497	53,323	95,412	114,591	5,285	730
577,552	674,289	496,726	500,646	754,017	848,986
243,278	241,348	247,298	268,042	287,287	287,784
43,326,943	44,060,057	43,205,156	43,697,955	46,221,879	51,463,641
$ 43,326,943	$ 44,060,057	$ 43,205,156	$ 43,697,955	$ 46,221,879	$ 51,463,641
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
591,536	563,452	642,242	477,744	458,179	413,259
92,349	113,200	105,685	106,531	104,567	104,770
--	--	--	--	--	--
79,106	47,738	65,323	71,151	89,028	90,662
385	473	670	325	228	--
--	--	--	--	--	--
2,464	--	--	--	--	--
6,020,113	8,516,794	6,608,929	6,765,028	6,986,883	7,048,607
6,785,953	9,241,657	7,422,849	7,420,779	7,638,885	7,657,298
6,785,953	9,241,657	7,422,849	7,420,779	7,638,885	7,657,298
$ (36,540,990)	$ (34,818,400)	$ (35,782,307)	$ (36,277,176)	$ (38,582,994)	$ (43,806,343)
$ (36,540,990)	$ (34,818,400)	$ (35,782,307)	$ (36,277,176)	$ (38,582,994)	$ (43,806,343)

LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental Activities	$ (32,921,404)	$ (30,628,380)	$ (33,083,061)	$ (33,491,328)
Total Primary Government Net Expense	(32,921,404)	(30,628,380)	(33,083,061)	(33,491,328)
General Revenues & Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	10,535,713	10,525,082	8,341,304	8,545,050
Levied for Debt Service	1,356,970	1,322,110	1,255,819	1,501,822
Investment Earnings	532,972	565,756	597,263	227,937
Unrestricted Grants and Contributions	18,237,919	19,664,964	27,907,339	25,727,231
Miscellaneous	1,242,401	411,709	1,612,329	1,116,216
Total Governmental Activities	31,905,975	32,489,621	39,714,054	37,118,256
Total Primary Government	31,905,975	32,489,621	39,714,054	37,118,256
Change in Net Position				
Governmental Activities	(1,015,429)	1,861,241	6,630,993	3,626,928
Total Primary Government	$ (1,015,429)	$ 1,861,241	$ 6,630,993	$ 3,626,928

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

TABLE L-3

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ (36,540,990)	$ (34,818,400)	$ (35,782,307)	$ (36,277,176)	$ (38,582,994)	$ (43,806,343)
(36,540,990)	(34,818,400)	(35,782,307)	(36,277,176)	(38,582,994)	(43,806,343)
9,175,212	9,424,259	10,557,885	10,304,215	10,942,480	11,206,272
1,655,572	1,408,009	1,513,478	1,442,407	1,473,590	4,117,021
87,264	87,638	86,710	67,241	59,676	186,095
25,646,703	24,228,545	24,071,720	24,169,043	27,212,317	29,777,819
599,547	642,153	574,754	904,109	916,656	1,118,321
37,164,298	35,790,604	36,804,547	36,887,015	40,604,719	46,405,528
37,164,298	35,790,604	36,804,547	36,887,015	40,604,719	46,405,528
623,308	972,204	1,022,240	609,839	2,021,725	2,599,185
$ 623,308	$ 972,204	$ 1,022,240	$ 609,839	$ 2,021,725	$ 2,599,185

LOCKHART INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	$ --	$ --	$ --	$ --	$ --
Unreserved	6,867,836	9,414,955	10,861,727	12,999,892	13,581,806
Nonspendable					
Inventories					
Committed					
Construction					
Capital Expenditures					
Other Committed					
Unassigned					
Total General Fund	$ 6,867,836	$ 9,414,955	$ 10,861,727	$ 12,999,892	$ 13,581,806
All Other Governmental Funds					
Reserved					
Special Revenue Funds					
Federal & State Programs	$ 686,952	$ 212,443	$ --	$ --	$ --
Other - Special Revenue	--	620,013	--	--	--
Food Service	285,033	339,244	361,363	384,379	300,631
Capital Acquisitions	36,934	14,768	63	140,217	1,466,997
Debt Service	387,544	2,531,910	2,249,329	1,427,084	1,547,120
Unreserved					
State & Federal Programs	--	--	776,783	504,037	13,220
Restricted					
Federal/State Grant Restrictions					
Capital Acquisitions & Contractual Obligations					
Retirement of Long-Term Debt					
Other Restrictions of Fund Balance					
Committed					
Other Committed					
Total All Other Governmental Funds	$ 1,396,463	$ 3,718,378	$ 3,387,538	$ 2,455,717	$ 3,327,968
Total All Governmental Funds	$ 8,264,299	$ 13,133,333	$ 14,249,265	$ 15,455,609	$ 16,909,774

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

TABLE L-4

Fiscal Year				
2011	2012	2013	2014	2015
$	$	$	$	$
4,005	3,339	--	--	--
552,420	2,245,945	1,017,202	450,000	443,574
154,000	--	--	--	--
--	21,740	280,777	3,057,211	3,968,856
13,413,682	12,373,924	11,453,140	10,214,448	10,443,865
$ 14,124,107	$ 14,644,948	$ 12,751,119	$ 13,721,659	$ 14,856,295
$	$	$	$	$
385,339	543,347	725,404	955,554	929,401
16,466	--	--	--	--
2,440,499	2,621,818	2,664,530	2,900,295	4,414,485
81,434	96,652	103,191	130,600	59,177,524
--	--	43,184	104,018	302,700
$ 2,923,738	$ 3,261,817	$ 3,536,309	$ 4,090,467	$ 64,824,110
$ 17,047,845	$ 17,906,765	$ 16,287,428	$ 17,812,126	$ 79,680,405

LOCKHART INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2005	2006	2007	2009	2010
Revenues					
Local & Intermediate Sources	$ 15,552,911	$ 14,329,507	$ 12,510,367	$ 11,913,158	$ 12,355,561
State Program Revenues	18,954,740	20,570,257	24,770,185	26,929,603	24,528,449
Federal Program Revenues	4,707,536	4,435,281	4,699,343	4,836,167	7,134,601
Total Revenues	39,215,187	39,335,045	41,979,895	43,678,928	44,018,611
Expenditures					
Instruction	19,164,621	18,483,169	20,909,101	21,081,337	22,440,694
Instructional Resources & Media Services	1,000,486	684,514	643,004	696,213	741,132
Curriculum & Staff Development	136,160	146,480	323,970	332,941	308,188
Instructional Leadership	479,088	380,653	420,121	480,277	531,011
School Leadership	2,153,972	1,986,486	2,318,483	2,327,350	2,394,845
Guidance, Counseling & Evaluation Svcs	1,478,758	1,457,775	1,530,697	1,552,915	1,645,691
Social Work Services	200,335	187,405	187,203	180,479	180,020
Health Services	337,231	340,864	411,886	362,359	382,871
Student Transportation	1,543,043	1,471,497	1,663,148	1,694,203	4,601,694
Food Service	1,853,439	1,846,094	2,005,005	2,082,702	2,338,556
Cocurricular/Extracurricular Activities	963,081	801,949	947,782	1,072,398	1,230,172
General Administration	1,373,574	1,249,847	1,419,258	1,223,157	1,225,325
Plant Maintenance & Operations	3,430,826	3,259,680	3,409,800	3,631,770	3,832,326
Security & Monitoring Services	206,839	141,038	176,983	116,750	116,997
Data Processing Services	195,211	191,919	222,141	227,441	216,900
Community Services	953,904	805,265	863,375	38,843	33,319
Principal on Long-Term Debt	1,635,000	35,000	1,179,998	2,359,996	1,780,000
Interest on Long-Term Debt	1,326,544	608,695	1,628,841	1,267,941	1,027,299
Bond Issuance Costs & Fees	117,978	110,150	9,735	51,550	5,000
Capital Outlay	--	81,622	217,581	1,004,209	657,970
Payments Related to SSA's	570,358	302,516	375,840	334,927	577,552
Other Intergovernmental Charges	--	--	--	237,876	243,278
Total Expenditures	39,120,448	34,572,618	40,863,952	42,357,634	46,510,840
Excess of Revenues Over (Under) Expenditures	94,739	4,762,427	1,115,943	1,321,294	(2,492,229)
Other Financing Sources (Uses)					
Capital-Related Debt Issued	9,524,996	8,835,000	--	2,345,000	4,095,000
Transfers In	2,658	--	6,430	108	29,801
Premium or Discount On Issuance of Bonds	469,931	565,901	--	34,629	--
Other Resources	3,723	--	--	--	--
Transfers Out	(2,658)	--	(6,430)	(164,058)	(178,405)
Payment to Bond Refunding Escrow Agent	(9,875,073)	(9,294,294)	--	(2,330,629)	--
Other Uses	--	--	(37)	--	--
Total Other Financing Sources (Uses)	123,577	106,607	(37)	(114,950)	3,946,396
Net Change in Fund Balances	$ 218,316	$ 4,869,034	$ 1,115,906	$ 1,206,344	$ 1,454,167
Debt Service As A Percentage Of Noncapital Expenditures	7.9%	2.2%	6.9%	8.9%	6.1%

Note: The District changed its fiscal year end in 2007 from August 31 to June 30.

TABLE L-5

Fiscal Year				
2011	2012	2013	2014	2015
$ 12,404,898	$ 13,362,789	$ 13,562,249	$ 14,291,556	$ 17,234,011
25,217,861	24,298,221	25,341,282	28,443,277	30,900,874
7,525,475	6,381,478	5,592,299	5,755,422	5,925,067
45,148,234	44,042,488	44,495,830	48,490,255	54,059,952
22,453,863	21,649,966	22,341,780	23,445,216	25,667,253
722,065	625,938	664,876	633,048	663,121
342,241	185,516	186,029	197,151	345,826
559,134	524,383	533,060	590,290	706,572
2,545,785	2,502,315	2,649,731	2,717,540	2,645,294
1,671,724	1,492,664	1,571,036	1,645,427	1,713,426
180,077	45,969	74,308	106,826	108,887
386,172	386,853	354,905	403,663	430,143
3,094,495	1,849,156	1,919,071	2,324,435	2,231,062
2,497,766	2,798,762	2,857,560	3,037,036	3,146,880
1,131,950	1,096,937	1,073,706	1,349,234	1,341,518
1,346,681	1,292,733	1,313,839	1,534,712	2,194,922
3,820,715	3,753,842	3,830,393	4,091,958	4,330,843
127,782	172,529	107,471	234,154	115,895
222,488	226,227	236,020	227,956	185,360
25,463	12,239	7,419	14,398	10,043
1,260,000	1,269,997	1,990,000	1,920,000	2,050,000
1,013,008	1,558,180	818,326	864,731	1,869,963
1,200	83,847	90,262	5,285	730
514,391	824,228	2,578,849	359,240	5,748,711
674,289	496,726	500,646	754,017	848,986
241,348	247,298	268,042	287,287	287,784
44,832,637	43,096,305	45,967,329	46,743,604	56,643,219
315,597	946,183	(1,471,499)	1,746,651	(2,583,267)
--	2,740,000	2,930,000	--	58,500,000
465,990	507,716	449,022	600,566	462,087
--	198,930	187,293	--	6,084,182
--	--	--	475	14,964
(643,519)	(679,298)	(674,824)	(822,990)	(609,689)
--	(2,854,611)	(3,039,329)	--	--
--	--	--	--	--
(177,529)	(87,263)	(147,838)	(221,949)	64,451,544
$ 138,068	$ 858,920	$ (1,619,337)	$ 1,524,702	$ 61,868,277
5.1%	6.9%	6.7%	6.0%	7.7%

LOCKHART INDEPENDENT SCHOOL DISTRICT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2006	364,338,244	59,909,477	48,968,260	397,694,033	146,288,868	724,621,146
2007	392,234,612	67,512,510	46,841,160	398,395,717	151,748,415	753,235,584
2008	428,246,312	70,043,307	46,881,510	373,135,616	154,017,893	764,288,852
2009	441,209,562	75,266,445	46,273,560	422,555,898	159,917,239	825,388,226
2010	449,390,158	78,494,266	46,320,345	454,934,729	177,104,027	852,035,471
2011	455,430,540	86,491,452	63,658,435	384,824,460	91,546,890	898,857,997
2012	436,822,511	88,370,466	65,286,710	480,647,811	98,347,410	972,780,088
2013	465,288,836	97,168,686	70,024,320	446,868,718	83,789,050	995,561,510
2014	466,518,213	101,736,475	71,068,480	336,881,135	87,401,039	1,063,605,342
2015	460,649,870	104,122,828	79,549,780	339,809,316	110,607,020	1,094,738,814

Source: Caldwell County Appraisal District

TABLE L-6

Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1.6900	649,386,987	111.585%
1.5400	707,452,438	106.472%
1.2020	721,880,828	105.875%
1.2225	771,874,834	106.933%
1.2300	790,114,157	107.837%
1.1948	827,929,833	108.567%
1.1882	898,655,081	108.248%
1.1868	915,664,816	108.726%
1.1795	953,331,094	111.567%
1.4291	978,567,198	111.872%

TABLE L-7

LOCKHART INDEPENDENT SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	District Direct Rates			Overlapping Rates	
Fiscal Year	General Purposes	Capital Purposes	Total	Caldwell County	City of Lockhart
2006	1.5000	0.1900	1.6900	0.6297	0.6150
2007	1.3700	0.1700	1.5400	0.6437	0.6350
2008	1.0400	0.1620	1.2020	0.6837	0.7074
2009	1.0400	0.1825	1.2225	0.6910	0.7090
2010	1.0400	0.1900	1.2300	0.6910	0.7090
2011	1.0400	0.1548	1.1948	0.6909	0.7292
2012	1.0400	0.1482	1.1882	0.6908	0.7228
2013	1.0400	0.1468	1.1868	0.6907	0.7227
2014	1.0400	0.1395	1.1795	0.6906	0.7227
2015	1.0400	0.3891	1.4291	0.6905	0.7227

Source: Caldwell County Appraisal District

LOCKHART INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

	2014			2005		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
LCRA Transmission Srv Corp	$ 40,898,450	1	3.7%	$ 8,292,850	1	1.87%
Flint Hills Resources LP (TPL)	37,125,960	2	3.4%	4,853,050	4	1.10%
Eagle Energy Acquisitions	10,682,070	3	1.0%	--		--
Wal-mart Stores LP	8,286,590	4	0.8%	--		--
Walmart Properties Inc	7,514,940	5	0.7%	--		--
Economy Realty Ltd	7,302,530	6	0.7%	2,945,360	9	0.67%
Bluebonnet Electric Cooperative	6,426,650	7	0.6%	3,892,400	5	0.88%
North South Oil LLC	6,407,660	8	0.6%	--		--
Union Pacific RR Company	6,276,030	9	0.6%	2,854,050	10	0.64%
Dormae Products, INC	4,719,800	10	0.4%	--		--
Southwestern Bell Telephone	--	--	--	5,590,350	2	1.26%
Lockhart Village Partners	--	--	--	5,341,020	3	1.21%
H.E. Butt Grocery	--	--	--	3,888,170	6	0.88%
Hoskins, Fred W	--	--	--	3,234,020	7	0.73%
Lockhart II Partners LTD	--	--	--	3,011,020	8	0.68%
Total	$ 135,640,680		12.39%	$ 43,902,290		9.92%

Source: Caldwell County Appraisal District, District Records

TABLE L-9

LOCKHART INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	11,659,603	10,888,562	93.39%	654,746	11,543,308	99.00%
2007	11,599,828	10,819,529	93.27%	691,862	11,511,391	99.24%
2008	9,186,752	8,540,510	92.97%	559,152	9,099,662	99.05%
2009	10,090,371	9,276,179	91.93%	678,961	9,955,140	98.66%
2010	10,480,036	9,751,039	93.04%	559,576	10,310,615	98.38%
2011	10,739,555	9,963,142	92.77%	579,954	10,543,096	98.17%
2012	11,558,573	10,930,905	94.57%	503,306	11,434,211	98.92%
2013	11,815,324	11,142,905	94.31%	430,377	11,573,282	97.95%
2014	12,229,727	11,598,971	94.84%	269,380	11,868,351	97.05%
2015	15,088,278	14,240,485	94.38%	--	14,240,485	94.38%

Source: Caldwell County Appraisal District, District Records

LOCKHART INDEPENDENT SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Total Debt	Percentage of Actual Taxable Value of Property	Debt Per Capita	Debt As a % of Personal Income
2006	29,112,446	4.30%	1,459	0.07%
2007	26,933,080	3.80%	1,381	0.07%
2008	26,075,651	3.60%	1,339	0.09%
2009	24,497,900	3.10%	1,257	0.10%
2010	22,597,864	3.30%	1,363	0.09%
2011	17,789,498	2.90%	1,260	0.10%
2012	19,698,182	2.50%	1,167	0.11%
2013	18,040,458	2.30%	904	0.12%
2014	18,625,635	2.00%	758	0.14%
2015	81,087,858	7.20%	2,828	0.04%

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

Fiscal Year	Total Debt	Less Restricted for Debt Service	Total
2006	29,499,990	387,544	29,112,446
2007	29,464,990	2,531,910	26,933,080
2008	28,324,980	2,249,329	26,075,651
2009	25,924,984	1,427,084	24,497,900
2010	24,144,984	1,547,120	22,597,864
2011	23,229,997	5,440,499	17,789,498
2012	22,320,000	2,621,818	19,698,182
2013	20,704,988	2,664,530	18,040,458
2014	23,296,032	4,670,397	18,625,635
2015	85,502,343	4,414,485	81,087,858

TABLE L-11

LOCKHART INDEPENDENT SCHOOL DISTRICT

RATIOS OF DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Total Debt	Percentage of Actual Taxable Value of Property	Debt As a % Personal Income	Per Capita
2006	29,112,446	4.48%	0.07%	1,459
2007	26,933,080	3.80%	0.07%	1,381
2008	26,075,651	3.61%	0.09%	1,339
2009	24,497,900	3.17%	0.10%	1,257
2010	22,597,864	2.86%	0.09%	1,363
2011	17,789,498	2.15%	0.10%	1,260
2012	19,698,182	2.19%	0.11%	1,167
2013	18,040,458	1.97%	0.12%	904
2014	18,625,635	1.95%	0.14%	758
2015	81,087,858	8.29%	0.04%	2,819

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

TABLE L-12

LOCKHART INDEPENDENT SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Total Debt	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Caldwell County	$ 14,772,004	61.410%	$ 9,071,488
City of Lockhart	6,902,707	100.000%	6,902,707
Mustang Ridge, City of	500,000	24.180%	120,900
Total Overlapping Debt			16,095,095
Lockhart ISD (See Note 1)	80,831,946	100.000%	80,831,946
Total Direct and Overlapping Debt			$ 96,927,041

Note Percent of overlapping debt was provided on the Texas Municipal Report dated 6/26/15.

Sources: Texas Municipal Report.

LOCKHART INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	$ 49,167,235	$ 55,306,707	$ 56,246,557	$ 57,777,176	$ 59,642,483
Total Net Debt Applicable to Limit	27,726,532	29,027,232	26,075,651	24,497,900	26,692,864
Legal Debt Margin	$ 21,440,703	$ 26,279,475	$ 30,170,906	$ 33,279,276	$ 32,949,619
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	56.39%	52.48%	46.36%	42.40%	44.75%

Source: Texas Municipal Reports

TABLE L-13

Fiscal Year				
2011	2012	2013	2014	2015
$ 62,920,060	$ 68,094,606	$ 69,689,306	$ 72,579,980	$ 79,382,147
24,540,798	23,088,182	21,074,213	18,968,029	73,902,781
$ 38,379,262	$ 45,006,424	$ 48,615,093	$ 53,611,951	$ 5,479,366
39.00%	33.91%	30.24%	26.13%	93.10%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	$ 1,134,030,665
Debt Limit (7% of Assessed Value)	79,382,147
Debt Applicable to Limit:	
General Obligation Bonds	78,165,000
Less: Amount Set Aside for Repayment of General Obligation Debt	4,262,219
Total Net Debt Applicable to Limit	73,902,781
Legal Debt Margin	$ 5,479,366

TABLE L-14

LOCKHART INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2006	36,542	833,016	21,992	4.90%
2007	36,720	872,891	23,849	4.50%
2008	35,843	872,891	24,499	5.40%
2009	36,899	872,891	25,714	8.30%
2010	37,533	957,644	25,674	8.60%
2011	38,066	957,644	26,773	8.80%
2012	38,444	1,029,708	27,587	8.50%
2013	38,701	1,123,432	29,029	6.90%
2014	39,232	1,156,676	29,483	6.00%
2015	39,232	1,156,676	29,483	4.50%

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2015			2006		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lockhart ISD	646	1	4.4%	688	1	5.55%
Serta Dormae Mfg.	280	2	1.9%	--		
Wal-Mart	225	3	1.5%	122	6	0.98%
The GEO Group, Inc.	195	4	1.3%	186	2	1.50%
H.E.B. Food Store	154	5	1.1%	147	4	1.19%
Pegasus	149	6	1.0%	151	3	1.22%
City of Lockhart	145	7	1.0%	141	5	1.14%
Parkview Nursing & Rehab. Ctr.	105	8	0.7%			
Chisholm Trail Rehab Center	76	9	0.5%	82	8	0.66%
Livengood Feed	70	10	0.5%	60	9	0.48%
Golden Age Home				112	7	0.90%
Durham Transportation				55	10	0.44%
Total	2,045			1,744		

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TABLE L-16

LOCKHART INDEPENDENT SCHOOL DISTRICT

FULL-TIME-EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of Year End									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Teachers										
Teacher	329.6	317.0	323.9	326.6	326.5	331.0	324.6	329.0	325.6	335.0
Professional Support										
Counselor	12.5	12.5	11.8	11.5	12.5	13.0	12.0	12.8	13.0	13.1
Educational Diagnostician	6.0	6.0	6.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Librarian	7.0	8.0	7.0	8.0	8.0	8.0	8.0	6.3	8.0	7.9
School Nurse	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LSSP/Psychologist	2.0	2.0	2.0	4.0	4.0	4.0	2.0	2.0	1.0	3.0
Social Worker	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Speech Ther./Sp. Lang. Pathologist	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.0
Work-Based Learning Site Coord.	0.2	0.2	0.3	0.4	0.2	0.5	0.3	--	--	--
Teacher Facilitator	5.7	5.7	6.7	3.2	1.2	0.3	0.9	0.6	3.0	2.9
Athletic Trainer	2.0	2.0	1.8	1.8	1.5	1.7	1.7	1.5	1.3	1.9
Campus Professional Personnel	2.0	2.0	2.0	5.0	6.0	6.0	4.6	5.3	4.2	6.1
Non-Instructional Professionals	10.0	7.1	8.8	10.0	11.0	9.5	9.5	10.4	10.4	10.3
Campus Administration										
Assistant Principal	10.0	10.0	10.3	11.0	11.0	12.0	11.9	12.0	12.0	11.0
Principal	7.0	7.5	8.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Central Administration										
Assistant/Assoc/Deputy Supt.	1.0	1.6	1.1	2.0	2.0	2.0	2.0	3.0	3.0	3.0
District Instructional Program Director	--	1.0	0.5	1.0	--	1.0	1.0	1.0	3.0	3.0
Superintendent	1.0	1.0	0.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Teacher Supervisor	--	--	--	--	0.6	0.6	--	--	--	--
Athletic Director	1.3	1.4	1.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	1.0	1.0	1.0	1.0	--	--	--
Educational Aides										
Educational Aide	60.6	57.0	57.6	55.0	54.5	54.7	49.9	46.6	48.3	50.7
Auxiliary Staff	192.8	187.7	179.6	179.8	179.7	179.5	165.8	171.7	174.3	167.8
Total	658.7	637.7	638.3	642.8	642.2	647.3	617.7	624.7	629.6	637.2

Source: In-house District information

LOCKHART INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Total Expenses
2006	4,542	29,124,436	6,412	2.0%	39,120,448
2007	4,451	27,513,024	6,181	-3.6%	44,358,556
2008	4,440	31,025,348	6,988	13.0%	40,942,708
2009	4,526	31,703,598	7,005	0.2%	45,805,522
2010	4,636	31,888,773	6,879	-1.8%	46,689,245
2011	4,709	32,883,746	6,983	1.5%	46,472,736
2012	4,767	33,257,843	6,977	-0.1%	43,096,305
2013	4,969	36,178,844	7,281	4.4%	45,967,329
2014	5,130	36,738,610	7,162	-2.0%	46,743,604
2015	5,365	39,141,500	7,296	1.9%	56,643,219

Note: 2007 Expendiures are for ten months as compared with twelve months in the other years.

Source: AEIS Reports

TABLE L-17

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
8,613	-12%	330	13.8	58.0%
9,966	16%	317	14.0	60.2%
9,221	-7%	324	13.7	59.7%
10,121	10%	327	13.9	62.6%
10,071	0%	327	14.2	67.1%
9,869	-2%	331	14.2	69.3%
9,041	-8%	325	14.7	70.7%
9,251	2%	329	15.1	69.8%
9,112	-2%	326	15.8	70.1%
10,558	16%	335	16.0	70.0%

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TABLE L-18

LOCKHART INDEPENDENT SCHOOL DISTRICT

TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary	Statewide Average Salary
2006	33,500	49,844	38,515	41,744
2007	36,250	52,344	40,758	44,897
2008	38,100	55,300	41,300	46,179
2009	39,000	56,300	42,762	47,159
2010	40,200	57,230	43,942	48,263
2011	41,500	57,780	44,360	48,638
2012	41,500	57,780	44,004	48,375
2013	43,100	59,380	45,029	48,821
2014	43,950	62,550	46,295	49,692
2015	45,200	64,170	Not Available	Not Available

Sources: AEIS Reports, District Records

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2006	2007	2008	2009	2010
Elementary					
Carver Kindergarten (1953)					
Square Feet	52,578	52,578	52,578	52,578	52,578
Capacity	512	512	512	512	512
Enrollment	388	417	360	391	427
Clear Fork (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Capacity	489	489	489	489	489
Enrollment	419	414	424	412	409
Plum Creek (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Capacity	512	512	512	512	512
Enrollment	449	458	462	422	441
Navarro (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Capacity	449	449	449	449	449
Enrollment	421	417	414	407	417
Bluebonnet (2005)					
Square Feet	64,992	64,992	64,992	64,992	64,992
Capacity	606	606	606	606	606
Enrollment	468	482	525	531	583
Secondary					
Lockhart Junior High (2000)					
Square Feet	152,105	152,105	152,105	152,105	152,105
Capacity	1,700	1,700	1,700	1,700	1,700
Enrollment	1,019	999	963	992	1,039
Lockhart HS Freshman Campus (1923)					
Square Feet	71,057	71,057	71,057	71,057	71,057
Capacity	487	487	487	487	487
Enrollment	352	319	335	343	330
Lockhart High School (1965)					
Square Feet	175,180	175,180	175,180	175,180	175,180
Capacity	1,480	1,480	1,480	1,480	1,480
Enrollment	831	850	874	963	990
Pride High School (1992)					
Square Feet	10,647	10,647	10,647	10,647	10,647
Capacity	66	66	66	66	66
Enrollment	57	43	62	65	31
Discipline Mgmt Center (1997)					
Square Feet	8,088	8,088	8,088	8,088	8,088
Capacity	46	46	46	46	46
Enrollment	--	--	--	--	--
Alternative					
Square Feet	18,735	18,735	18,735	18,735	18,735
Capacity	112	112	112	112	112
Enrollment	57	43	62	65	31
School Support					
Square Feet	29,308	29,308	30,328	30,328	30,328

Source: District records.

Capacity above is Functional Capacity. Prior years' data is not available.

Fiscal Year				
2011	2012	2013	2014	2015
52,578	52,578	52,578	52,578	52,578
512	512	512	512	512
445	457	517	494	475
57,113	57,113	57,113	57,113	57,113
489	489	489	489	489
423	428	455	502	585
67,233	67,233	67,233	67,233	67,233
512	512	512	512	512
451	459	500	552	547
55,573	55,573	55,573	55,573	55,573
449	449	449	449	449
426	423	427	439	484
64,992	64,992	64,992	64,992	64,992
606	606	606	606	606
580	590	581	609	625
152,105	152,105	152,105	152,105	152,105
1,700	1,700	1,700	1,700	1,700
1,058	1,073	1,129	1,101	1,173
71,057	71,057	71,057	71,057	71,057
487	487	487	487	487
350	352	368	405	382
175,180	175,180	175,180	175,180	175,180
1,480	1,480	1,480	1,480	1,480
945	974	970	1,005	1,070
10,647	10,647	10,647	10,647	10,647
66	66	66	66	66
31	26	22	23	24
8,088	8,088	8,088	8,088	8,088
46	46	46	46	46
--	--	--	--	--
18,735	18,735	18,735	18,735	18,735
112	112	112	112	112
31	26	22	23	24
30,328	30,328	30,328	30,328	30,328