

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Lockhart Independent School District

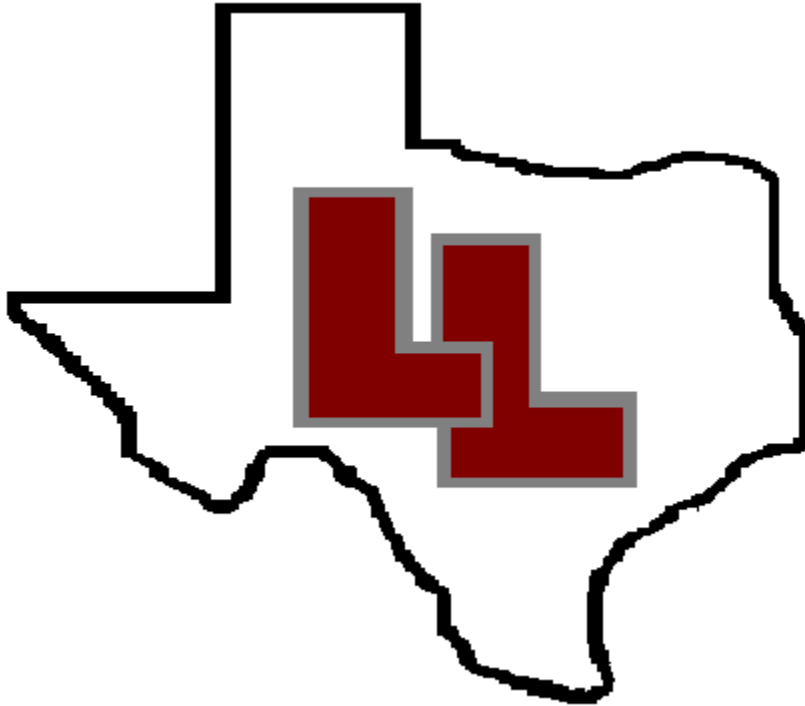
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Lockhart Independent School District  
Comprehensive Annual Financial Report  
For The Year Ended June 30, 2016

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## *Introductory Section*

November 4, 2016

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, 2016 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 school 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.



## **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 12<sup>th</sup> grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2015-2016 total enrollment was 5,397 as of the Public Education Information Management System (PEIMS) snapshot date in October 2015. The District has 352 certified teachers, 84 other professional staff, and 218 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.

### **Budgetary Control**

Budgetary control is initiated when the Board adopts the annual appropriated budget for the General Fund, School Nutrition Fund and the Debt Service Funds. To ensure budgetary compliance, the Texas Education Agency (T.E.A.) and the District have established spending regulations and policies. The District's local policies can be found at the District's website at <http://pol.tasb.org/Home/Index/245> in the Board of Trustees policy manual. For all administrators with line item or program responsibility, 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.

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 the 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 5,664 in 2016-2017, an increase of 267 students from 2015-2016. The adopted 2016-2017 General Fund budget is \$42,043,866, a decrease from \$42,165,518 in 2015-2016, or \$121,652. The decrease in funding is attributable conservative budgeting due to flat enrollment in 2015-2016. Decreases in projected student average daily attendance decreases state revenues. The district was able to maintain a balanced budget for 2016-2017, which provided for increases in employee compensation.

### **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 2015-2016, the District invested \$937 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 and 2016, and will continue in the summer of 2017.

### **Relevant Financial Policies**

The 2015-2017 bank depository agreement provides for a floor of 0.6% in interest income and is secured by collateral. In the 2015-2017 bank depository agreement, additional terms included above average certificates of deposit interest rates.

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

### **Awards and Acknowledgements**

#### **Awards**

The Texas Education Agency has a Financial Accountability Rating System named Schools FIRST (Financial Integrity Rating System of Texas). This rating system was required in SB 218 of the 77<sup>th</sup> Texas Legislature (2001). The primary goal of Schools FIRST is to improve the management of school 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. For the 2014-2015 school year, the district received a Schools FIRST Superior Achievement 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, 2015. This was the eleventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Government Finance Officers Association

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

Presented to

**Lockhart Independent School District  
Texas**

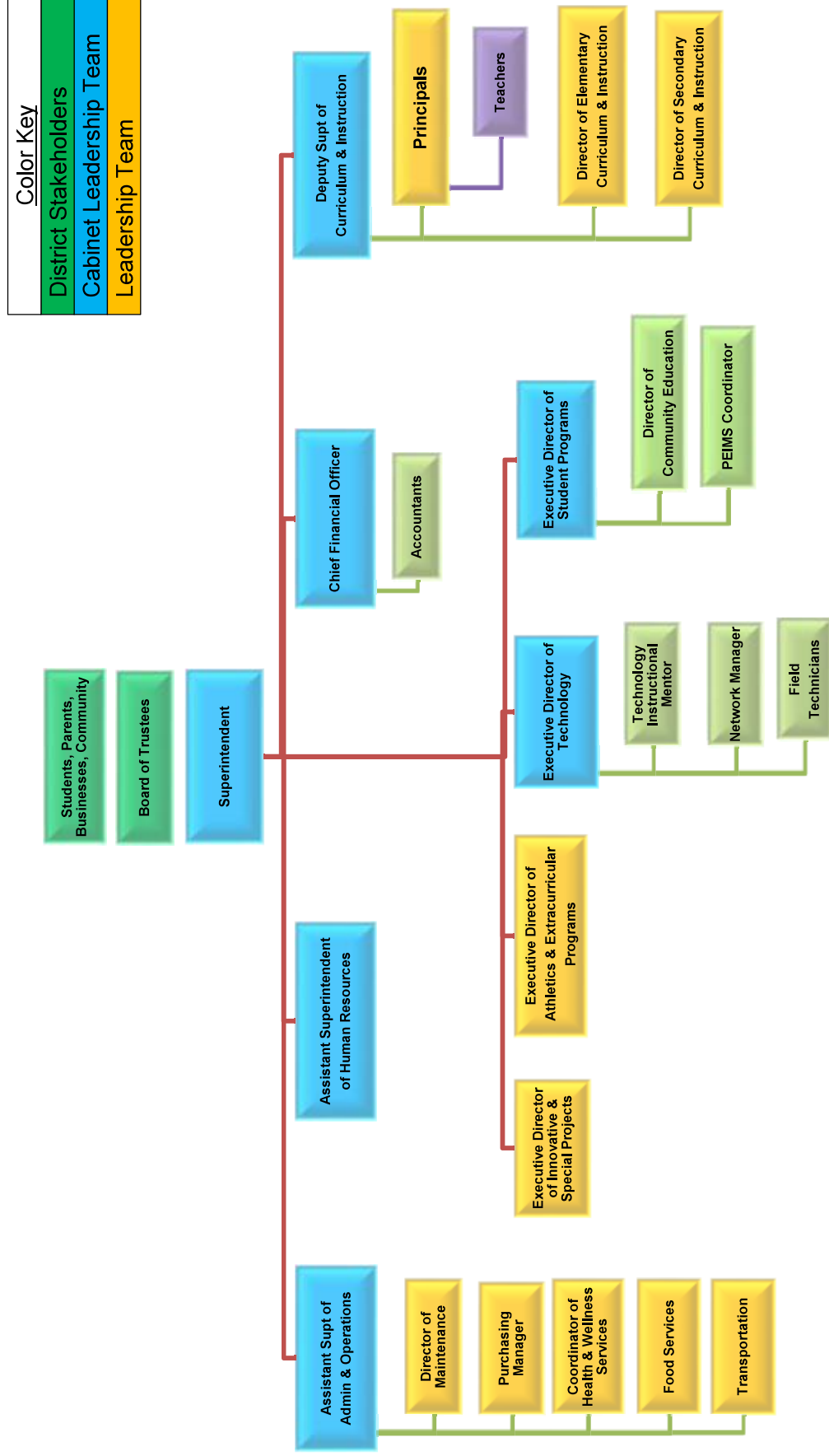
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# Lockhart Independent School District

2015-2016



# LOCKHART INDEPENDENT SCHOOL DISTRICT

## LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2016

### Elected Officials

<u>Name</u>	<u>Office</u>
Brenda Spillmann	President
Steve Johnson	Vice-President
Tom Guyton	Secretary
Carl Cisneros	Trustee
Jon Reyes	Trustee
Michael Wright	Trustee

### Appointed Officials

<u>Name</u>	<u>Position</u>
Susan Bohn	Superintendent
Kim Brents	Deputy Superintendent Curriculum and Instruction
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  
Name of School District

Caldwell  
County

028-902  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) \_\_\_\_\_approved \_\_\_\_\_disapproved for the year ended June 30, 2016, 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, 2016, 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, 2016, 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 2016, Lockhart Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2016, Lockhart Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 76, *Hierarchy of GAAP*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2016, Lockhart Independent School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 79, *Investment Pools*. 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*

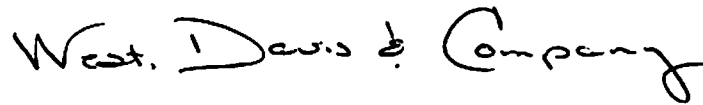
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lockhart Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2016 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.

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

West, Davis & Company, LLP  
Austin, Texas  
November 7, 2016

## **Lockhart Independent School District**

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

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

In this section of the Annual Financial and Compliance Report, we, the managers of Lockhart Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended June 30, 2016. 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 increased from \$20.1 million to \$21.1 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 \$1.2 million at June 30, 2016. The increase in governmental net position was primarily due to cost savings. More information is presented in the paragraph following Table II on the next page.

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

**NET POSITION**  
in thousands

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	56,084	87,262	75	68	56,159	87,330
Capital assets	63,231	31,947	-	-	63,231	31,947
Total Assets	119,315	119,209	75	68	119,390	119,277
Deferred Outflow Related to Pensions	4,631	1,164	-	-	4,631	1,164
Long-term Liabilities	93,397	90,785	-	-	93,397	90,785
Other liabilities	8,690	7,881	75	68	8,765	7,949
Total liabilities	102,087	98,666	75	68	102,162	98,734
Deferred Inflow Related to Pensions	770	1,616	-	-	770	1,616
Net Position:						
Net investment in capital assets	14,345	7,356	-	-	14,345	7,356
Restricted	5,521	5,577	-	-	5,521	5,577
Unrestricted	1,223	7,158	-	-	1,223	7,158
Total net position	21,089	20,091	-	-	21,089	20,091

## CHANGES IN NET POSITION

in thousands

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	602	609	-	-	602	609
Operating grants and contributions	7,301	7,049	-	-	7,301	7,049
General Revenues:						
Maintenance and operations taxes	11,016	11,206	-	-	11,016	11,206
Debt Service taxes	3,056	4,117	-	-	3,056	4,117
Grants and Contributions not restricted to specific functions	32,321	29,778	89	89	32,410	29,867
Investment Earnings	385	186	-	-	385	186
Miscellaneous	1,665	1,266	644	605	2,309	1,871
Total Revenue	<u>56,346</u>	<u>54,211</u>	<u>733</u>	<u>694</u>	<u>57,079</u>	<u>54,905</u>
Expenses:						
Instruction, curriculum and media services	30,290	27,893	-	-	30,290	27,893
Instructional and school leadership	3,986	3,503	-	-	3,986	3,503
Student support services	4,452	4,528	-	-	4,452	4,528
Child Nutrition	3,220	3,184	-	-	3,220	3,184
Co-curricular activities	1,452	1,405	-	-	1,452	1,405
General administration	2,057	2,304	-	-	2,057	2,304
Plant maintenance, security and data processing	5,640	4,841	-	-	5,640	4,841
Community services	27	55	-	-	27	55
Debt services	2,971	2,614	-	-	2,971	2,614
Payments related to SSA	848	849	-	-	848	849
Intergovernmental Charges	328	288	-	-	328	288
Business-type activities	-	-	810	841	810	841
Total Expenses	<u>55,271</u>	<u>51,464</u>	<u>810</u>	<u>841</u>	<u>56,081</u>	<u>52,305</u>
Change in net position before transfers	1,075	2,747	(77)	(147)	998	2,600
Transfers	(77)	(147)	77	147	-	-
Change in Net Position	<u>998</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>998</u>	<u>2,600</u>

## 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 \$10.3 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 \$14.8 million, which is \$0.1 million less than last years' total of \$14.9 million. The decrease in fund balance is mainly attributable to planned one-time expenditures of furniture, fixtures and equipment related to the District's bond program.

The District's Bond Program fund reported a fund balance of \$27.2 million. The Bond Program fund balance was \$31.9 million less at June 30, 2016, as compared to 2015, due to planned capital expenditures 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 \$5.9 million as compared to \$5.8 million in 2015, which is \$0.1 million more than the previous year. In 2016, the Bond Program continued to be a major fund due to the size of the bond issuance.

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 2015). 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 2016, the District had \$63 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 \$63 million (net of accumulated depreciation) as compared to the previous years' \$32 million, was due to construction in progress projects in the amount of \$38.2 million and the current year's depreciation expense in the amount of \$2.6 million.

The District's fiscal year 2015-2016 General Fund capital budget provided no funds for expenditures for new instructional facilities, however it budgeted \$1.3 million for capital expenditures. The \$1.3 million is comprised of \$303 thousand for a new phone system, \$224 thousand for security cameras, \$428 thousand for technology infrastructure, \$66 thousand for a portable building, \$160 thousand for vehicles and \$119 thousand for various other capital expenditures. 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 \$83.1 million in bonds outstanding, maintenance tax notes and accumulated accretion on CAB's versus \$85.5 million last year. The decrease of \$2.4 million is attributable to payments made on the bond debt during fiscal 2016.

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 2016-2017 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 \$42.0 million for the 2016-2017 fiscal year. The budget decreased from 2015-2016 to 2016-2017 by \$0.2 million, a direct result from conservative budgeting based upon 0% enrollment growth that was experienced during 2015-2016. Since the 2016-2017 school year began, the District has been experiencing moderate to high level growth in student enrollment, which was unanticipated. The 2016-2017 adopted budget included a competitive pay and benefits plan.

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 2016-2017 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, 2016

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ 6,050,871	\$ 68,516	\$ 6,119,387
1120 Current Investments	46,828,151	--	46,828,151
1225 Property Taxes Receivable (Net)	817,109	--	817,109
1240 Due from Other Governments	1,770,260	--	1,770,260
1250 Accrued Interest	159,604	--	159,604
1267 Due from Fiduciary	2,077	548	2,625
1290 Other Receivables (Net)	301,392	5,889	307,281
1410 Unrealized Expenses	154,942	--	154,942
Capital Assets:			
1510 Land	2,525,469	--	2,525,469
1520 Buildings and Improvements, Net	19,180,070	--	19,180,070
1530 Furniture and Equipment, Net	3,270,822	--	3,270,822
1580 Construction in Progress	38,254,146	--	38,254,146
1000 Total Assets	<u>119,314,913</u>	<u>74,953</u>	<u>119,389,866</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
1705 Deferred Outflow Related to Pensions	4,630,975	--	4,630,975
1700 Total Deferred Outflows of Resources	<u>4,630,975</u>	<u>--</u>	<u>4,630,975</u>
<b>LIABILITIES:</b>			
2110 Accounts Payable	710,001	6,839	716,840
2140 Interest Payable	1,357,977	--	1,357,977
2165 Accrued Liabilities	4,759,421	58,559	4,817,980
2177 Due to Fiduciary	13,832	--	13,832
2180 Due to Other Governments	23,915	--	23,915
2300 Unearned Revenue	114,922	9,555	124,477
2400 Payable from Restricted Assets	1,710,059	--	1,710,059
Noncurrent Liabilities:			
2501 Due Within One Year	2,360,000	--	2,360,000
2502 Due in More Than One Year	80,696,432	--	80,696,432
2540 Net Pension Liability	10,340,829	--	10,340,829
2000 Total Liabilities	<u>102,087,388</u>	<u>74,953</u>	<u>102,162,341</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2605 Deferred Inflow Related to Pensions	769,579	--	769,579
2600 Total Deferred Inflows of Resources	<u>769,579</u>	<u>--</u>	<u>769,579</u>
<b>NET POSITION:</b>			
3200 Net Investment in Capital Assets	14,345,229	--	14,345,229
Restricted For:			
3820 Federal and State Programs	699,045	--	699,045
3850 Debt Service	4,689,109	--	4,689,109
3870 Campus Activities	132,619	--	132,619
3900 Unrestricted	1,222,919	--	1,222,919
3000 Total Net Position	<u>\$ 21,088,921</u>	<u>\$ --</u>	<u>\$ 21,088,921</u>

The accompanying notes are an integral part of this statement.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	1	3	4
		Program Revenues	
Data Control Codes	Functions/Programs	Charges for Services	Operating Grants and Contributions
	Expenses		
	Governmental Activities:		
11	Instruction	\$ --	\$ 3,470,380
12	Instructional Resources and Media Services	--	27,363
13	Curriculum and Staff Development	--	26,648
21	Instructional Leadership	--	32,252
23	School Leadership	--	153,146
31	Guidance, Counseling, & Evaluation Services	--	304,366
32	Social Work Services	--	2,094
33	Health Services	--	96,926
34	Student Transportation	--	13,021
35	Food Service	408,364	2,892,198
36	Cocurricular/Extracurricular Activities	128,880	45,128
41	General Administration	--	76,983
51	Facilities Maintenance and Operations	64,903	140,274
52	Security and Monitoring Services	--	2,154
53	Data Processing Services	--	12,690
61	Community Services	--	5,524
72	Interest on Long-term Debt	--	--
73	Bond Issuance Costs and Fees	--	--
93	Payments Related to Shared Services Arrangements	--	--
99	Other Intergovernmental Charges	--	--
TG	Total Governmental Activities	602,147	7,301,147
	Business-type Activities:		
01	Summer Recreation	--	--
02	After School Program	--	--
03	Cubhouse Students	--	--
04	GED Adult Ed.	--	--
06	Cubhouse Employees	--	--
07	Community Ed. Adm.	--	--
TB	Total Business-type Activities	--	--
TP	Total Primary Government	\$ 602,147	\$ 7,301,147
	General Revenues:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
IE	Investment Earnings		
GC	Grants and Contributions Not Restricted to Specific Programs		
MI	Miscellaneous		
FR	Transfers		
TR	Total General Revenues and Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
NE	Net Position - Ending		

The accompanying notes are an integral part of this statement.

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8

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (25,659,433)		\$ (25,659,433)
(690,730)		(690,730)
(415,713)		(415,713)
(699,677)		(699,677)
(3,101,400)		(3,101,400)
(1,611,070)		(1,611,070)
(119,326)		(119,326)
(370,364)		(370,364)
(1,934,825)		(1,934,825)
80,829		80,829
(1,277,992)		(1,277,992)
(1,980,204)		(1,980,204)
(4,934,234)		(4,934,234)
(156,874)		(156,874)
(328,812)		(328,812)
(21,420)		(21,420)
(2,963,302)		(2,963,302)
(7,455)		(7,455)
(847,369)		(847,369)
(328,103)		(328,103)
<u>(47,367,474)</u>		<u>(47,367,474)</u>
--	\$ (65,625)	(65,625)
--	(163,714)	(163,714)
--	(181,068)	(181,068)
--	(70,782)	(70,782)
--	(150,644)	(150,644)
--	(177,975)	(177,975)
--	(809,808)	(809,808)
<u>(47,367,474)</u>	<u>(809,808)</u>	<u>(48,177,282)</u>
11,016,253	--	11,016,253
3,055,997	--	3,055,997
385,185	--	385,185
32,320,360	88,614	32,408,974
1,664,424	644,290	2,308,714
(76,904)	76,904	--
<u>48,365,315</u>	<u>809,808</u>	<u>49,175,123</u>
997,841	--	997,841
20,091,080	--	20,091,080
<u>\$ 21,088,921</u>	<u>\$ --</u>	<u>\$ 21,088,921</u>

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

JUNE 30, 2016

Data Control Codes	10 General Fund	60 Bond Program	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 4,040,167	\$ 1,262,188	\$ 748,516	\$ 6,050,871
1120 <i>Current Investments</i>	14,131,396	27,194,274	5,502,481	46,828,151
1225 <i>Taxes Receivable, Net</i>	635,050	--	182,059	817,109
1240 <i>Due from Other Governments</i>	614,570	--	1,155,690	1,770,260
1250 <i>Accrued Interest</i>	3,974	155,490	140	159,604
1260 <i>Due from Other Funds</i>	635,402	290,575	322,760	1,248,737
1290 <i>Other Receivables</i>	206,269	--	95,123	301,392
1410 <i>Unrealized Expenditures</i>	154,942	--	--	154,942
1000 <b>Total Assets</b>	<u>20,421,770</u>	<u>28,902,527</u>	<u>8,006,769</u>	<u>57,331,066</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 697,612	\$ 2,746	\$ 9,643	\$ 710,001
2150 <i>Payroll Deductions &amp; Withholdings</i>	1,054,713	--	73,908	1,128,621
2160 <i>Accrued Wages Payable</i>	3,226,102	--	404,698	3,630,800
2170 <i>Due to Other Funds</i>	--	--	1,260,492	1,260,492
2180 <i>Due to Other Governments</i>	972	--	22,943	23,915
2300 <i>Unearned Revenue</i>	638,371	--	293,660	932,031
2400 <i>Payable from Restricted Assets</i>	--	1,710,059	--	1,710,059
2000 <b>Total Liabilities</b>	<u>5,617,770</u>	<u>1,712,805</u>	<u>2,065,344</u>	<u>9,395,919</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	699,045	699,045
3470 <i>Capital Acquisitions &amp; Contractual Obligations</i>	--	27,189,722	--	27,189,722
3480 <i>Retirement of Long-Term Debt</i>	--	--	4,742,964	4,742,964
3490 <i>Other Restrictions of Fund Balance</i>	--	--	132,619	132,619
Committed Fund Balances:				
3510 <i>Construction</i>	250,000	--	--	250,000
3545 <i>Other Committed Fund Balance</i>	1,958,657	--	366,797	2,325,454
3600 <i>Unassigned</i>	12,595,343	--	--	12,595,343
3000 <b>Total Fund Balances</b>	<u>14,804,000</u>	<u>27,189,722</u>	<u>5,941,425</u>	<u>47,935,147</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 20,421,770</u>	<u>\$ 28,902,527</u>	<u>\$ 8,006,769</u>	<u>\$ 57,331,066</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2016*

Total fund balances - governmental funds balance sheet	\$ 47,935,147
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	63,230,508
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	817,109
Payables for bond principal which are not due in the current period are not reported in the funds.	(76,075,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,084,422)
Payables for bond interest which are not due in the current period are not reported in the funds.	(1,357,977)
Bond premiums are recorded in the SNP but not in the funds.	(5,897,010)
The District's proportionate share of the net pension liability (PSNPL) is not reported in the funds.	(10,340,829)
Deferred Resource Inflows (DRI) related to the pension plan are not reported in the funds.	(769,579)
Deferred Resource Outflows (DRO) related to the pension plan are not reported in the funds.	4,630,975
Rounding difference	(1)
Net position of governmental activities - Statement of Net Position	<u>\$ 21,088,921</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Data Control Codes	10 General Fund	60 Bond Program	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 11,841,383	\$ 265,394	\$ 4,842,673	\$ 16,949,450
5800 <i>State Program Revenues</i>	30,195,599	--	2,613,247	32,808,846
5900 <i>Federal Program Revenues</i>	188,449	--	5,685,477	5,873,926
5020 <b>Total Revenues</b>	<u>42,225,431</u>	<u>265,394</u>	<u>13,141,397</u>	<u>55,632,222</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	23,505,907	--	3,274,504	26,780,411
0012 <i>Instructional Resources and Media Services</i>	611,399	--	44,114	655,513
0013 <i>Curriculum and Staff Development</i>	350,310	--	56,160	406,470
0021 <i>Instructional Leadership</i>	483,157	--	191,101	674,258
0023 <i>School Leadership</i>	2,931,425	--	473	2,931,898
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	1,281,959	--	477,997	1,759,956
0032 <i>Social Work Services</i>	112,675	--	--	112,675
0033 <i>Health Services</i>	359,316	--	65,748	425,064
0034 <i>Student Transportation</i>	1,847,242	--	98,009	1,945,251
0035 <i>Food Service</i>	49,682	--	3,446,564	3,496,246
0036 <i>Cocurricular/Extracurricular Activities</i>	1,270,368	--	71,827	1,342,195
0041 <i>General Administration</i>	1,867,029	--	3,770	1,870,799
0051 <i>Facilities Maintenance and Operations</i>	4,564,256	--	159,327	4,723,583
0052 <i>Security and Monitoring Services</i>	207,425	24,126	--	231,551
0053 <i>Data Processing Services</i>	311,674	--	--	311,674
0061 <i>Community Services</i>	--	--	6,532	6,532
0071 <i>Principal on Long-term Debt</i>	--	--	2,090,000	2,090,000
0072 <i>Interest on Long-term Debt</i>	--	--	3,340,304	3,340,304
0073 <i>Bond Issuance Costs and Fees</i>	--	--	7,455	7,455
0081 <i>Capital Outlay</i>	937,205	32,114,529	--	33,051,734
0093 <i>Payments to Shared Service Arrangements</i>	750,780	--	96,589	847,369
0099 <i>Other Intergovernmental Charges</i>	328,103	--	--	328,103
6030 <b>Total Expenditures</b>	<u>41,769,912</u>	<u>32,138,655</u>	<u>13,430,474</u>	<u>87,339,041</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>455,519</u>	<u>(31,873,261)</u>	<u>(289,077)</u>	<u>(31,706,819)</u>
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	29,944	--	--	29,944
7915 <i>Transfers In</i>	--	--	460,855	460,855
7949 <i>Other Resources</i>	--	--	8,392	8,392
8911 <i>Transfers Out</i>	(537,759)	--	--	(537,759)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>(507,815)</u>	<u>--</u>	<u>469,247</u>	<u>(38,568)</u>
1200 <b>Net Change in Fund Balances</b>	<u>(52,296)</u>	<u>(31,873,261)</u>	<u>180,170</u>	<u>(31,745,387)</u>
0100 <b>Fund Balances - Beginning</b>	<u>14,856,296</u>	<u>59,062,983</u>	<u>5,761,255</u>	<u>79,680,534</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 14,804,000</u>	<u>\$ 27,189,722</u>	<u>\$ 5,941,425</u>	<u>\$ 47,935,147</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016*

Net change in fund balances - total governmental funds \$ (31,745,387)

Amounts reported for governmental activities in the Statement of Activities  
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	33,891,453
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,554,275)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(54,000)
To reverse fund level accrual of Teacher Retirement System on-behalf contributions.	1,380,772
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(262,765)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,090,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	(66,635)
(Increase) decrease in accrued interest from beginning of period to end of period.	21,091
To record State's total proportionate share of collective pension expense that is associated with the District.	(2,318,492)
The fund level accrual of Teacher Retirement System onbehalf contributions are reversed.	(1,380,772)
To increase (decrease) the State's proportionate share of pension expense.	2,318,492
Reverse contributions made after the prior year measurement date and before the end of the prior year.	(738,708)
Deferred Outflows for contributions made after the current measurement date & before the year end.	775,929
District contributions must be de-expended for fiscal year 2015.	866,217
The District's proportionate share of Teacher Retirement System plan wide pension expense.	(694,582)
Current year amortization of previous year deferred resource outflows and inflows.	332,349
Bond premiums are reported in the SOA but not in the funds.	422,546
Pension contributions made post measurement date but in current fiscal year.	(1,285,392)

Change in net position of governmental activities - Statement of Activities \$ 997,841

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2016

Data Control Codes		Nonmajor Enterprise Funds
<b>ASSETS:</b>		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 68,516
Receivables:		
1260	Due from Other Funds	548
1290	Other Receivables (net)	5,889
	Total Current Assets	74,953
1000	Total Assets	74,953
<b>LIABILITIES:</b>		
Current Liabilities:		
2110	Accounts Payable	\$ 6,839
2150	Payroll Deduction & Withholdings	7,176
2160	Accrued Wages Payable	51,383
2300	Unearned Revenues	9,555
	Total Current Liabilities	74,953
2000	Total Liabilities	74,953
<b>NET POSITION:</b>		
3000	Total Net Position	\$ —

The accompanying notes are an integral part of this statement.



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN FUND NET POSITION - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>		
5700	Local and Intermediate Sources	\$ 644,290
5800	State Program Revenues	88,614
5020	Total Revenues	<u>732,904</u>
<b>OPERATING EXPENSES:</b>		
6100	Payroll Costs	662,178
6200	Professional and Contracted Services	99,877
6300	Supplies and Materials	39,735
6400	Other Operating Costs	8,018
6030	Total Expenses	<u>809,808</u>
	Income (Loss) before Contributions and Transfers	(76,904)
7915	Transfers In	267,844
8911	Transfers Out	<u>(190,940)</u>
1300	Change in Net Position	--
0100	Total Net Position - Beginning	--
3300	Total Net Position - Ending	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

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**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE YEAR ENDED JUNE 30, 2016**

	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$ 647,845
<i>Cash Received from Grants</i>	88,614
<i>Cash Payments to Employees for Services</i>	(658,703)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(150,306)
Net Cash Provided (Used) by Operating Activities	<u>(72,550)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Transfers From Other Funds</i>	268,109
<i>Transfers (To) Other Funds</i>	(185,000)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>83,109</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 10,559
Cash and Cash Equivalents at Beginning of Year	57,957
Cash and Cash Equivalents at End of Year	<u>\$ 68,516</u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (76,904)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	3,757
<i>Decrease (Increase) in Interfund Receivables</i>	(548)
<i>Decrease (Increase) in Unrealized Expenses</i>	131
<i>Increase (Decrease) in Accounts Payable</i>	(2,654)
<i>Increase (Decrease) in Payroll Deductions</i>	(1,450)
<i>Increase (Decrease) in Accrued Wages Payable</i>	5,426
<i>Increase (Decrease) in Interfund Payables</i>	(730)
<i>Increase (Decrease) in Unearned Revenue</i>	422
Total Adjustments	<u>4,354</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (72,550)</u>

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2016

Data Control Codes		Private-purpose Trust Fund	Agency Fund
		Scholarship Fund	Noncentralized Activity Funds
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 199,567	\$ 110,121
1250	Accrued Interest	140	--
1260	Due from Other Funds	700	13,132
1800	Restricted Assets	151,280	--
1000	Total Assets	<u>351,687</u>	<u>123,253</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ 565
2170	Due to Other Funds	--	2,625
2190	Due to Student Groups	--	120,063
2300	Unearned Revenues	10	--
2000	Total Liabilities	<u>10</u>	<u>123,253</u>
<b>NET POSITION:</b>			
3800	Held in Trust	351,677	--
3000	Total Net Position	<u>\$ 351,677</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT***STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**FIDUCIARY FUNDS**FOR THE YEAR ENDED JUNE 30, 2016*

	Private- Purpose Trusts	Scholarship Funds
<b>Additions:</b>		
Investment Income	\$ 2,717	
Gifts and Bequests	62,136	
Total Additions	64,853	
<b>Deductions:</b>		
Personnel costs	--	
Scholarships and Awards	60,075	
Supplies and Materials	437	
Professional Services	--	
Total Deductions	60,512	
<b>Change in Net Assets</b>	4,341	
Net Position-Beginning of the Year	347,336	
Net Position-End of the Year	\$ 351,677	

The accompanying notes are an integral part of this statement.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### A. Summary of Significant Accounting Policies

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

#### 1. Reporting Entity

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

#### 2. Basis of Presentation, Basis of Accounting

##### a. Basis of Presentation

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

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

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

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

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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 considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### 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:

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

#### e. Deferred Outflows and Inflows of Resources

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



## LOCKHART INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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

f. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

i. Data Control Codes

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

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Committed Fund Balance consists of the following:

		<u>General</u>	<u>Food Service</u>
Various construction projects	\$	250,000	\$ --
High School Food Service Equipment			366,797
Bond Program support			
Classroom Furniture	\$	482,960	--
Projectors		280,692	--
Training Equipment		145,351	--
Security Cameras		197,423	--
Other		852,231	--
		<u>1,958,657</u>	<u>--</u>
	\$	<u>2,208,657</u>	<u>\$ 366,797</u>

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

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

4. Pensions

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### 5. New Accounting Standards Adopted

In fiscal year 2016, the District adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

-- Statement No. 72, *Fair Value Measurement and Application*

-- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*

-- Statement No. 77, *Tax Abatement Disclosures*

- a. Statement No. 72 requires state and local governments to measure investments at fair value using a consistent definition and valuation techniques; also defines what assets and liabilities governments should measure at fair value and expands fair value disclosures in financial disclosure notes. While the Statement generally requires restatement of prior period balances in the year of implementation, the nature of the District's investments was such that their carrying amount was not affected.
- b. The GAAP hierarchy prioritizes guidance governments follow when preparing U.S. GAAP financial statements. Statement No. 76 reduces authoritative GAAP hierarchy from four categories to two and lists the order of priority for pronouncements to which a government should look for guidance.
- c. Statement No. 77 requires governments granting tax abatements to individuals and businesses to disclose program information in the notes to the financial statements through the agreement's duration and also requires disclosures about tax abatements entered into by other governments that reduce the reporting government's tax revenue. Prior year balances were not restated because there are no tax abatements associated with the District or any other government which affect the District's tax revenue.

The District has granted no such abatements.

### 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

The Texas Education Code (TEC) prohibits the expenditure of funds in excess of appropriations at the function level. The following functions exceeded appropriations at year end.

<u>Fund Name</u>	<u>Amount over Budget</u>	<u>Action Taken</u>
<u>General Fund</u>		
51-Facilities Maintenance and Operations	\$6,479	Closely monitor the effect of year-end accruals
<u>Maintenance Tax Note Debt Service Fund</u>		
72-Interest on Long-term Debt	\$4,050	Apply the proper fiscal year debt service schedules

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

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

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$6,119,387 and the bank balance was \$7,500,791. The District's cash deposits at June 30, 2016 and during the year ended June 30, 2016, 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

The District's investments at June 30, 2016 are shown below.

Investment	Fair Value Level	Rating	Maturity	Fair Value	Percentage
TexPool	*	AAAm	47 days weighted average	\$ 5,133,143	10.96%
Lone Star	*	AAA	25 days weighted average	8,355,848	17.84%
Texas TERM	*	AAAm	74 days weighted average	33,339,160	71.19%
Total Investments				<u>\$ 46,828,151</u>	<u>100.00%</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2016, 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 detailed in Note 2 above.

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District 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.

## **LOCKHART INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2016**

#### 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 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](http://www.ttstc.org).

#### TexasTERM

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### D. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,581,363	\$ 7,865	\$ 63,758	\$ 2,525,470
Construction in progress	5,489,461	32,772,550	7,865	38,254,146
Total capital assets not being depreciated	<u>8,070,824</u>	<u>32,780,415</u>	<u>71,623</u>	<u>40,779,616</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	59,413,826	777,634	2,491,141	57,700,319
Equipment	7,772,713	351,028	--	8,123,741
Total capital assets being depreciated	<u>67,186,539</u>	<u>1,128,662</u>	<u>2,491,141</u>	<u>65,824,060</u>
Less accumulated depreciation for:				
Buildings and improvements	(38,908,148)	(2,103,243)	(2,491,141)	(38,520,250)
Equipment	(4,401,887)	(451,032)	--	(4,852,919)
Vehicles	--	--	--	--
Total accumulated depreciation	<u>(43,310,035)</u>	<u>(2,554,275)</u>	<u>(2,491,141)</u>	<u>(43,373,169)</u>
Total capital assets being depreciated, net	<u>23,876,504</u>	<u>(1,425,613)</u>	<u>--</u>	<u>22,450,891</u>
Governmental activities capital assets, net	<u>\$ 31,947,328</u>	<u>\$ 31,354,802</u>	<u>\$ 71,623</u>	<u>\$ 63,230,507</u>

Depreciation was charged to functions as follows:

Instruction	\$ 1,510,213
Instructional Resources and Media Services	39,282
Curriculum and Staff Development	22,507
Instructional Leadership	31,202
School Leadership	188,339
Guidance, Counseling, & Evaluation Services	82,364
Social Work Services	7,239
Health Services	23,086
Student Transportation	118,682
Food Services	3,192
Extracurricular Activities	81,619
General Administration	119,953
Plant Maintenance and Operations	293,246
Security and Monitoring Services	13,327
Data Processing Services	20,024
	<u>\$ 2,554,275</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### E. Interfund Balances and Activities

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

Balances due to and due from other funds at June 30, 2016, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 635,402	Temporary advances
Bond Program Fund	Other Governmental Funds	290,575	Temporary advances
Other Governmental Funds	Other Governmental Funds	320,135	Temporary advances
Other Governmental Funds	Nonmajor Fiduciary Funds	2,625	Support of various programs
Nonmajor Enterprise Funds	Other Governmental Funds	548	Support of various programs
Nonmajor Fiduciary Funds	Other Governmental Funds	13,194	Support of various programs
Nonmajor Fiduciary Funds	Nonmajor Fiduciary Funds	638	Support of various programs
	Total	<u>\$ 1,263,117</u>	

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

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

Transfers to and from other funds at June 30, 2016, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Maintenance Tax Debt Service	\$ 460,855	General Fund tax collections for maintenance note debt service
General fund	Nonmajor Enterprise Funds	76,904	General Fund support for internal service functions
Nonmajor Enterprise Funds	Nonmajor Enterprise Funds	190,940	Allocated costs
	Total	<u>\$ 728,699</u>	

### F. Long-Term Obligations

#### 1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2016, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 78,165,000	\$ --	\$ 2,090,000	\$ 76,075,000	\$ 2,360,000
Capital leases	--	--	--	--	--
Accretion on CAB's	1,017,787	66,635	--	1,084,422	--
Compensated absences *	--	--	--	--	--
Premium on bonds	6,319,556	--	422,546	5,897,010	--
	<u>85,502,343</u>	<u>66,635</u>	<u>2,512,546</u>	<u>83,056,432</u>	<u>2,360,000</u>
Net Pension Liability *	5,282,977	5,924,069	866,217	10,340,829	--
Total governmental activities	<u>\$ 90,785,320</u>	<u>\$ 5,990,704</u>	<u>\$ 3,378,763</u>	<u>\$ 93,397,261</u>	<u>\$ 2,360,000</u>
		Due within one year		\$ 2,360,000	
		Due in more than one year		80,696,432	
				<u>\$ 83,056,432</u>	



# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

\* 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	\$ 6,025,000	\$ --
3/15/2007	Series 2007	3.92	8,834,988	8/1/2027	7,990,000	1,084,422
8/27/2008	Series 2008	3.75	2,345,000	8/1/2022	1,150,000	--
9/15/2011	Series 2011	2.00	2,740,000	8/1/2016	680,000	--
12/1/2012	Series 2012	2.00 to 3.00	2,930,000	2/1/2020	1,730,000	--
7/15/2014	Series 2014	3.00 to 5	58,500,000	8/1/2044	58,500,000	--
					<u>\$ 76,075,000</u>	<u>\$ 1,084,422</u>

Series	Purpose	Rating	Issued	Unissued	Spent	Unspent
2006	Refunding Building Bonds	AAA	\$ 9,524,997	\$ --	\$ 9,524,997	\$ --
2007	Refunding Building Bonds	AAA	8,834,988	--	8,834,988	--
2008	Refunding Building Bonds	AAA	2,345,000	--	2,345,000	--
2011	Refunding Building Bonds	AA	2,740,000	--	2,740,000	--
2012	Refunding Building Bonds	AAA	2,930,000	--	2,930,000	--
2014	School Building	AA	58,500,000	--	37,782,466	20,717,534
					<u>\$ 64,157,451</u>	<u>\$ 20,717,534</u>

\* 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 *	General	

## 2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2016, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
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	2,170,000	2,992,213	5,162,213
2022-2026	11,945,000	13,536,511	25,481,511
2027-2031	11,390,000	10,960,288	22,350,288
2032-2036	11,860,000	8,450,187	20,310,187
2037-2041	15,140,000	5,090,688	20,230,688
2042-2046	14,950,000	1,223,943	16,173,943
Totals	<u>\$ 76,075,000</u>	<u>\$ 56,189,211</u>	<u>\$ 132,264,211</u>

Individual issue debt service requirements are posted on the District's website [www.lockhartisd.org](http://www.lockhartisd.org).

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

<u>Bond Issue</u>	<u>Amount</u>
Series 2002	\$ 9,895,000
Total	<u>\$ 9,895,000</u>

### 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 2016, 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 [https://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](https://www.trs.texas.gov/Pages/about_archive_cafr.aspx); 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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature, as noted in the plan description in (1.) above.

### 4. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<b><u>Contribution Rates</u></b>	
	<b><u>2015</u></b>	<b><u>2016</u></b>
Member	6.7%	7.2%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%

	<b><u>Contributions</u></b>
2016 Employer Contributions	\$ 903,438
2016 Member Contributions	\$ 2,026,884
2015 NECE On-Behalf Contributions	\$ 1,363,453

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.

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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

- 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.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

#### 5. Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial evaluation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8%
Long-term expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

#### 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 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 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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2015 are summarized below:

<b>Teacher Retirement System of Texas</b> <b>Asset Allocation and Long-Term Expected Real Rate of Return</b> <b>As of August 31, 2015</b>			
	<b>Target Allocation</b>	<b>Long-term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-term Portfolio Returns *</b>
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Hedge Funds (Stable Value)	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflat. Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy & Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<b>100%</b>		<b>8.7%</b>
* 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% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 net pension liability.

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	\$ 16,202,119	\$ 10,340,829	\$ 5,458,726

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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

At June 30, 2016, the District reported a liability of \$10,340,829 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	\$ 10,340,829
State's proportionate share of the net pension liability associated with the District	<u>16,271,958</u>
Total	<u>\$ 26,612,787</u>

The net pension liability was measured as of August 31, 2015 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, 2014 through August 31, 2015.

At August 31, 2015 the employer's proportion of the collective net pension liability was 0.0292538%. which was an increase (decrease) of 0.0094758% from its proportion measured as of August 31, 2014.

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

#### *Economic Assumptions*

- a. The inflation assumption was decreased from 3.00% to 2.50%
- b. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- c. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- d. The payroll growth assumption was lowered from 3.50% to 2.50%

#### *Mortality Assumptions*

- e. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- f. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- g. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

*Other Demographic Assumptions*

- h. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- i. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- j. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- k. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- l. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

- m. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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

For the year ended August 31, 2016, the District recognized pension expense of \$2,318,492 and revenue of \$2,318,492 for support provided by the State.

At June 30, 2016, 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 of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 67,950	\$ 397,407
Changes in actuarial assumptions	285,594	368,915
Difference between projected and actual investment earnings	1,335,697	--
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	2,165,806	3,257
Total as of August 31, 2015 measurement date	3,855,046	769,579
District contributions paid to TRS subsequent to the measurement date	775,929	--
Total	\$ 4,630,975	\$ 769,579

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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

Year Ended June 30	Pension Expense Amount
2017	\$ 541,057
2018	541,057
2019	541,059
2020	944,731
2021	303,819
Thereafter	213,744
	<u>\$ 3,085,467</u>

### 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](http://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 2016, 2015, and 2014. 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 2016, 2015 and 2014. For the years ended June 30, 2016, 2015, and 2014, the State's contributions to TRS-Care were \$284,566, \$275,820, and \$235,460, respectively, the active member contributions were \$184,969, \$179,282, and \$153,049, respectively, and the District's contributions were \$156,511, \$151,705, and \$129,503, 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, 2016, 2015, and 2014,



**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

the subsidy payments received by TRS-Care on behalf of the District were \$87,001, \$118,650, and \$73,029, respectively.

**J. Employee Health Care Coverage**

During the period ended June 30, 2016, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of \$385 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 year end.

**3. Construction Commitments**

The District's Bond Program Fund (Capital Projects) has outstanding construction contract commitments in the amount of \$23 million. These commitments relate primarily 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:

<u>Member Districts</u>	<u>Special Ed. Expenditures</u>	<u>Medicaid Expenditures</u>
Lockhart ISD	\$ 943,497	\$ 4,598
Luling ISD	229,826	795
Prairie Lea	36,288	151
Total	<u>\$ 1,209,611</u>	<u>\$ 5,544</u>

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### *Required Supplementary Information*

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 11,590,550	\$ 11,967,068	\$ 11,841,383	\$ (125,685)
5800	State Program Revenues	30,409,812	30,565,406	30,195,599	(369,807)
5900	Federal Program Revenues	190,765	190,765	188,449	(2,316)
5020	Total Revenues	42,191,127	42,723,239	42,225,431	(497,808)
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	23,857,294	25,445,902	23,505,907	1,939,995
0012	Instructional Resources and Media Services	620,111	728,156	611,399	116,757
0013	Curriculum and Staff Development	462,825	433,253	350,310	82,943
	Total Instruction & Instr. Related Services	24,940,230	26,607,311	24,467,616	2,139,695
Instructional and School Leadership:					
0021	Instructional Leadership	501,838	556,194	483,157	73,037
0023	School Leadership	3,050,453	3,057,193	2,931,425	125,768
	Total Instructional & School Leadership	3,552,291	3,613,387	3,414,582	198,805
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	1,323,645	1,354,784	1,281,959	72,825
0032	Social Work Services	115,256	115,855	112,675	3,180
0033	Health Services	385,220	387,610	359,316	28,294
0034	Student (Pupil) Transportation	1,922,650	1,892,678	1,847,242	45,436
0035	Food Services	35,000	50,200	49,682	518
0036	Cocurricular/Extracurricular Activities	1,329,236	1,559,515	1,270,368	289,147
	Total Support Services - Student (Pupil)	5,111,007	5,360,642	4,921,242	439,400
Administrative Support Services:					
0041	General Administration	1,866,733	1,967,002	1,867,029	99,973
	Total Administrative Support Services	1,866,733	1,967,002	1,867,029	99,973
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	4,346,923	4,557,777	4,564,256	(6,479)
0052	Security and Monitoring Services	132,521	472,053	207,425	264,628
0053	Data Processing Services	295,338	315,560	311,674	3,886
	Total Support Services - Nonstudent Based	4,774,782	5,345,390	5,083,355	262,035
Ancillary Services:					
0061	Community Services	2,050	2,050	--	2,050
	Total Ancillary Services	2,050	2,050	--	2,050
Capital Outlay:					
0081	Capital Outlay	111,625	1,313,792	937,205	376,587
	Total Capital Outlay	111,625	1,313,792	937,205	376,587
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	750,000	750,000	750,780	(780)
0099	Other Intergovernmental Charges	350,000	338,313	328,103	10,210
	Total Intergovernmental Charges	1,100,000	1,088,313	1,078,883	9,430
6030	Total Expenditures	41,458,718	45,297,887	41,769,912	3,527,975

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	732,409	(2,574,648)	455,519	3,030,167
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	32,568	29,944	(2,624)
8911	Transfers Out	(706,800)	(739,703)	(537,759)	201,944
7080	Total Other Financing Sources and (Uses)	(706,800)	(707,135)	(507,815)	199,320
1200	Net Change in Fund Balance	25,609	(3,281,783)	(52,296)	3,229,487
0100	Fund Balance - Beginning	14,856,296	14,856,296	14,856,296	--
3000	Fund Balance - Ending	\$ 14,881,905	\$ 11,574,513	\$ 14,804,000	\$ 3,229,487

# 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				
	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.0292538%	0.0197780%	--	--	--
District's proportionate share of the net pension liability (asset)	\$ 10,340,829	\$ 5,282,977	\$ --	\$ --	\$ --
State's proportionate share of the net pension liability (asset) associated with the District	16,271,958	13,744,870	--	--	--
Total	<u>\$ 26,612,787</u>	<u>\$ 19,027,847</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered-employee payroll	\$ 27,754,797	\$ 26,227,055	\$ --	\$ --	\$ --
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.26%	20.14%	--	--	--
Plan fiduciary net position as a percentage of the total pension liability	78.43%	83.25%	--	--	--

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

EXHIBIT G-2

Fiscal Year				
2011	2010	2009	2008	2009
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Contractually required contribution	\$ 903,438	\$ 810,976	\$ --	\$ --	\$ --
Contributions in relation to the contractually required contribution	(903,438)	(810,976)	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 28,456,580	\$ 27,582,011	\$ --	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	3.17%	2.94%	--	--	--

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



# EXHIBIT G-3

Fiscal Year				
2011	2010	2009	2008	2007
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2016**

### **Budget**

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

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

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

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

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

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

### **Defined Benefit Pension Plan**

#### *Changes of benefit terms*

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

#### *Changes of assumptions*

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

*Combining Statements and Budget Comparisons  
as Supplementary Information*

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

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

JUNE 30, 2016

Data Control Codes		Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 545,366	\$ 203,150	\$ 748,516
1120	Current Investments	1,052,563	4,449,918	5,502,481
1225	Taxes Receivable, Net	--	182,059	182,059
1240	Due from Other Governments	1,002,492	153,198	1,155,690
1250	Accrued Interest	140	--	140
1260	Due from Other Funds	322,760	--	322,760
1290	Other Receivables	84,351	10,772	95,123
1000	Total Assets	<u>3,007,672</u>	<u>4,999,097</u>	<u>8,006,769</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 9,643	\$ --	\$ 9,643
2150	Payroll Deductions & Withholdings	73,908	--	73,908
2160	Accrued Wages Payable	404,698	--	404,698
2170	Due to Other Funds	1,186,418	74,074	1,260,492
2180	Due to Other Governments	22,943	--	22,943
2300	Unearned Revenue	111,601	182,059	293,660
2000	Total Liabilities	<u>1,809,211</u>	<u>256,133</u>	<u>2,065,344</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	699,045	--	699,045
3480	Retirement of Long-Term Debt	--	4,742,964	4,742,964
3490	Other Restrictions of Fund Balance	132,619	--	132,619
Committed Fund Balances:				
3545	Other Committed Fund Balance	366,797	--	366,797
3000	Total Fund Balances	<u>1,198,461</u>	<u>4,742,964</u>	<u>5,941,425</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,007,672</u>	<u>\$ 4,999,097</u>	<u>\$ 8,006,769</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 1,719,649	\$ 3,123,024	\$ 4,842,673
5800	State Program Revenues	430,889	2,182,358	2,613,247
5900	Federal Program Revenues	5,685,477	--	5,685,477
5020	Total Revenues	<u>7,836,015</u>	<u>5,305,382</u>	<u>13,141,397</u>
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	3,274,504	--	3,274,504
0012	Instructional Resources and Media Services	44,114	--	44,114
0013	Curriculum and Staff Development	56,160	--	56,160
0021	Instructional Leadership	191,101	--	191,101
0023	School Leadership	473	--	473
0031	Guidance, Counseling, & Evaluation Services	477,997	--	477,997
0033	Health Services	65,748	--	65,748
0034	Student Transportation	98,009	--	98,009
0035	Food Service	3,446,564	--	3,446,564
0036	Cocurricular/Extracurricular Activities	71,827	--	71,827
0041	General Administration	3,770	--	3,770
0051	Facilities Maintenance and Operations	159,327	--	159,327
0061	Community Services	6,532	--	6,532
0071	Principal on Long-term Debt	--	2,090,000	2,090,000
0072	Interest on Long-term Debt	--	3,340,304	3,340,304
0073	Bond Issuance Costs and Fees	--	7,455	7,455
0093	Payments to Shared Service Arrangements	96,589	--	96,589
6030	Total Expenditures	<u>7,992,715</u>	<u>5,437,759</u>	<u>13,430,474</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(156,700)</u>	<u>(132,377)</u>	<u>(289,077)</u>
Other Financing Sources and (Uses):				
7915	Transfers In	--	460,855	460,855
7949	Other Resources	8,392	--	8,392
7080	Total Other Financing Sources and (Uses)	<u>8,392</u>	<u>460,855</u>	<u>469,247</u>
1200	Net Change in Fund Balances	<u>(148,308)</u>	<u>328,478</u>	<u>180,170</u>
0100	Fund Balances - Beginning	1,346,769	4,414,486	5,761,255
3000	Fund Balances - Ending	<u>\$ 1,198,461</u>	<u>\$ 4,742,964</u>	<u>\$ 5,941,425</u>

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

JUNE 30, 2016

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
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 4	\$ (3)	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	285,678	703	377,359	--
1250	Accrued Interest	--	--	--	--
1260	Due from Other Funds	--	--	--	4,168
1290	Other Receivables	2,680	--	--	--
1000	Total Assets	<u>288,362</u>	<u>700</u>	<u>377,359</u>	<u>4,168</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ 135	\$ --
2150	Payroll Deductions & Withholdings	22,914	19	13,085	609
2160	Accrued Wages Payable	121,404	--	101,277	3,355
2170	Due to Other Funds	144,044	681	262,862	204
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>288,362</u>	<u>700</u>	<u>377,359</u>	<u>4,168</u>
<b>FUND BALANCES:</b>					
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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 288,362</u>	<u>\$ 700</u>	<u>\$ 377,359</u>	<u>\$ 4,168</u>

226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	289 LEP Summer School
\$ --	\$ 171,279	\$ --	\$ --	\$ --
173,168	872,383	--	--	3,339
219,200	54,490	25,604	32,217	--
--	140	--	--	--
--	299,720	--	18,869	--
--	4,575	--	--	--
<u>392,368</u>	<u>1,402,587</u>	<u>25,604</u>	<u>51,086</u>	<u>3,339</u>
\$ --	\$ 3,696	\$ 341	\$ --	\$ --
--	7,718	95	4,952	--
--	8,514	3,261	30,212	--
392,368	316,800	21,907	15,922	3,339
--	17	--	--	--
--	--	--	--	--
<u>392,368</u>	<u>336,745</u>	<u>25,604</u>	<u>51,086</u>	<u>3,339</u>
--	699,045	--	--	--
--	--	--	--	--
--	366,797	--	--	--
--	1,065,842	--	--	--
<u>\$ 392,368</u>	<u>\$ 1,402,587</u>	<u>\$ 25,604</u>	<u>\$ 51,086</u>	<u>\$ 3,339</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2016

Data Control Codes		350 English Language Acquisition and Enhancement	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 8,834
1120	Current Investments	--	--	2,723	--
1240	Due from Other Governments	7,241	--	--	--
1250	Accrued Interest	--	--	--	--
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	2,994	--	--
1000	Total Assets	<u>7,241</u>	<u>2,994</u>	<u>2,723</u>	<u>8,834</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--	--
2160	Accrued Wages Payable	--	--	--	--
2170	Due to Other Funds	7,241	2,994	--	--
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	2,723	8,834
2000	Total Liabilities	<u>7,241</u>	<u>2,994</u>	<u>2,723</u>	<u>8,834</u>
<b>FUND BALANCES:</b>					
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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,241</u>	<u>\$ 2,994</u>	<u>\$ 2,723</u>	<u>\$ 8,834</u>



429 State Funded Special Revenue Fund	437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	480 Education Foundation
\$ --	\$ 107,849	\$ 22,851	\$ 134,472	\$ 28,541
950	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	3	--	--	--
--	50,523	75	--	--
<u>950</u>	<u>158,375</u>	<u>22,926</u>	<u>134,472</u>	<u>28,541</u>
\$ --	\$ 4,109	\$ --	\$ 350	\$ --
--	23,768	--	--	--
--	130,498	--	--	--
--	--	--	1,503	--
--	--	22,926	--	--
950	--	--	--	28,541
<u>950</u>	<u>158,375</u>	<u>22,926</u>	<u>1,853</u>	<u>28,541</u>
--	--	--	--	--
--	--	--	132,619	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>132,619</u>	<u>--</u>
<u>\$ 950</u>	<u>\$ 158,375</u>	<u>\$ 22,926</u>	<u>\$ 134,472</u>	<u>\$ 28,541</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2016

Data Control Codes		481 Kiwanis Club	482 TASB Risk Management	483 Houghton Mifflin	484 Lions Club
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 453	\$ 4,000	\$ 355	\$ 1,759
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	--	--	--
1250	Accrued Interest	--	--	--	--
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1000	Total Assets	<u>453</u>	<u>4,000</u>	<u>355</u>	<u>1,759</u>
<b>LIABILITIES:</b>					
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	453	4,000	355	1,759
2000	Total Liabilities	<u>453</u>	<u>4,000</u>	<u>355</u>	<u>1,759</u>
<b>FUND BALANCES:</b>					
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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 453</u>	<u>\$ 4,000</u>	<u>\$ 355</u>	<u>\$ 1,759</u>

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

JUNE 30, 2016

Data Control Codes		494 Parent Teacher Organization	495 Miscellaneous Grants Fund	496 Athletic Booster Club
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 20,915	\$ 7,874	\$ 17,196
1120	Current Investments	--	--	--
1240	Due from Other Governments	--	--	--
1250	Accrued Interest	--	--	--
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	2,593	--
1000	Total Assets	<u>20,915</u>	<u>10,467</u>	<u>17,196</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 1,012	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--
2160	Accrued Wages Payable	--	1,517	--
2170	Due to Other Funds	--	1,050	--
2180	Due to Other Governments	--	--	--
2300	Unearned Revenue	19,903	7,900	17,196
2000	Total Liabilities	<u>20,915</u>	<u>10,467</u>	<u>17,196</u>
<b>FUND BALANCES:</b>				
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	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 20,915</u>	<u>\$ 10,467</u>	<u>\$ 17,196</u>

497 Advanced Placement Strategies Grant	498 E3 Alliance	499 Hazelett Drilling	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 11,155	\$ --	\$ 2,293	\$ 545,366
--	--	--	1,052,563
--	--	--	1,002,492
--	--	--	140
--	--	--	322,760
--	20,911	--	84,351
<u>11,155</u>	<u>20,911</u>	<u>2,293</u>	<u>3,007,672</u>
\$ --	\$ --	\$ --	\$ 9,643
--	748	--	73,908
--	4,660	--	404,698
--	15,503	--	1,186,418
--	--	--	22,943
11,155	--	2,293	111,601
<u>11,155</u>	<u>20,911</u>	<u>2,293</u>	<u>1,809,211</u>
--	--	--	699,045
--	--	--	132,619
--	--	--	366,797
--	--	--	1,198,461
<u>\$ 11,155</u>	<u>\$ 20,911</u>	<u>\$ 2,293</u>	<u>\$ 3,007,672</u>

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

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
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	902,039	4,278	1,251,972	23,779
5020	Total Revenues	902,039	4,278	1,251,972	23,779
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	666,495	--	1,155,514	23,779
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	1,109	--	2,959	--
0021	Instructional Leadership	437	4,278	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	163,758	--	80,469	--
0033	Health Services	65,748	--	--	--
0034	Student Transportation	--	--	13,009	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	--
0061	Community Services	4,492	--	21	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	902,039	4,278	1,251,972	23,779
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
Other Financing Sources and (Uses):					
7949	Other Resources	--	--	--	--
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	289 LEP Summer School
\$ --	\$ 468,978	\$ --	\$ --	\$ --
--	22,903	--	--	--
219,200	2,945,968	43,451	182,077	3,339
219,200	3,437,849	43,451	182,077	3,339
219,200	--	36,529	182,077	3,339
--	--	--	--	--
--	--	6,922	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	3,446,538	--	--	--
--	--	--	--	--
--	--	--	--	--
--	157,570	--	--	--
--	--	--	--	--
--	--	--	--	--
219,200	3,604,108	43,451	182,077	3,339
--	(166,259)	--	--	--
--	--	--	--	--
--	--	--	--	--
--	(166,259)	--	--	--
--	1,232,101	--	--	--
\$ --	\$ 1,065,842	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		350 English Language Acquisition and Enhancement	385 Supplemental Visually Impaired	410 State Textbook Fund	437 Special Education
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ 957,410
5800	State Program Revenues	--	2,994	152,791	252,201
5900	Federal Program Revenues	7,241	--	--	--
5020	Total Revenues	7,241	2,994	152,791	1,209,611
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	7,241	2,994	152,791	703,833
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	--	--	--
0021	Instructional Leadership	--	--	--	186,386
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	231,163
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	85,000
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	3,229
0051	Facilities Maintenance and Operations	--	--	--	--
0061	Community Services	--	--	--	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	7,241	2,994	152,791	1,209,611
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
Other Financing Sources and (Uses):					
7949	Other Resources	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --



450	461	480	481	485
Medicaid Coop	Campus Activity Funds	Education Foundation	Kiwanis Club	Meadows Foundation
\$ --	\$ 137,883	\$ 20,054	\$ 212	\$ 1,014
--	--	--	--	--
102,133	--	--	--	--
<u>102,133</u>	<u>137,883</u>	<u>20,054</u>	<u>212</u>	<u>1,014</u>
5,544	39,903	19,759	--	--
--	43,616	--	--	--
--	633	295	--	--
--	--	--	--	--
--	473	--	--	--
--	634	--	--	--
--	--	--	--	--
--	--	--	--	--
--	26	--	--	--
--	33,112	--	--	--
--	541	--	--	--
--	724	--	--	--
--	270	--	212	1,014
96,589	--	--	--	--
<u>102,133</u>	<u>119,932</u>	<u>20,054</u>	<u>212</u>	<u>1,014</u>
--	17,951	--	--	--
--	--	--	--	--
--	--	--	--	--
--	17,951	--	--	--
--	114,668	--	--	--
<u>\$ --</u>	<u>\$ 132,619</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		486	493	494
		Target	Vanguard Charitable	Parent Teacher Organization
REVENUES:				
5700	Local and Intermediate Sources	\$ 134	\$ 5,000	\$ 25,176
5800	State Program Revenues	--	--	--
5900	Federal Program Revenues	--	--	--
5020	Total Revenues	134	5,000	25,176
EXPENDITURES:				
Current:				
0011	Instruction	134	531	18,815
0012	Instructional Resources and Media Services	--	--	498
0013	Curriculum and Staff Development	--	4,469	--
0021	Instructional Leadership	--	--	--
0023	School Leadership	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--
0033	Health Services	--	--	--
0034	Student Transportation	--	--	--
0035	Food Service	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	4,900
0041	General Administration	--	--	--
0051	Facilities Maintenance and Operations	--	--	963
0061	Community Services	--	--	--
0093	Payments to Shared Service Arrangements	--	--	--
6030	Total Expenditures	134	5,000	25,176
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	--	--	--
Other Financing Sources and (Uses):				
7949	Other Resources	--	--	--
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	498 E3 Alliance	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 14,571	\$ 32,010	\$ 23,641	\$ 33,566	\$ 1,719,649
--	--	--	--	430,889
--	--	--	--	5,685,477
14,571	32,010	23,641	33,566	7,836,015
10,750	--	23,641	1,635	3,274,504
--	--	--	--	44,114
--	--	--	39,773	56,160
--	--	--	--	191,101
--	--	--	--	473
1,423	--	--	550	477,997
--	--	--	--	65,748
--	--	--	--	98,009
--	--	--	--	3,446,564
1,805	32,010	--	--	71,827
--	--	--	--	3,770
70	--	--	--	159,327
523	--	--	--	6,532
--	--	--	--	96,589
14,571	32,010	23,641	41,958	7,992,715
--	--	--	(8,392)	(156,700)
--	--	--	8,392	8,392
--	--	--	8,392	8,392
--	--	--	--	(148,308)
--	--	--	--	1,346,769
\$ --	\$ --	\$ --	\$ --	\$ 1,198,461

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

JUNE 30, 2016

Data Control Codes		595 Maintenance Tax Note Debt Service	599 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit H-1)
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 274	\$ 202,876	\$ 203,150
1120	Current Investments	226,670	4,223,248	4,449,918
1225	Taxes Receivable, Net	--	182,059	182,059
1240	Due from Other Governments	--	153,198	153,198
1290	Other Receivables	--	10,772	10,772
1000	Total Assets	<u>226,944</u>	<u>4,772,153</u>	<u>4,999,097</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2170	Due to Other Funds	\$ 74,074	\$ --	\$ 74,074
2300	Unearned Revenue	--	182,059	182,059
2000	Total Liabilities	<u>74,074</u>	<u>182,059</u>	<u>256,133</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3480	Retirement of Long-Term Debt	152,870	4,590,094	4,742,964
3000	Total Fund Balances	<u>152,870</u>	<u>4,590,094</u>	<u>4,742,964</u>
4000	Total Liabilities and Fund Balances	<u>\$ 226,944</u>	<u>\$ 4,772,153</u>	<u>\$ 4,999,097</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		595 Maintenance Tax Note Debt Service	599 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit H-2)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 598	\$ 3,122,426	\$ 3,123,024
5800	State Program Revenues	--	2,182,358	2,182,358
5020	Total Revenues	598	5,304,784	5,305,382
<b>EXPENDITURES:</b>				
0071	Principal on Long-term Debt	405,000	1,685,000	2,090,000
0072	Interest on Long-term Debt	55,850	3,284,454	3,340,304
0073	Bond Issuance Costs and Fees	--	7,455	7,455
6030	Total Expenditures	460,850	4,976,909	5,437,759
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(460,252)	327,875	(132,377)
Other Financing Sources and (Uses):				
7915	Transfers In	460,855	--	460,855
7080	Total Other Financing Sources and (Uses)	460,855	--	460,855
1200	Net Change in Fund Balances	603	327,875	328,478
0100	Fund Balances - Beginning	152,267	4,262,219	4,414,486
3000	Fund Balances - Ending	\$ 152,870	\$ 4,590,094	\$ 4,742,964

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2016

Data Control Codes		Enterprise Fund  Summer Recreation	Enterprise Fund  After School Program	Enterprise Fund  Cubhouse Students
<b>ASSETS:</b>				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 23,056	\$ 8,060	\$ 22,136
Receivables:				
1260	Due from Other Funds	548	--	--
1290	Other Receivables (net)	288	--	--
	Total Current Assets	23,892	8,060	22,136
1000	Total Assets	23,892	8,060	22,136
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 2,937	\$ 458	\$ 982
2150	Payroll Deduction & Withholdings	71	217	3,714
2160	Accrued Wages Payable	11,507	7,563	17,265
2300	Unearned Revenues	9,555	--	--
	Total Current Liabilities	23,892	8,060	22,136
2000	Total Liabilities	23,892	8,060	22,136
<b>NET POSITION:</b>				
3000	Total Net Position	\$ --	\$ --	\$ --

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonma or Enterprise Funds (See Exhibit D-1)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	
\$ (4,340)	\$ 18,088	\$ 1,516	\$ 68,516
--	--	--	548
5,601	--	--	5,889
1,261	18,088	1,516	74,953
1,261	18,088	1,516	74,953
\$ 1,261	\$ 1,000	\$ 201	\$ 6,839
--	3,026	148	7,176
--	14,122	926	51,383
--	--	--	9,555
1,261	18,088	1,516	74,953
1,261	18,088	1,516	74,953
\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
<b>OPERATING REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 96,907	\$ 249,218	\$ 326
5800	State Program Revenues	1,084	11,045	49,558
5020	Total Revenues	97,991	260,263	49,884
<b>OPERATING EXPENSES:</b>				
6100	Payroll Costs	55,423	147,579	168,310
6200	Professional and Contracted Services	5,309	5,204	4,008
6300	Supplies and Materials	3,711	10,353	7,961
6400	Other Operating Costs	1,182	578	789
6030	Total Expenses	65,625	163,714	181,068
	Income (Loss) before Contributions and Transfers	32,366	96,549	(131,184)
7915	Transfers In	--	--	131,184
8911	Transfers Out	(32,366)	(96,549)	--
1300	Change in Net Position	--	--	--
0100	Total Net Position - Beginning	--	--	--
3300	Total Net Position - Ending	\$ --	\$ --	\$ --



Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-2)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	
\$ 76,287	\$ 192,524	\$ 29,028	\$ 644,290
--	14,640	12,287	88,614
76,287	207,164	41,315	732,904
--	142,844	148,022	662,178
65,243	2,214	17,899	99,877
2,486	5,480	9,744	39,735
3,053	106	2,310	8,018
70,782	150,644	177,975	809,808
5,505	56,520	(136,660)	(76,904)
--	--	136,660	267,844
(5,505)	(56,520)	--	(190,940)
--	--	--	--
--	--	--	--
\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Summer Recreation	After School Program	Cubhouse Students
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 96,197	\$ 249,218	\$ 626
Cash Received from Grants	1,084	11,045	49,558
Cash Payments to Employees	(46,267)	(149,943)	(170,059)
Cash Payments to Suppliers for Goods and Services	(11,165)	(15,898)	(12,407)
Net Cash Provided (Used) by Operating Activities	<u>39,849</u>	<u>94,422</u>	<u>(132,282)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers From (To) Other Funds	(32,059)	(96,385)	131,195
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(32,059)</u>	<u>(96,385)</u>	<u>131,195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,790	(1,963)	(1,087)
Cash and Cash Equivalents at Beginning of Year	15,266	10,023	23,223
Cash and Cash Equivalents at End of Year	<u>\$ 23,056</u>	<u>\$ 8,060</u>	<u>\$ 22,136</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ 32,366	\$ 96,549	\$ (131,184)
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	(288)	80	--
Decrease (Increase) in Interfund Receivables	(548)	--	--
Decrease (Increase) in Unrealized Expenses	--	65	33
Increase (Decrease) in Accounts Payable	(1,015)	298	351
Increase (Decrease) in Payroll Deductions	(28)	(57)	(731)
Increase (Decrease) in Accrued Wages Payable	9,181	(2,349)	(740)
Increase (Decrease) in Interfund Payables	(241)	(164)	(11)
Increase (Decrease) in Unearned Revenue	422	--	--
Total Adjustments	<u>7,483</u>	<u>(2,127)</u>	<u>(1,098)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 39,849</u>	<u>\$ 94,422</u>	<u>\$ (132,282)</u>

GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 79,954	\$ 192,754	\$ 29,096	\$ 647,845
--	14,640	12,287	88,614
--	(144,463)	(147,971)	(658,703)
(72,437)	(7,831)	(30,568)	(150,306)
<u>7,517</u>	<u>55,100</u>	<u>(137,156)</u>	<u>(72,550)</u>
 (5,505)	 (51,051)	 136,914	 83,109
<u>(5,505)</u>	<u>(51,051)</u>	<u>136,914</u>	<u>83,109</u>
 2,012	 4,049	 (242)	 10,559
(6,352)	14,039	1,758	57,957
\$ <u>(4,340)</u>	\$ <u>18,088</u>	\$ <u>1,516</u>	\$ <u>68,516</u>
 \$ 5,505	 \$ 56,520	 \$ (136,660)	 \$ (76,904)
 --	 --	 --	 --
 --	 --	 --	 --
 3,667	 230	 68	 3,757
--	--	--	(548)
--	33	--	131
(1,655)	(31)	(602)	(2,654)
--	(634)	--	(1,450)
--	(958)	292	5,426
--	(60)	(254)	(730)
--	--	--	422
<u>2,012</u>	<u>(1,420)</u>	<u>(496)</u>	<u>4,354</u>
\$ <u>7,517</u>	\$ <u>55,100</u>	\$ <u>(137,156)</u>	\$ <u>(72,550)</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED JUNE 30, 2016

**EXHIBIT H-10**

Data Control Codes	97 Balance July 1, 2015	5030 Additions	6050 Deductions	98 Balance June 30, 2016
<b>Noncentralized Activity Funds:</b>				
<b>ASSETS</b>				
Cash & Temporary Investments	\$ 159,048	\$ 613,248	\$ 662,175	\$ 110,121
Due from Other Funds	130	14,797	1,795	13,132
Other Receivables	129	--	129	--
Total Assets	<u>\$ 159,307</u>	<u>\$ 628,045</u>	<u>\$ 664,099</u>	<u>\$ 123,253</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 19,584	\$ 297,460	\$ 316,479	\$ 565
Due to Other Funds	19,387	8,721	25,483	2,625
Due to Student Groups	120,336	604,087	604,360	120,063
Total Liabilities	<u>\$ 159,307</u>	<u>\$ 910,268</u>	<u>\$ 946,322</u>	<u>\$ 123,253</u>

### *Other Supplementary Information*

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

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2016*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2007 and Prior Years	\$	Various	\$	Various	\$	Various
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		1.04		.3891		1,055,788,818
2016 (School Year Under Audit)		1.04		.2905		1,050,678,392

1000 Totals

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

10 Beginning Balance 7/1/15	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/16
\$ 295,170	\$ --	\$ 22,088	\$ 3,430	\$ (26,550)	\$ 243,102
46,754	--	5,173	806	(190)	40,585
69,881	--	11,088	1,946	(252)	56,595
82,688	--	11,651	2,129	(1,053)	67,855
109,444	--	22,186	3,886	(605)	82,767
142,238	--	40,617	5,788	(138)	95,695
199,607	--	58,542	8,258	(124)	132,683
301,571	--	117,179	15,929	1,316	169,779
806,302	--	287,228	107,462	(19,391)	392,221
--	13,979,276	10,387,298	2,901,118	(56,433)	634,427
<u>\$ 2,053,655</u>	<u>\$ 13,979,276</u>	<u>\$ 10,963,050</u>	<u>\$ 3,050,752</u>	<u>\$ (103,420)</u>	<u>\$ 1,915,709</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

**EXHIBIT J-2**

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 539,069	\$ 468,978	\$ (70,091)
5800	State Program Revenues	22,466	22,903	437
5900	Federal Program Revenues	2,940,051	2,945,968	5,917
5020	Total Revenues	3,501,586	3,437,849	(63,737)
<b>EXPENDITURES:</b>				
Current:				
Support Services - Student (Pupil):				
0035	Food Services	3,514,909	3,446,538	68,371
	Total Support Services - Student (Pupil)	3,514,909	3,446,538	68,371
Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	168,792	157,570	11,222
	Total Support Services - Nonstudent Based	168,792	157,570	11,222
6030	Total Expenditures	3,683,701	3,604,108	79,593
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(182,115)	(166,259)	15,856
1200	Net Change in Fund Balance	(182,115)	(166,259)	15,856
0100	Fund Balance - Beginning	1,232,101	1,232,101	--
3000	Fund Balance - Ending	\$ 1,049,986	\$ 1,065,842	\$ 15,856



**LOCKHART INDEPENDENT SCHOOL DISTRICT**

MAINTENANCE TAX NOTE DEBT SERVICE  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2016

**EXHIBIT J-3**

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 600	\$ 598	\$ (2)
5020	Total Revenues	600	598	(2)
EXPENDITURES:				
Debt Service:				
0071	Principal on Long-Term Debt	405,000	405,000	--
0072	Interest on Long-Term Debt	51,800	55,850	(4,050)
	Total Debt Service	456,800	460,850	(4,050)
6030	Total Expenditures	456,800	460,850	(4,050)
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(456,200)	(460,252)	(4,052)
Other Financing Sources (Uses):				
7915	Transfers In	456,200	460,855	4,655
7080	Total Other Financing Sources and (Uses)	456,200	460,855	4,655
1200	Net Change in Fund Balance	--	603	603
0100	Fund Balance - Beginning	152,267	152,267	--
3000	Fund Balance - Ending	\$ 152,267	\$ 152,870	\$ 603

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# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

## DEBT SERVICE FUND

### BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 3,147,235	\$ 3,122,426	\$ (24,809)
5800	State Program Revenues	2,023,228	2,182,358	159,130
5020	Total Revenues	5,170,463	5,304,784	134,321
	<b>EXPENDITURES:</b>			
	Debt Service:			
0071	Principal on Long-Term Debt	1,685,000	1,685,000	--
0072	Interest on Long-Term Debt	3,284,454	3,284,454	--
0073	Bond Issuance Costs and Fees	10,000	7,455	2,545
	Total Debt Service	4,979,454	4,976,909	2,545
6030	Total Expenditures	4,979,454	4,976,909	2,545
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	191,009	327,875	136,866
1200	Net Change in Fund Balance	191,009	327,875	136,866
0100	Fund Balance - Beginning	4,262,219	4,262,219	--
3000	Fund Balance - Ending	\$ 4,453,228	\$ 4,590,094	\$ 136,866

**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, 2016, 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 7, 2016.

### **Internal Control Over Financial Reporting**

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

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

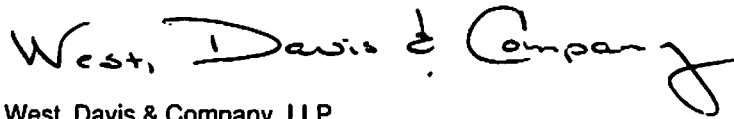
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

West, Davis & Company, LLP  
Austin, Texas  
November 7, 2016

**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 the Uniform Guidance

Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

Members of the Board of Trustees:

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

We have audited the Lockhart Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Lockhart Independent School District's major federal program for the year ended June 30, 2016. Lockhart Independent School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the Lockhart Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

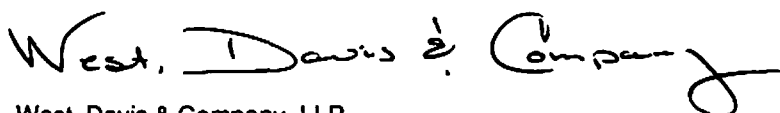
## Report on Internal Control Over Compliance

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

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

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

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

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

West, Davis & Company, LLP  
Austin, Texas  
November 7, 2016

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	Special Education Cluster (IDEA)
84.027A	IDEA-B Formula
84.173A	IDEA-B High Cost Risk Pool
	IDEA-B Preschool

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

Auditee qualified as low-risk auditee?   X   Yes        No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE



**LOCKHART INDEPENDENT SCHOOL DISTRICT**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2016**
**EXHIBIT K-1**

(1)	(2)	(2A)	(3)	
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Pass- Through to Sub- Recipients	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Direct Programs:				
<i>ESEA Title I Part C - Education of Migratory Children</i>	84.011	028-902	\$ --	\$ 4,278
Total Direct Programs			--	4,278
Passed Through State Department of Education:				
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	16610101028902	--	923,282
SPECIAL EDUCATION CLUSTER (IDEA)				
<i>IDEA-B Formula *</i>	84.027	166600010289026600	--	1,279,132
<i>IDEA-B Discretionary *</i>	84.027	16660006028902	--	219,200
Total CFDA Number 84.027			--	1,498,332
<i>IDEA-B Preschool *</i>	84.173A	166610010289026610	--	23,779
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				1,522,111
<i>Career and Technical - Basic Grant</i>	84.048A	16420006028902	--	44,474
<i>SSA English Language Acquisition and Language Enhancement</i>	84.365	166610010289026000	--	7,241
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	16694501028902	--	184,432
<i>LEP Summer School</i>	84.369A	69551502	--	3,339
Total Passed Through State Department of Education			--	2,684,879
Total U. S. Department of Education			--	2,689,157
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through State Department of Education:				
CHILD NUTRITION CLUSTER				
School Breakfast Program *	10.553	71401601	--	1,044,488
National School Lunch Program *	10.555	71301601	--	1,624,550
National School Lunch Program (Non-cash) *	10.555	028-902	--	200,257
Total CFDA Number 10.555			--	1,824,807
TOTAL CHILD NUTRITION CLUSTER			\$	\$ 2,869,295
Child and Adult Care Food Program	10.558	028-902	\$ --	\$ 76,673
Total Passed Through State Department of Education			--	2,945,968
Total U. S. Department of Agriculture			--	2,945,968
TOTAL EXPENDITURES OF FEDERAL AWARDS				5,635,125

\* Indicates clustered program under OMB Uniform Guidance (2.CFR.200)

The accompanying notes are an integral part of this schedule.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Basis of Presentation

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award grant activity of Lockhart Independent School District (the District) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. Subrecipients

The District has no subrecipients.

D. Child Nutrition Cluster

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

E. Food Donation Program

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.

F. Matching Requirements

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2016*

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 1,084,422
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 10,340,829
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ 744,187

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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
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	107
<i>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.</i>	
Debt Capacity	112
<i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	117
<i>These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	119
<i>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</i>	

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(IN THOUSANDS OF DOLLARS)

	Fiscal Year			
	2007	2008	2009	2010
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 3,983	\$ 3,331	\$ 4,651	\$ 3,863
Restricted	1,235	2,620	2,752	1,506
Unrestricted	10,453	10,493	11,763	14,420
Total Primary Government Net Assets	<u>\$ 15,671</u>	<u>\$ 16,444</u>	<u>\$ 19,166</u>	<u>\$ 19,789</u>

**TABLE L-1**

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 4,577	\$ 4,014	\$ 6,487	\$ 6,682	\$ 7,356	\$ 14,345
2,578	2,774	3,456	3,982	5,577	5,521
13,607	14,996	11,555	12,856	7,158	1,223
<u>\$ 20,762</u>	<u>\$ 21,784</u>	<u>\$ 21,498</u>	<u>\$ 23,520</u>	<u>\$ 20,091</u>	<u>\$ 21,089</u>

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 19,873,324	\$ 22,165,983	\$ 22,306,425	\$ 23,448,148
Instructional Resources & Media Services	742,381	686,262	745,650	786,278
Curriculum & Staff Development	153,623	343,372	351,557	324,272
Instructional Leadership	399,373	437,458	501,038	552,081
School Leadership	2,164,177	2,486,360	2,500,856	2,549,598
Guidance, Counseling & Evaluation Svcs	1,515,025	1,607,917	1,632,916	1,723,302
Social Work Services	203,554	200,342	193,996	191,717
Health Services	364,341	435,281	384,847	402,739
Student Transportation	1,471,497	1,663,148	1,694,203	1,874,478
Food Service	1,813,603	2,005,005	2,082,702	2,481,645
Cocurricular/Extracurricular Activities	873,588	1,009,164	1,151,084	1,216,754
General Administration	1,361,457	1,522,086	1,281,659	1,304,514
Plant Maintenance & Operations	3,371,101	3,629,965	3,896,398	4,052,169
Security & Monitoring Services	153,385	149,721	125,324	124,360
Data Processing Services	207,365	236,327	243,801	230,952
Community Services	870,314	923,126	38,843	91,136
Interest on Long-Term Debt	1,747,319	1,046,314	1,083,372	1,136,473
Bond Issuance Costs & Fees	158,110	57,695	59,457	15,497
Payments Related to SSA's	302,516	375,840	334,927	577,552
Other Intergovernmental Charges	--	--	237,876	243,278
Total Governmental Activities Expenses	37,746,053	40,981,366	40,846,931	43,326,943
Total Primary Government Expenses	\$ 37,746,053	\$ 40,981,366	\$ 40,846,931	\$ 43,326,943
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 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	596,352	623,484	591,554	591,536
Cocurricular/Extracurricular Activities	97,126	90,769	114,138	92,349
General Administration	1,816	2,416	2,342	--
Plant Maintenance & Operations	63,132	64,916	76,287	79,106
Security & Monitoring Services	9	3,441	6,707	385
Community Services	531,085	567,390	--	--
Other Activities	--	--	--	2,464
Operating Grants and Contributions	5,378,881	6,048,948	6,137,485	6,020,113
Total Governmental Activities Program Rev.	7,117,673	7,898,305	7,355,603	6,785,953
Total Primary Government Program Rev.	7,117,673	7,898,305	7,355,603	6,785,953
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (30,628,380)	\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)
Total Primary Government Net Expense	\$ (30,628,380)	\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)

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



TABLE L-2

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 23,811,319	\$ 23,126,939	\$ 23,550,568	\$ 24,767,625	\$ 26,836,890	\$ 29,129,813
763,821	665,402	696,941	665,913	691,780	718,093
362,855	198,022	196,088	208,221	362,660	442,361
593,199	559,929	562,175	623,622	738,348	731,929
2,700,025	2,670,357	2,793,717	2,869,896	2,765,342	3,254,546
1,771,468	1,594,179	1,656,732	1,739,127	1,789,186	1,915,436
191,079	49,221	78,397	113,030	114,788	121,420
408,659	412,369	374,275	426,452	449,124	467,290
1,869,828	1,982,269	2,025,891	2,127,960	2,174,699	1,947,846
2,606,953	2,996,583	3,013,114	3,202,728	3,183,623	3,219,733
1,170,177	1,133,889	1,120,391	1,425,266	1,405,619	1,452,000
1,428,539	1,381,121	1,385,684	1,621,938	2,303,973	2,057,187
4,052,978	4,008,165	4,031,777	4,321,452	4,523,846	5,139,411
135,554	184,485	113,219	219,855	122,069	159,028
236,028	241,584	248,929	240,789	195,125	341,502
82,489	68,720	54,114	63,198	54,456	26,944
906,126	1,092,486	912,664	538,218	2,613,218	2,963,302
53,323	95,412	114,591	5,285	730	7,455
674,289	496,726	500,646	754,017	848,986	847,369
241,348	247,298	268,042	287,287	287,784	328,103
<u>44,060,057</u>	<u>43,205,156</u>	<u>43,697,955</u>	<u>46,221,879</u>	<u>51,462,246</u>	<u>55,270,768</u>
\$ <u>44,060,057</u>	\$ <u>43,205,156</u>	\$ <u>43,697,955</u>	\$ <u>46,221,879</u>	\$ <u>51,462,246</u>	\$ <u>55,270,768</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
563,452	642,242	477,744	458,179	413,259	408,364
113,200	105,685	106,531	104,567	104,770	128,880
--	--	--	--	--	--
47,738	65,323	71,151	89,028	90,662	64,903
473	670	325	228	--	--
--	--	--	--	--	--
--	--	--	--	--	--
8,516,794	6,608,929	6,765,028	6,986,883	7,048,607	7,301,147
<u>9,241,657</u>	<u>7,422,849</u>	<u>7,420,779</u>	<u>7,638,885</u>	<u>7,657,298</u>	<u>7,903,294</u>
<u>9,241,657</u>	<u>7,422,849</u>	<u>7,420,779</u>	<u>7,638,885</u>	<u>7,657,298</u>	<u>7,903,294</u>
\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)	\$ (38,582,994)	\$ (43,804,948)	\$ (47,367,474)
<u>\$ (34,818,400)</u>	<u>\$ (35,782,307)</u>	<u>\$ (36,277,176)</u>	<u>\$ (38,582,994)</u>	<u>\$ (43,804,948)</u>	<u>\$ (47,367,474)</u>

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (30,628,380)	\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)
Total Primary Government Net Expense	<u>(30,628,380)</u>	<u>(33,083,061)</u>	<u>(33,491,328)</u>	<u>(36,540,990)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	10,525,082	8,341,304	8,545,050	9,175,212
Levied for Debt Service	1,322,110	1,255,819	1,501,822	1,655,572
Investment Earnings	565,756	597,263	227,937	87,264
Unrestricted Grants and Contributions	19,664,964	27,907,339	25,727,231	25,646,703
Miscellaneous	411,709	1,612,329	1,116,216	599,547
Total Governmental Activities	<u>32,489,621</u>	<u>39,714,054</u>	<u>37,118,256</u>	<u>37,164,298</u>
Total Primary Government	<u>32,489,621</u>	<u>39,714,054</u>	<u>37,118,256</u>	<u>37,164,298</u>
<b>Change in Net Position</b>				
Governmental Activities	1,861,241	6,630,993	3,626,928	623,308
Total Primary Government	<u>\$ 1,861,241</u>	<u>\$ 6,630,993</u>	<u>\$ 3,626,928</u>	<u>\$ 623,308</u>

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

TABLE L-3

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)	\$ (38,582,994)	\$ (43,804,948)	\$ (47,367,474)
<u>(34,818,400)</u>	<u>(35,782,307)</u>	<u>(36,277,176)</u>	<u>(38,582,994)</u>	<u>(43,804,948)</u>	<u>(47,367,474)</u>
9,424,259	10,557,885	10,304,215	10,942,480	11,206,272	11,016,253
1,408,009	1,513,478	1,442,407	1,473,590	4,117,021	3,055,997
87,638	86,710	67,241	59,676	186,236	385,185
24,228,545	24,071,720	24,169,043	27,212,317	29,777,819	32,320,360
642,153	574,754	904,109	916,656	1,116,912	1,587,520
<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>	<u>40,604,719</u>	<u>46,404,260</u>	<u>48,365,315</u>
<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>	<u>40,604,719</u>	<u>46,404,260</u>	<u>48,365,315</u>
972,204	1,022,240	609,839	2,021,725	2,599,312	997,841
<u>\$ 972,204</u>	<u>\$ 1,022,240</u>	<u>\$ 609,839</u>	<u>\$ 2,021,725</u>	<u>\$ 2,599,312</u>	<u>\$ 997,841</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$
Unreserved	9,414,955	10,861,727	12,999,892	13,581,806	
Nonspendable					
Inventories					4,005
Committed					
Construction					552,420
Capital Expenditures					154,000
Other Committed					--
Unassigned					13,413,682
Total General Fund	<u>\$ 9,414,955</u>	<u>\$ 10,861,727</u>	<u>\$ 12,999,892</u>	<u>\$ 13,581,806</u>	<u>\$ 14,124,107</u>
All Other Governmental Funds					
Reserved					
Special Revenue Funds					
Federal & State Programs	\$ 212,443	\$ --	\$ --	\$ --	\$
Other - Special Revenue	620,013	--	--	--	
Food Service	339,244	361,363	384,379	300,631	
Capital Acquisitions	14,768	63	140,217	1,466,997	
Debt Service	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					385,339
Capital Acquisitions & Contractual Obligations					16,466
Retirement of Long-Term Debt					2,440,499
Other Restrictions of Fund Balance					81,434
Committed					
Other Committed					--
Total All Other Governmental Funds	<u>\$ 3,718,378</u>	<u>\$ 3,387,538</u>	<u>\$ 2,455,717</u>	<u>\$ 3,327,968</u>	<u>\$ 2,923,738</u>
Total All Governmental Funds	<u>\$ 13,133,333</u>	<u>\$ 14,249,265</u>	<u>\$ 15,455,609</u>	<u>\$ 16,909,774</u>	<u>\$ 17,047,845</u>

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

TABLE L-4

Fiscal Year				
2012	2013	2014	2015	2016
\$	\$	\$	\$	\$
3,339	--	--	--	--
2,245,945	1,017,202	450,000	443,574	250,000
--	--	--	--	--
21,740	280,777	3,057,211	3,968,856	1,958,657
12,373,924	11,453,140	10,214,448	10,443,865	12,595,343
\$ <u>14,644,948</u>	\$ <u>12,751,119</u>	\$ <u>13,721,659</u>	\$ <u>14,856,295</u>	\$ <u>14,804,000</u>
\$	\$	\$	\$	\$
543,347	725,404	955,554	929,401	699,045
--	--	--	--	27,189,722
2,621,818	2,664,530	2,900,295	4,414,485	4,742,964
96,652	103,191	130,600	59,177,524	132,619
--	43,184	104,018	302,700	366,797
\$ <u>3,261,817</u>	\$ <u>3,536,309</u>	\$ <u>4,090,467</u>	\$ <u>64,824,110</u>	\$ <u>33,131,147</u>
\$ <u>17,906,765</u>	\$ <u>16,287,428</u>	\$ <u>17,812,126</u>	\$ <u>79,680,405</u>	\$ <u>47,935,147</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2006	2007	2009	2010	2011
<b>Revenues</b>					
Local & Intermediate Sources	\$ 14,329,507	\$ 12,510,367	\$ 11,913,158	\$ 12,355,561	\$ 12,404,898
State Program Revenues	20,570,257	24,770,185	26,929,603	24,528,449	25,217,861
Federal Program Revenues	4,435,281	4,699,343	4,836,167	7,134,601	7,525,475
Total Revenues	<u>39,335,045</u>	<u>41,979,895</u>	<u>43,678,928</u>	<u>44,018,611</u>	<u>45,148,234</u>
<b>Expenditures</b>					
Instruction	18,483,169	20,909,101	21,081,337	22,440,694	22,453,863
Instructional Resources & Media Services	684,514	643,004	696,213	741,132	722,065
Curriculum & Staff Development	146,480	323,970	332,941	308,188	342,241
Instructional Leadership	380,653	420,121	480,277	531,011	559,134
School Leadership	1,986,486	2,318,483	2,327,350	2,394,845	2,545,785
Guidance, Counseling & Evaluation Svcs	1,457,775	1,530,697	1,552,915	1,645,691	1,671,724
Social Work Services	187,405	187,203	180,479	180,020	180,077
Health Services	340,864	411,886	362,359	382,871	386,172
Student Transportation	1,471,497	1,663,148	1,694,203	4,601,694	3,094,495
Food Service	1,846,094	2,005,005	2,082,702	2,338,556	2,497,766
Cocurricular/Extracurricular Activities	801,949	947,782	1,072,398	1,230,172	1,131,950
General Administration	1,249,847	1,419,258	1,223,157	1,225,325	1,346,681
Plant Maintenance & Operations	3,259,680	3,409,800	3,631,770	3,832,326	3,820,715
Security & Monitoring Services	141,038	176,983	116,750	116,997	127,782
Data Processing Services	191,919	222,141	227,441	216,900	222,488
Community Services	805,265	863,375	38,843	33,319	25,463
Principal on Long-Term Debt	35,000	1,179,998	2,359,996	1,780,000	1,260,000
Interest on Long-Term Debt	608,695	1,628,841	1,267,941	1,027,299	1,013,008
Bond Issuance Costs & Fees	110,150	9,735	51,550	5,000	1,200
Capital Outlay	81,622	217,581	1,004,209	657,970	514,391
Payments Related to SSA's	302,516	375,840	334,927	577,552	674,289
Other Intergovernmental Charges	--	--	237,876	243,278	241,348
Total Expenditures	<u>34,572,618</u>	<u>40,863,952</u>	<u>42,357,634</u>	<u>46,510,840</u>	<u>44,832,637</u>
Excess of Revenues Over (Under) Expenditures	4,762,427	1,115,943	1,321,294	(2,492,229)	315,597
<b>Other Financing Sources (Uses)</b>					
Capital-Related Debt					
Issued	8,835,000	--	2,345,000	4,095,000	--
Transfers In	--	6,430	108	29,801	465,990
Premium or Discount					
On Issuance of Bonds	565,901	--	34,629	--	--
Other Resources	--	--	--	--	--
Transfers Out	--	(6,430)	(164,058)	(178,405)	(643,519)
Payment to Bond Refunding					
Escrow Agent	(9,294,294)	--	(2,330,629)	--	--
Other Uses	--	(37)	--	--	--
Total Other Financing Sources (Uses)	<u>106,607</u>	<u>(37)</u>	<u>(114,950)</u>	<u>3,946,396</u>	<u>(177,529)</u>
Net Change in Fund Balances	<u>\$ 4,869,034</u>	<u>\$ 1,115,906</u>	<u>\$ 1,206,344</u>	<u>\$ 1,454,167</u>	<u>\$ 138,068</u>
Debt Service As A Percentage Of Noncapital Expenditures	2.2%	6.9%	8.9%	6.1%	5.1%

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

TABLE L-5

Fiscal Year				
2012	2013	2014	2015	2016
\$ 13,362,789	\$ 13,562,249	\$ 14,291,556	\$ 17,232,743	\$ 16,949,450
24,298,221	25,341,282	28,443,277	30,900,874	32,808,846
6,381,478	5,592,299	5,755,422	5,925,067	5,873,926
<u>44,042,488</u>	<u>44,495,830</u>	<u>48,490,255</u>	<u>54,058,684</u>	<u>55,632,222</u>
21,649,966	22,341,780	23,445,216	25,665,677	26,780,411
625,938	664,876	633,048	663,121	655,513
185,516	186,029	197,151	345,826	406,470
524,383	533,060	590,290	706,572	674,258
2,502,315	2,649,731	2,717,540	2,645,294	2,931,898
1,492,664	1,571,036	1,645,427	1,713,426	1,759,956
45,969	74,308	106,826	108,887	112,675
386,853	354,905	403,663	430,143	425,064
1,849,156	1,919,071	2,324,435	2,231,062	1,945,251
2,798,762	2,857,560	3,037,036	3,146,880	3,496,246
1,096,937	1,073,706	1,349,234	1,341,518	1,342,195
1,292,733	1,313,839	1,534,712	2,195,185	1,870,799
3,753,842	3,830,393	4,091,958	4,331,013	4,723,583
172,529	107,471	234,154	115,895	231,551
226,227	236,020	227,956	185,360	311,674
12,239	7,419	14,398	9,791	6,532
1,269,997	1,990,000	1,920,000	2,050,000	2,090,000
1,558,180	818,326	864,731	1,869,963	3,340,304
83,847	90,262	5,285	730	7,455
824,228	2,578,849	359,240	5,748,711	33,051,734
496,726	500,646	754,017	848,986	847,369
247,298	268,042	287,287	287,784	328,103
<u>43,096,305</u>	<u>45,967,329</u>	<u>46,743,604</u>	<u>56,641,824</u>	<u>87,339,041</u>
946,183	(1,471,499)	1,746,651	(2,583,140)	(31,706,819)
2,740,000	2,930,000	--	58,500,000	--
507,716	449,022	600,566	462,087	460,855
198,930	187,293	--	6,084,182	--
--	--	475	14,964	38,336
(679,298)	(674,824)	(822,990)	(609,689)	(537,759)
(2,854,611)	(3,039,329)	--	--	--
--	--	--	--	--
<u>(87,263)</u>	<u>(147,838)</u>	<u>(221,949)</u>	<u>64,451,544</u>	<u>(38,568)</u>
\$ <u>858,920</u>	\$ <u>(1,619,337)</u>	\$ <u>1,524,702</u>	\$ <u>61,868,404</u>	\$ <u>(31,745,387)</u>
6.9%	6.7%	6.0%	7.7%	10.0%

**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
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
2016	453,305,400	108,683,415	75,737,390	310,384,293	112,794,291	1,060,904,789

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
1.5400	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%
1.3305	958,658,962	110.666%

TABLE L-7

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

Fiscal Year	District Direct Rates			Overlapping Rates	
	General Purposes	Capital Purposes	Total	Caldwell County	City of Lockhart
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
2016	1.0400	0.2905	1.3305	0.7174	0.7333

Source: Caldwell County Appraisal District

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2015			2007		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
LCRA Transmission Srv Corp	\$ 36,674,870	1	3.5%	\$ 9,910,530	1	2.18%
Flint Hills Resources LP (TPL)	32,651,990	2	3.1%	4,815,900	4	1.06%
Bluebonnet Electric Cooperative	8,304,240	3	0.8%	4,069,200	5	0.90%
Wal-mart Stores Texas LP	8,221,970	4	0.8%	--		--
Echostar Broadcasting Corp	8,042,030	5	0.8%	--		--
Walmart Properties Inc	7,315,840	6	0.7%	2,689,360	10	0.59%
Economy Realty Ltd	7,217,170	7	0.7%	2,997,760	8	0.66%
Union Pacific RR Company	6,938,080	8	0.7%	2,854,670	9	0.63%
Eagle Hydrocarbons, Inc.	5,349,651	9	0.5%	--		--
H.E. Butt Grocery	4,821,610	10	0.5%	3,741,860	6	0.82%
Southwestern Bell Telephone	--	--	--	5,742,250	2	1.27%
Lockhart Village Partners	--	--	--	5,318,330	3	1.17%
Hoskins, Fred W	--	--	--	3,253,850	7	0.72%
Total	\$ <u>125,537,451</u>		<u>11.83%</u>	\$ <u>45,393,710</u>		<u>10.00%</u>

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
2007	11,599,828	10,819,529	93.27%	696,373	11,515,902	99.28%
2008	9,186,752	8,540,510	92.97%	565,131	9,105,641	99.12%
2009	10,090,371	9,276,179	91.93%	691,995	9,968,174	98.79%
2010	10,480,036	9,751,039	93.04%	573,356	10,324,395	98.51%
2011	10,739,555	9,963,142	92.77%	606,025	10,569,167	98.41%
2012	11,558,573	10,930,905	94.57%	549,711	11,480,616	99.33%
2013	11,815,324	11,142,905	94.31%	497,157	11,640,062	98.52%
2014	12,229,727	11,598,971	94.84%	402,488	12,001,459	98.13%
2015	15,088,278	14,240,485	94.38%	394,690	14,635,175	97.00%
2016	13,979,276	13,288,416	95.06%	--	13,288,416	95.06%

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
2007	26,933,080	3.80%	1,381	5.79%
2008	26,075,651	3.60%	1,339	5.47%
2009	24,497,900	3.10%	1,257	4.89%
2010	22,597,864	3.30%	1,363	5.31%
2011	17,789,498	2.90%	1,260	4.71%
2012	19,698,182	2.50%	1,167	4.23%
2013	18,040,458	2.30%	904	3.11%
2014	18,625,635	2.00%	758	2.57%
2015	81,087,858	7.20%	2,828	10.09%
2016	78,313,498	7.38%	1,967	6.72%

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

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

Fiscal Year	Total Debt	Less Restricted for Debt Service	Total
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
2016	83,056,462	4,742,964	78,313,498

**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
2007	26,933,080	3.80%	5.79%	1,381
2008	26,075,651	3.60%	5.47%	1,339
2009	24,497,900	3.10%	4.89%	1,257
2010	22,597,864	3.30%	5.31%	1,363
2011	17,789,498	2.90%	4.71%	1,260
2012	19,698,182	2.50%	4.23%	1,167
2013	18,040,458	2.30%	3.11%	904
2014	18,625,635	2.00%	2.57%	758
2015	81,087,858	7.20%	10.09%	2,819
2016	78,313,498	7.38%	6.72%	2,819

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

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

<u>Governmental Unit</u>	<u>Total Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Caldwell County	\$ 14,280,000	63.560%	\$ 9,076,368
City of Lockhart	6,902,707	99.990%	6,902,017
Mustang Ridge, City of	483,000	30.340%	<u>146,542</u>
Total Overlapping Debt			16,124,927
Lockhart ISD (See Note 1)	78,313,498	100.000%	<u>78,313,498</u>
Total Direct and Overlapping Debt			\$ <u>94,438,425</u>

Note: Percent of overlapping debt was provided on the Texas Municipal Report dated 1/27/16.

Sources: Texas Municipal Report.

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### LEGAL DEBT MARGIN INFORMATION

#### LAST TEN FISCAL YEARS

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 55,306,707	\$ 56,246,557	\$ 57,777,176	\$ 59,642,483	\$ 62,920,060
Total Net Debt Applicable to Limit	<u>29,027,232</u>	<u>26,075,651</u>	<u>24,497,900</u>	<u>26,692,864</u>	<u>24,540,798</u>
Legal Debt Margin	\$ <u>26,279,475</u>	\$ <u>30,170,906</u>	\$ <u>33,279,276</u>	\$ <u>32,949,619</u>	\$ <u>38,379,262</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	52.48%	46.36%	42.40%	44.75%	39.00%

Source: Texas Municipal Reports



TABLE L-13

	Fiscal Year				
	2012	2013	2014	2015	2016
\$	68,094,606	\$ 69,689,306	\$ 72,579,980	\$ 79,382,147	\$ 74,263,335
	<u>23,088,182</u>	<u>21,074,213</u>	<u>18,968,029</u>	<u>73,902,781</u>	<u>71,332,036</u>
\$	<u>45,006,424</u>	<u>\$ 48,615,093</u>	<u>\$ 53,611,951</u>	<u>\$ 5,479,366</u>	<u>\$ 2,931,299</u>
	33.91%	30.24%	26.13%	93.10%	96.05%

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

Assessed Value	\$ 1,060,904,789
Debt Limit (7% of Assessed Value)	74,263,335
Debt Applicable to Limit:	
General Obligation Bonds	76,075,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>4,742,964</u>
Total Net Debt Applicable to Limit	<u>71,332,036</u>
Legal Debt Margin	<u>\$ 2,931,299</u>

TABLE L-14

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

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
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	1,057,000	27,312	6.00%
2015	39,232	1,100,000	28,017	4.50%
2016	39,810	1,166,000	29,283	4.20%

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

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lockhart ISD	646	1	4.3%	688	1	--
Serta Dormae Mfg.	280	2	1.9%	160	3	--
Wal-Mart	225	3	1.5%	122	7	--
Management and Training Corp.	195	4	1.3%			
H.E.B. Food Store	154	5	1.0%	147	5	--
Pegasus	149	6	1.0%	151	4	--
City of Lockhart	145	7	1.0%	141	6	--
Parkview Nursing & Rehab. Ctr.	105	8	0.7%			
Chisholm Trail Rehab Center	76	9	0.5%	82	9	--
Livengood Feed	70	10	0.5%	60	10	--
The GEO Group, Inc.				186	2	--
Golden Age Home				112	8	--
Total	2,045			1,849		

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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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Teachers</u>										
Teacher	317.0	323.9	326.6	326.5	331.0	324.6	329.0	325.6	335.0	352.2
<b><u>Professional Support</u></b>										
Counselor	12.5	11.8	11.5	12.5	13.0	12.0	12.8	13.0	13.1	13.0
Educational Diagnostician	6.0	6.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Librarian	8.0	7.0	8.0	8.0	8.0	8.0	6.3	8.0	7.9	7.0
School Nurse	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LSSP/Psychologist	2.0	2.0	4.0	4.0	4.0	2.0	2.0	1.0	3.0	2.0
Social Worker	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	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.0	4.0
Work-Based Learning Site Coord.	0.2	0.3	0.4	0.2	0.5	0.3	--	--	--	--
Teacher Facilitator	5.7	6.7	3.2	1.2	0.3	0.9	0.6	3.0	2.9	1.4
Athletic Trainer	2.0	1.8	1.8	1.5	1.7	1.7	1.5	1.3	1.9	1.7
Campus Professional Personnel	2.0	2.0	5.0	6.0	6.0	4.6	5.3	4.2	6.1	2.6
Non-Instructional Professionals	7.1	8.8	10.0	11.0	9.5	9.5	10.4	10.4	10.3	14.4
<u>Campus Administration</u>										
Assistant Principal	10.0	10.3	11.0	11.0	12.0	11.9	12.0	12.0	11.0	12.0
Principal	7.5	8.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
<u>Central Administration</u>										
Assistant/Assoc/Deputy Supt.	1.6	1.1	2.0	2.0	2.0	2.0	3.0	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	4.0
Superintendent	1.0	0.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Teacher Supervisor	--	--	--	0.6	0.6	--	--	--	--	--
Athletic Director	1.4	1.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	1.0	1.0	1.0	--	--	--	--
<u>Educational Aides</u>										
Educational Aide	57.0	57.6	55.0	54.5	54.7	49.9	46.6	48.3	50.7	47.6
<u>Auxiliary Staff</u>	187.7	179.6	179.8	179.7	179.5	165.8	171.7	174.3	167.8	170.4
<b>Total</b>	<u>637.7</u>	<u>638.3</u>	<u>642.8</u>	<u>642.2</u>	<u>647.3</u>	<u>617.7</u>	<u>624.7</u>	<u>629.6</u>	<u>637.2</u>	<u>653.8</u>

Source: In-house District information

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### OPERATING STATISTICS

#### LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Total Expenses</u>
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%	56,641,824
2016	5,397	41,769,915	7,739	6.1%	87,339,041

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

Source: AEIS Reports and District records

TABLE L-17

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
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%
16,183	53%	352	15.3	69.6%

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary	Statewide Average Salary
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	46,240	50,715
2016	45,500	60,010	46,242	51,891

Sources: AEIS Reports, District Records

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Elementary</b>					
Carver Kindergarten (1953)					
Square Feet	52,578	52,578	52,578	52,578	52,578
Capacity	512	512	512	512	512
Enrollment	417	360	391	427	445
Clear Fork (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Capacity	489	489	489	489	489
Enrollment	414	424	412	409	423
Plum Creek (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Capacity	512	512	512	512	512
Enrollment	458	462	422	441	451
Navarro (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Capacity	449	449	449	449	449
Enrollment	417	414	407	417	426
Bluebonnet (2005)					
Square Feet	64,992	64,992	64,992	64,992	64,992
Capacity	606	606	606	606	606
Enrollment	482	525	531	583	580
<b>Secondary</b>					
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	999	963	992	1,039	1,058
Lockhart HS Freshman Campus (1923)					
Square Feet	71,057	71,057	71,057	71,057	71,057
Capacity	487	487	487	487	487
Enrollment	319	335	343	330	350
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	850	874	963	990	945
Pride High School (1992)					
Square Feet	10,647	10,647	10,647	10,647	10,647
Capacity	66	66	66	66	66
Enrollment	43	62	65	31	31
Discipline Mgmt Center (1997)					
Square Feet	8,088	8,088	8,088	8,088	8,088
Capacity	46	46	46	46	46
Enrollment	--	--	--	--	--
<b>Alternative</b>					
Square Feet	18,735	18,735	18,735	18,735	18,735
Capacity	112	112	112	112	112
Enrollment	43	62	65	31	31
<b>School Support</b>					
Square Feet	29,308	30,328	30,328	30,328	30,328

Source: District records.

Capacity above is Functional Capacity.

TABLE L-19

Fiscal Year				
2012	2013	2014	2015	2016
52,578	52,578	52,578	52,578	52,578
512	512	512	512	512
457	517	494	475	460
57,113	57,113	57,113	57,113	57,113
489	489	489	489	489
428	455	502	585	575
67,233	67,233	67,233	67,233	67,233
512	512	512	512	512
459	500	552	547	557
55,573	55,573	55,573	55,573	55,573
449	449	449	449	449
423	427	439	484	497
64,992	64,992	64,992	64,992	64,992
606	606	606	606	606
590	581	609	625	640
152,105	152,105	152,105	152,105	152,105
1,700	1,700	1,700	1,700	1,700
1,073	1,129	1,101	1,173	1,148
71,057	71,057	71,057	71,057	71,057
487	487	487	487	487
352	368	405	382	419
175,180	175,180	175,180	175,180	175,180
1,480	1,480	1,480	1,480	1,480
974	970	1,005	1,070	1,086
10,647	10,647	10,647	10,647	10,647
66	66	66	66	66
26	22	23	24	15
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
26	22	23	24	15
30,328	30,328	30,328	30,328	30,328

