

Comprehensive Annual Financial Report

For the Year Ended June 30, 2013

Lockhart Independent School District
Finance Department
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Lockhart, TX 78644
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Lockhart Independent School District
Comprehensive Annual Financial Report
For The Year Ended June 30, 2013

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Introductory Section

Lockhart Independent School District

105 South Colorado Street
P.O. Box 120
Lockhart, TX 78644

Business Office
Phone 512-398-0045
Fax 512-398-0025

Dr. Jose Parra
Superintendent

Tina Knudsen, CPA
Chief Financial Officer

October 29, 2013

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, 2013 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 the school district. We believe the data, as presented, are accurate in all material aspects; that it is presented in a manner designed to fairly present the financial position and the results of operations of the school district as measured by the financial activity of its various funds. Furthermore, we believe that all disclosures necessary to enable the reader to gain the full understanding of the District's financial affairs have been included in this report. Management's discussion and analysis beginning on page 14 provides further information.

The District is required to be audited under an annual single audit in conformity with the provisions of the Single Audit Act, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Texas Education Agency also requires a Schedule of Expenditures of Federal Awards, findings and questioned costs, status of prior findings and the auditor's reports on compliance with applicable laws and regulations and the District's internal control structure. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be acquired; and (2) the valuation of costs and benefits requires estimates and judgments by management. All areas were found to be acceptable and the auditor's opinions in this regard were unqualified. 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 12th grade) to citizens within the school district. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. The FY 2012-2013 total enrollment was 4,977. The District has 329 certified teachers, 77 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 are 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. To ensure budgetary compliance, the Texas Education Agency (T.E.A.) and the District have established spending regulations and policies. The state budgetary policies can be found at the Texas Education Agency's website at: <http://www.tea.state.tx.us/index4.aspx?id=1222> . The 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 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. Reliance on one industry has made for peaks and valleys in the economic outlook for the county. The latest of these extreme swings came in the 80's with the fall of the oil industry. Though some of Caldwell'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 being prepped to become a prime location for business location. 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 which passes through Caldwell County provides a thoroughfare for NAFTA-based traffic. The road opened for traffic in November 2012.

With land being less expensive than Austin, the county is an affordable location for industries interested in moving to the Austin area but unwilling to pay the higher costs associated with being within the city. Lockhart has a small town quality of life, two industrial parks, job training, productive labor supply, and state and local incentives. The Lockhart Chamber of Commerce and Hispanic Chamber of Commerce have continued to work hard to bring new businesses to Lockhart.

The Board of Trustees approved a Freeport Tax Exemption in April 2009. All three taxing entities: city, county and school district, have approved the exemption, offering businesses a "Triple Freeport Exemption", which should give Lockhart the additional tools needed to compete regionally and nationally to locate 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.

As of October 1, 2013, the Chief Appraiser of the Caldwell County Appraisal District reported that all taxable properties in the District subject to appraisals to be valued at \$949,637,624. In addition to this certified value, there is \$3,693,470 that reflects the

estimated value for those properties still under protest. The total adopted tax rate for the 2012-2013 school year was \$1.1868 per one hundred of taxable property value and consists of the maintenance and operations tax rate of \$1.04 and the debt service tax rate of \$0.1482. However, the District receives the majority of its funding from the state of Texas. When property values increase and therefore property tax revenues increase, the state of Texas reduces District's state revenues by the same amount.

Projections

Enrollment is currently at 5,143 in 2013-2014, an increase of 177 students from 2012-2013. The adopted 2013-2014 General Fund budget is \$37,182,673, an increase from \$34,517,517 in 2011-2012, or \$2,665,156. The increase in funding is attributable to an increase in state revenues for the new biennium, as well as increases in student average daily attendance which generates more state revenues. The increased revenues provided for increase for a competitive pay and benefits plan for employees, school bus purchases, as well as additional classroom teachers.

Long-term Financial Policies

The District seizes opportunities to refinance long-term debt in the current favorable interest rate environment. In November 2012, the Board approved the refinancing of the 2010 Maintenance Tax Notes. The transaction generated approximately \$247,484 over the remaining life of the notes, with a 7.311% in net present value benefit for the Maintenance Tax Notes.

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 2012-2013, the District invested \$3.3M in one-time capital improvement projects, using General Fund balance.

Relevant Financial Policies

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

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

Major Initiative

The District received a demographic study in early 2013. The demographic study identified some potential capacity challenges in the near future. In October 2013, the District received the results of a facility study which prioritized facilities needs, as well as a debt capacity report to identify ability to fund identified needs. The identified needs include a renovation of Lockhart High School, a new elementary school, and miscellaneous improvements at all other schools. As of the date of this report, the Board is considering all options.

Awards and Acknowledgements

Awards

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

Lockhart ISD has received the Schools FIRST Superior Achievement ratings for each of the eleven school years 2001-2002 through 2011-2012. The Superior Achievement rating is the highest that a school District can receive.

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, 2012. This was the eighth 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 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 ninth 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, 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 for public inspection and discussion, by appointment, during normal office hours.

Respectfully submitted,

(ORIGINAL SIGNATURE ON FILE)

Dr. Jose Parra
Superintendent of Schools

(ORIGINAL SIGNATURE ON FILE)

Tina Knudsen, CPA
Chief Financial Officer



Government Finance Officers Association

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

Presented to

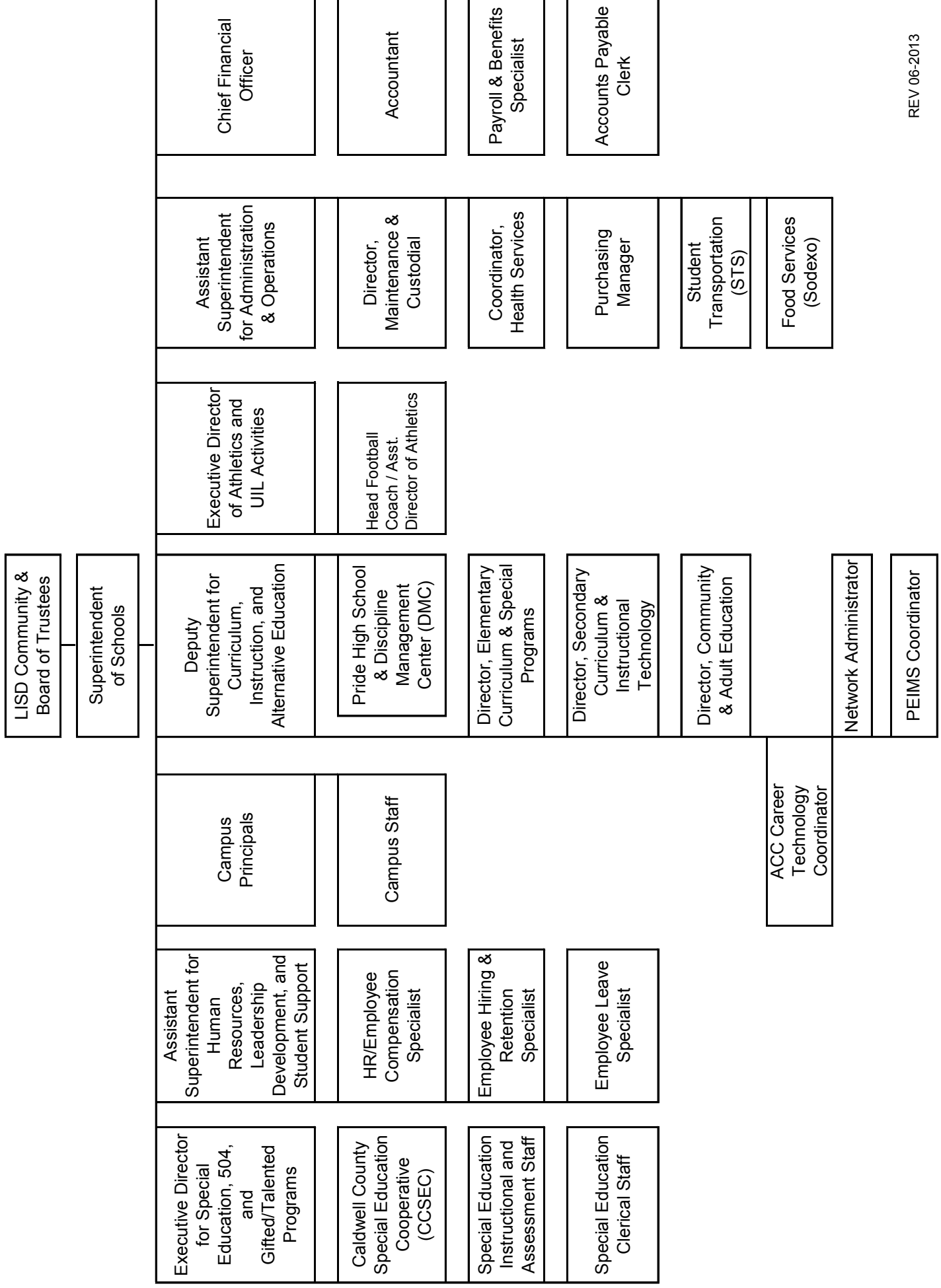
**Lockhart Independent
School District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

LISD ORGANIZATIONAL CHART 2013-2014



LOCKHART INDEPENDENT SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2013

Elected Officials

<u>Name</u>	<u>Office</u>
Rick Womble	President
Brenda Spillman	Vice-President
Jon Reyes	Secretary
Juan Alvarez, Jr.	Trustee
Carl Cisneros	Trustee
Tom Guyton	Trustee
Jessica Neyman	Trustee

Appointed Officials

<u>Name</u>	<u>Position</u>
Dr. Jose Parra	Superintendent
Janie Wright	Deputy Superintendent Instruction, Fed/State Programs and Alternative Schools
Larry Ramirez	Assistant Superintendent Administration and Operations
Daniel Vera	Assistant Superintendent Human Resources, Leadership Development and Student Support Services
Tina Knudsen	Chief Financial Officer

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, 2013, at a meeting of the board of trustees of such school district on the 25 day of November, 2013


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 Lockhart Independent School District ("the District") as of and for the year ended June 30, 2013, 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, 2013, 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

As described in Note A to the financial statements, in 2013, Lockhart Independent School District adopted new accounting guidance, Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2013, Lockhart Independent School District adopted new accounting guidance, Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013 on our consideration of Lockhart Independent School District's internal control over financial reporting and

on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lockhart Independent School District's internal control over financial reporting and compliance.

West, Davis & Company

West, Davis & Company, LLP
Austin, Texas
October 29, 2013

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, 2013. Please read it in conjunction with the independent auditors' report on page 11, and the District's Basic Financial Statements, which begin on page 20. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

USING THIS ANNUAL REPORT

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

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

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

- Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs. The District, at present, maintains seven Community Education proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities decreased from \$21.8 million to \$21.5 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 \$11.6 million at June 30, 2013. The decrease in governmental net position was primarily due to results from investments of \$3.3 million in capital improvements. The District enrollment, and therefore, average daily attendance resulted in more state revenue than was anticipated. More information is presented in the paragraph following Table II on the next page.

The District implemented GASB 65 resulting in a prior period adjustment in the amount of \$895,794 as detailed in Note O to the financial statements.

Table I
Lockhart Independent School District

	NET POSITION					
	in thousands					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	22,265	24,920	69	69	22,334	24,989
Capital assets	30,122	31,557	-	-	30,122	31,557
Total Assets	52,387	56,477	69	69	52,456	56,546
Long-term Liabilities	23,551	24,621	-	-	23,551	24,621
Other liabilities	7,337	6,857	69	69	7,406	6,926
Total liabilities	30,888	31,478	69	69	30,957	31,547
Net Position:						
Invested in capital assets net of related debt	6,487	4,014	-	-	6,487	4,014
Restricted	3,456	2,774	-	-	3,456	2,774
Unrestricted	11,555	14,100	-	-	11,555	14,100
Total net position	21,498	20,888	-	-	21,498	20,888

Table II
Lockhart Independent School District

CHANGES IN NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	656	814	-	-	656	814
Operating grants and contributions	6,765	6,609	-	-	6,765	6,609
General Revenues:						
Maintenance and operations taxes	10,304	10,558	-	-	10,304	10,558
Debt Service taxes	1,442	1,513	-	-	1,442	1,513
Grants and Contributions not restricted to specific functions	24,169	24,072	83	96	24,252	24,168
Investment Earnings	66	87			66	87
Miscellaneous	995	746	534	556	1,529	1,302
Total Revenue	44,397	44,399	617	652	45,014	45,051
Expenses:						
Instruction, curriculum and media services	24,335	23,990	-	-	24,335	23,990
Instructional and school leadership	3,345	3,230	-	-	3,345	3,230
Student support services	4,133	4,038	-	-	4,133	4,038
Child Nutrition	3,013	2,997	-	-	3,013	2,997
Co-curricular activities	1,106	1,134	-	-	1,106	1,134
General administration	1,386	1,381	-	-	1,386	1,381
Plant maintenance, security and data processing	4,393	4,434	-	-	4,393	4,434
Community services	53	69	-	-	53	69
Debt services	1,028	1,188	-	-	1,028	1,188
Payments related to SSA	501	497	-	-	501	497
Intergovernmental Charges	268	246	-	-	268	246
Business-type activities	-	-	843	824	843	824
Total Expenses	43,561	43,204	843	824	44,404	44,028
Increase (Decrease) in net position	836	1,195	(226)	(172)	610	1,023
Transfers	-226	-172	226	172	-	-
Increase (Decrease) in net position	610	1,023	-	-	610	1,023
Net position at Beginning	20,888	20,761	-	-	20,888	20,761
Prior Period Adjustment	-	(896)	-	-	-	(896)
Net position at Beginning as Restated	20,888	19,865	-	-	20,888	19,865
Net position at Ending	21,498	20,888	-	-	21,498	20,888

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 \$12.8 million, which is \$1.8 million less than last years' total of \$14.6 million. The decrease in fund balance is mainly attributable to one-time investments in capital assets such as roof replacements, fire alarm system, HVAC replacements and athletic facilities.

The Districts' Debt Service fund reported a fund balance of \$2.6 million which is equal to last years' total of \$2.6 million. The Debt Service fund balance was equal to at June 30, 2013, as compared to 2012, due to tax collections for a large bond payment which was due on August 1, shortly after fiscal year end. The purpose of the Debt Service Fund is to provide for the payment of bond principal and interest payments as they become due.

The Districts' other governmental funds reported a fund balance of \$891 thousand as compared to \$658 thousand in 2012, which is \$233 thousand more than the previous year. The primary difference between fiscal 2012 and fiscal 2013 governmental funds was that the school nutrition fund balance increased by \$247 thousand due to more student meals served than in the prior year, combined with effective management of expenses in the fund.

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 2012). 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 2013, the District had \$30.1 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 District's fiscal year 2012-2013 General Fund capital budget provided no funds for expenditures for new instructional facilities, however it budgeted \$3.2 million for capital expenditures. The \$3.2 million is comprised of \$395 thousand for parking improvements, \$610 thousand for air conditioning improvements, \$470 thousand for roofing, \$1.3 million for 8 new tennis courts, \$210 thousand for athletic facility improvements, \$189 thousand for a fire alarm system and the remainder for building improvements.

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 \$25.4 million in bonds outstanding, maintenance tax notes and accumulated accretion on CAB's versus \$26.6 million last year. The decrease of \$1.2 million is attributable to scheduled payments on debt during fiscal 2013 and a refinancing of the maintenance tax note.

More detailed information about the District's long-term liabilities is presented in Note G 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 2013-2014 budget and tax rates. Those factors include property values, changes 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 \$37.2 million for the 2013-2014 fiscal year. The budget increased from 2012-2013 to 2013-2014 by \$2.6 million, a direct result from increased average daily attendance which generates more state revenues, and increased state revenues appropriations. The majority of the District's budget increase was attributed primarily to the implementation of a competitive pay and benefits plan as well as appropriations for capital outlay, which included two new buses and new band uniforms.

The 2013-2014 budget provided a pay increase for all employees and added an increase in the employer portion of health benefits. The District received an updated 2013 demographic study report and a 2013 facilities report to anticipate any projects needed in the future. At this time, the District has is in the discussion stage for new or renovated facilities, which may result in a future bond issue to issue additional debt to finance building projects or renovations.

Future enrollments and property values are forecast to remain steady or minimal increases, which will continue to produce revenues that will support projected expenditures in the near future. For the 2013-2014 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, 2013

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 4,065,851	\$ 56,672	\$ 4,122,523
1120 <i>Current Investments</i>	9,976,835	--	9,976,835
1225 <i>Property Taxes Receivable (Net)</i>	939,135	--	939,135
1240 <i>Due from Other Governments</i>	6,959,300	--	6,959,300
1250 <i>Accrued Interest</i>	2,218	--	2,218
1260 <i>Internal Balances</i>	(8,079)	8,079	--
1290 <i>Other Receivables (Net)</i>	227,967	4,225	232,192
1410 <i>Unrealized Expenses</i>	101,113	--	101,113
Capital Assets:			
1510 <i>Land</i>	2,412,786	--	2,412,786
1520 <i>Buildings and Improvements, Net</i>	22,989,173	--	22,989,173
1530 <i>Furniture and Equipment, Net</i>	3,523,452	--	3,523,452
1580 <i>Construction in Progress</i>	1,196,553	--	1,196,553
1000 Total Assets	<u>52,386,304</u>	<u>68,976</u>	<u>52,455,280</u>
LIABILITIES:			
2110 <i>Accounts Payable</i>	802,612	6,872	809,484
2140 <i>Interest Payable</i>	379,480	--	379,480
2165 <i>Accrued Liabilities</i>	4,150,284	53,283	4,203,567
2180 <i>Due to Other Governments</i>	29,577	--	29,577
2300 <i>Unearned Revenue</i>	55,304	8,821	64,125
Noncurrent Liabilities:			
2501 <i>Due Within One Year</i>	1,920,000	--	1,920,000
2502 <i>Due in More Than One Year</i>	23,551,007	--	23,551,007
2000 Total Liabilities	<u>30,888,264</u>	<u>68,976</u>	<u>30,957,240</u>
NET POSITION			
3200 <i>Net Investment in Capital Assets</i>	6,486,964	--	6,486,964
Restricted For:			
3820 <i>Federal and State Programs</i>	725,404	--	725,404
3850 <i>Debt Service</i>	2,627,154	--	2,627,154
3870 <i>Campus Activities</i>	103,191	--	103,191
3900 <i>Unrestricted</i>	11,555,327	--	11,555,327
3000 Total Net Position	<u>\$ 21,498,040</u>	<u>\$ --</u>	<u>\$ 21,498,040</u>

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	1	3	4
		Program Revenues	
Data Control Codes	Functions/Programs	Charges for Services	Operating Grants and Contributions
	Expenses		
	Governmental Activities:		
11	Instruction	\$ --	\$ 3,235,367
12	Instructional Resources and Media Services	--	27,029
13	Curriculum and Staff Development	--	10,171
21	Instructional Leadership	--	25,021
23	School Leadership	--	129,854
31	Guidance, Counseling, & Evaluation Services	--	298,715
32	Social Work Services	--	1,388
33	Health Services	--	75,656
34	Student Transportation	--	129,937
35	Food Service	477,744	2,604,387
36	Cocurricular/Extracurricular Activities	106,531	31,284
41	General Administration	--	44,501
51	Facilities Maintenance and Operations	71,151	121,084
52	Security and Monitoring Services	325	2,058
53	Data Processing Services	--	10,047
61	Community Services	--	5,940
72	Interest on Long-term Debt	--	--
73	Bond Issuance Costs and Fees	--	--
93	Payments Related to Shared Services Arrangements	--	12,589
99	Other Intergovernmental Charges	--	--
TG	Total Governmental Activities	655,751	6,765,028
	Business-type Activities:		
01	Summer Recreation	--	--
02	After School Program	--	--
03	Cubhouse Students	--	--
04	GED Adult Ed.	--	--
06	Cubhouse Employees	--	--
07	Community Ed. Adm.	--	--
08	Teen Parents	--	--
TB	Total Business-type Activities	--	--
TP	Total Primary Government	\$ 655,751	\$ 6,765,028
	General Revenues:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
IE	Investment Earnings		
GC	Grants and Contributions Not Restricted to Specific Programs		
MI	Miscellaneous		
FR	Transfers		
TR	Total General Revenues and Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Prior Period Adjustment		
	Net Position - Beginning, as Restated		
NE	Net Position - Ending		

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (20,315,201)		\$ (20,315,201)
(669,912)		(669,912)
(185,917)		(185,917)
(537,154)		(537,154)
(2,663,863)		(2,663,863)
(1,358,017)		(1,358,017)
(77,009)		(77,009)
(298,619)		(298,619)
(1,895,954)		(1,895,954)
69,017		69,017
(982,576)		(982,576)
(1,341,183)		(1,341,183)
(3,839,542)		(3,839,542)
(110,836)		(110,836)
(238,882)		(238,882)
(48,174)		(48,174)
(912,664)		(912,664)
(114,591)		(114,591)
(488,057)		(488,057)
(268,042)		(268,042)
<u>(36,277,176)</u>		<u>(36,277,176)</u>
--	\$ (49,015)	(49,015)
--	(156,108)	(156,108)
--	(163,798)	(163,798)
--	(152,220)	(152,220)
--	(143,863)	(143,863)
--	(155,535)	(155,535)
--	(22,556)	(22,556)
--	<u>(843,095)</u>	<u>(843,095)</u>
<u>(36,277,176)</u>	<u>(843,095)</u>	<u>(37,120,271)</u>
10,304,215	--	10,304,215
1,442,407	--	1,442,407
67,241	--	67,241
24,169,043	83,212	24,252,255
1,129,909	534,083	1,663,992
(225,800)	225,800	--
<u>36,887,015</u>	<u>843,095</u>	<u>37,730,110</u>
<u>609,839</u>	<u>609,839</u>	<u>609,839</u>
21,783,995	--	21,783,995
(895,794)	--	(895,794)
20,888,201	--	20,888,201
<u>\$ 21,498,040</u>	<u>\$ --</u>	<u>\$ 21,498,040</u>

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

JUNE 30, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 3,375,639	\$ 78,258	\$ 611,955	\$ 4,065,852
1120 <i>Current Investments</i>	6,926,309	2,260,399	790,127	9,976,835
1225 <i>Taxes Receivable, Net</i>	816,795	122,340	--	939,135
1240 <i>Due from Other Governments</i>	5,954,658	302,606	702,036	6,959,300
1250 <i>Accrued Interest</i>	2,066	--	152	2,218
1260 <i>Due from Other Funds</i>	896,775	--	31,502	928,277
1290 <i>Other Receivables</i>	161,089	4,513	62,365	227,967
1410 <i>Unrealized Expenditures</i>	99,703	--	1,410	101,113
1000 Total Assets	<u>18,233,034</u>	<u>2,768,116</u>	<u>2,199,547</u>	<u>23,200,697</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 694,552	\$ --	\$ 108,060	\$ 802,612
2150 <i>Payroll Deductions & Withholdings</i>	968,902	--	57,593	1,026,495
2160 <i>Accrued Wages Payable</i>	2,771,954	--	351,835	3,123,789
2170 <i>Due to Other Funds</i>	222,075	--	714,281	936,356
2180 <i>Due to Other Governments</i>	6,628	--	22,949	29,577
2300 <i>Unearned Revenue</i>	817,804	122,340	54,296	994,440
2000 Total Liabilities	<u>5,481,915</u>	<u>122,340</u>	<u>1,309,014</u>	<u>6,913,269</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	725,404	725,404
3480 <i>Retirement of Long-Term Debt</i>	--	2,645,776	18,754	2,664,530
3490 <i>Other Restrictions of Fund Balance</i>	--	--	103,191	103,191
Committed Fund Balances:				
3510 <i>Construction</i>	1,017,202	--	--	1,017,202
3545 <i>Other Committed Fund Balance</i>	280,777	--	43,184	323,961
3600 <i>Unassigned</i>	11,453,140	--	--	11,453,140
3000 Total Fund Balances	<u>12,751,119</u>	<u>2,645,776</u>	<u>890,533</u>	<u>16,287,428</u>
4000 Total Liabilities and Fund Balances	<u>\$ 18,233,034</u>	<u>\$ 2,768,116</u>	<u>\$ 2,199,547</u>	<u>\$ 23,200,697</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, 2013*

Total fund balances - governmental funds balance sheet	\$ 16,287,428
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	30,121,965
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	939,136
Payables for bond principal which are not due in the current period are not reported in the funds.	(23,635,000)
Accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(958,347)
Payables for bond interest which are not due in the current period are not reported in the funds.	(379,480)
Bond premium is recorded in the SNA but not in the funds.	(877,660)
Rounding difference	(2)
Net position of governmental activities - Statement of Net Position	\$ <u>21,498,040</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, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 10,810,993	\$ 1,482,797	\$ 1,268,459	\$ 13,562,249
5800 <i>State Program Revenues</i>	23,926,038	930,810	484,434	25,341,282
5900 <i>Federal Program Revenues</i>	222,807	--	5,369,492	5,592,299
5020 Total Revenues	<u>34,959,838</u>	<u>2,413,607</u>	<u>7,122,385</u>	<u>44,495,830</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	19,479,755	--	2,862,025	22,341,780
0012 <i>Instructional Resources and Media Services</i>	626,146	--	38,730	664,876
0013 <i>Curriculum and Staff Development</i>	181,604	--	4,425	186,029
0021 <i>Instructional Leadership</i>	335,021	--	198,039	533,060
0023 <i>School Leadership</i>	2,647,229	--	2,502	2,649,731
0031 <i>Guidance, Counseling, & Evaluation Services</i>	1,132,765	--	438,271	1,571,036
0032 <i>Social Work Services</i>	74,308	--	--	74,308
0033 <i>Health Services</i>	298,303	--	56,602	354,905
0034 <i>Student Transportation</i>	1,711,476	--	207,595	1,919,071
0035 <i>Food Service</i>	14,861	--	2,842,699	2,857,560
0036 <i>Cocurricular/Extracurricular Activities</i>	1,038,548	--	35,158	1,073,706
0041 <i>General Administration</i>	1,310,361	--	3,478	1,313,839
0051 <i>Facilities Maintenance and Operations</i>	3,735,651	--	94,742	3,830,393
0052 <i>Security and Monitoring Services</i>	105,580	--	1,891	107,471
0053 <i>Data Processing Services</i>	236,020	--	--	236,020
0061 <i>Community Services</i>	--	--	7,419	7,419
0071 <i>Principal on Long-term Debt</i>	--	1,615,000	375,000	1,990,000
0072 <i>Interest on Long-term Debt</i>	--	751,023	67,303	818,326
0073 <i>Bond Issuance Costs and Fees</i>	--	5,580	84,682	90,262
0081 <i>Capital Outlay</i>	2,569,090	--	9,759	2,578,849
0093 <i>Payments to Shared Service Arrangements</i>	414,084	--	86,562	500,646
0099 <i>Other Intergovernmental Charges</i>	268,042	--	--	268,042
6030 Total Expenditures	<u>36,178,844</u>	<u>2,371,603</u>	<u>7,416,882</u>	<u>45,967,329</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(1,219,006)</u>	<u>42,004</u>	<u>(294,497)</u>	<u>(1,471,499)</u>
Other Financing Sources and (Uses):				
7901 <i>Refunding Bonds Issued</i>	--	--	2,930,000	2,930,000
7915 <i>Transfers In</i>	--	--	449,022	449,022
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	--	187,293	187,293
8911 <i>Transfers Out</i>	(674,824)	--	--	(674,824)
8940 <i>Payment to Bond Refunding Escrow Agent</i>	--	--	(3,039,329)	(3,039,329)
7080 Total Other Financing Sources and (Uses)	<u>(674,824)</u>	<u>--</u>	<u>526,986</u>	<u>(147,838)</u>
1200 Net Change in Fund Balances	<u>(1,893,830)</u>	<u>42,004</u>	<u>232,489</u>	<u>(1,619,337)</u>
0100 Fund Balances - Beginning	<u>14,644,949</u>	<u>2,603,772</u>	<u>658,044</u>	<u>17,906,765</u>
3000 Fund Balances - Ending	<u>\$ 12,751,119</u>	<u>\$ 2,645,776</u>	<u>\$ 890,533</u>	<u>\$ 16,287,428</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, 2013

Net change in fund balances - total governmental funds	\$ (1,619,337)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,602,384
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,204,341)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(181,975)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,990,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	(57,460)
(Increase) decrease in accrued interest from beginning of period to end of period.	(36,878)
Funds transferred to fund the refinancing of debt is reported as another use of funds in the funds.	3,039,329
Bond premium is reported in the funds as a source of funds but not in the SOA.	(187,293)
Other items are amortized in the SOA but not in the funds.	(24,329)
Proceeds of notes do not provide revenue in the SOA, but are reported as current resources in the funds.	(2,930,000)
Bond premiums are amortized in the SOA but not in the funds.	219,740
Rounding difference	(1)
Change in net position of governmental activities - Statement of Activities	\$ <u>609,839</u>

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2013

Data Control Codes		Nonmajor Enterprise Funds
ASSETS:		
	Current Assets:	
1110	Cash and Cash Equivalents	\$ 56,672
	Receivables:	
1260	Due from Other Funds	10,677
1290	Other Receivables (net)	4,225
	Total Current Assets	71,574
1000	Total Assets	71,574
LIABILITIES:		
	Current Liabilities:	
2110	Accounts Payable	\$ 6,872
2150	Payroll Deduction & Withholdings	8,946
2160	Accrued Wages Payable	44,337
2170	Due to Other Funds	2,598
2300	Unearned Revenues	8,821
	Total Current Liabilities	71,574
2000	Total Liabilities	71,574
NET POSITION:		
3000	Total Net Position	\$

The accompanying notes are an integral part of this statement.

LOCKHART INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		Nonmajor Enterprise Funds
OPERATING REVENUES:		
5700	<i>Local and Intermediate Sources</i>	\$ 534,083
5800	<i>State Program Revenues</i>	83,212
5020	Total Revenues	<u>617,295</u>
OPERATING EXPENSES:		
6100	<i>Payroll Costs</i>	629,198
6200	<i>Professional and Contracted Services</i>	152,863
6300	<i>Supplies and Materials</i>	46,241
6400	<i>Other Operating Costs</i>	14,793
6030	Total Expenses	<u>843,095</u>
	Income (Loss) before Contributions and Transfers	(225,800)
7915	<i>Transfers In</i>	298,703
8911	<i>Transfers Out</i>	(72,903)
1300	Change in Net Position	<u>--</u>
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, 2013**

	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 566,382
<i>Cash Received from Grants</i>	83,212
<i>Cash Payments to Employees for Services</i>	(631,609)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(234,593)
Net Cash Provided (Used) by Operating Activities	<u>(216,608)</u>
Cash Flows from Non-capital Financing Activities:	
<i>Transfers From Other Funds</i>	298,703
<i>Transfers (To) Other Funds</i>	(72,903)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>225,800</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 9,192
Cash and Cash Equivalents at Beginning of Year	47,480
Cash and Cash Equivalents at End of Year	<u>\$ 56,672</u>
 Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ (225,800)
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>	29,842
<i>Increase (Decrease) in Accounts Payable</i>	109
<i>Increase (Decrease) in Payroll Deductions</i>	2,016
<i>Increase (Decrease) in Accrued Wages Payable</i>	(4,427)
<i>Increase (Decrease) in Interfund Payables</i>	(20,805)
<i>Increase (Decrease) in Unearned Revenue</i>	2,457
Total Adjustments	<u>9,192</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (216,608)</u>

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2013

Data Control Codes	Private-purpose Trust Funds		
	Scholarship Fund		Agency Funds
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 166,298		\$ 138,722
1250 <i>Accrued Interest</i>	152		--
1290 <i>Other Receivables</i>	--		33
1800 <i>Restricted Assets</i>	212,073		--
1000 <i>Total Assets</i>	<u>378,523</u>		<u>138,755</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ --		\$ 3,557
2190 <i>Due to Student Groups</i>	--		135,198
2300 <i>Unearned Revenues</i>	10		--
2000 <i>Total Liabilities</i>	<u>10</u>		<u>138,755</u>
NET POSITION:			
3800 <i>Held in Trust</i>	378,513		--
3000 <i>Total Net Position</i>	<u>\$ 378,513</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, 2013*

	Private- Purpose Trusts
	Scholarship Funds
Additions:	
Investment Income	\$ 2,362
Gifts and Bequests	80,675
Total Additions	83,037
Deductions:	
Scholarships and Awards	51,030
Supplies and Materials	1,946
Professional Services	--
Total Deductions	52,976
Change in Net Assets	30,061
Net Position-Beginning of the Year	348,452
Net Position-End of the Year	\$ 378,513

The accompanying notes are an integral part of this statement.

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LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" and there are no component units included within the reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

In addition, the District reports the following fund types:

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

Private-Purpose Trust Funds: These funds are used to report trust arrangements with numerous student activities and a scholarship fund supported by various gifts and bequests.

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 private organizations and have no measurement focus.

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. The accrual basis of accounting is used.

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.

The General, Debt Service and National School Breakfast and Lunch Program Funds have legally adopted annual budgets prepared on the GAAP basis. Budgets are legally controlled at the function level.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB standards.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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. Inventories and Prepaid Items

Postage paid in advance for costs relating to future periods is recorded as inventory.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated property is recorded at 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. 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.

f. 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.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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 assets.

g. Use of Estimates

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

h. 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 insure accuracy in building a statewide database for policy development and funding plans.

i. 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 governing board. Committed amounts cannot be used for any other purpose unless the governing board 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 governing board. 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.

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 governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. There is no official or body authorized to assign amounts to a specific purpose.

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.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

j. Deferred Outflows and Inflows of Resources

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

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

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.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

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

Following are funds having deficit fund balances or fund net assets 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, 2013

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, 2013, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,122,863 and the bank balance was \$4,928,931. The District's cash deposits at June 30, 2013 and during the period ended June 30, 2013 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

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

The District's investments at June 30, 2013 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Percentage</u>
TexPool Investment Pool	34 days average	AAA-m	\$ 7,636,151	77%
Texas TERM	50 days average	AAA-m	2,340,684	23%
			<u>\$ 9,976,835</u>	100%

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

TexPool Prime is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the Trust Company) to provide a safe, efficient, and liquid investment alternative for the placement of local government funds in authorized, short-term, fully-collateralized investment. TexPool Prime invests in U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds, commercial paper, and certificate of deposits. TexPool Prime is rated AAAM by Standard & Poor's, the highest rating a local government pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with maximum maturity of any investment limited to 13 months.

The State, with the authority of the Texas Legislature, created the Texas Treasury Safekeeping Trust Company (the Trust Company). This is a special purpose trust company with direct access to the service of the Federal Reserve Bank to manage, disburse, transfer, safe-keep, and invest public funds and securities more efficiently and economically. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Trust company. Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. Lehman Brothers is the administrator for the TexPool program providing, Participant Services and Marketing functions to TexPool participants. Federated Investors is the investment manager and provides for accounting, custodial, and transfer agency services to TexPool.

Texas TERM is a Local Government Investment Pool and is managed by PFM Asset Management LLC. The AAA rated fund invests only in securities allowed by the Texas Public Funds Investment Act. The fund has a letter of credit that backs the maintenance of a \$1.00 net asset value.

D. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 1,065,762	\$ 1,347,024	\$ --	\$ 2,412,786
Construction in progress	707,494	1,196,551	707,494	1,196,551
Total capital assets not being depreciated	<u>1,773,256</u>	<u>2,543,575</u>	<u>707,494</u>	<u>3,609,337</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	57,018,235	742,766	--	57,761,001
Furniture and equipment	7,186,074	23,535	44,319	7,165,290
Total capital assets being depreciated	<u>64,204,309</u>	<u>766,301</u>	<u>44,319</u>	<u>64,926,291</u>
Less accumulated depreciation for:				
Buildings and improvements	(32,710,366)	(2,061,464)	--	(34,771,830)
Furniture and equipment	(3,543,280)	(142,877)	(44,319)	(3,641,838)
Total accumulated depreciation	<u>(36,253,646)</u>	<u>(2,204,341)</u>	<u>(44,319)</u>	<u>(38,413,668)</u>
Total capital assets being depreciated, net	<u>27,950,663</u>	<u>(1,438,040)</u>	<u>--</u>	<u>26,512,623</u>
Governmental activities capital assets, net	<u>\$ 29,723,919</u>	<u>\$ 1,105,535</u>	<u>\$ 707,494</u>	<u>\$ 30,121,960</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Depreciation was charged to functions as follows:

Instruction	\$ 1,213,967
Instructional Resources and Media Services	32,065
Curriculum and Staff Development	10,059
Instructional Leadership	29,115
School Leadership	143,986
Guidance, Counseling, & Evaluation Services	85,696
Social Work Services	4,089
Health Services	19,370
Student Transportation	106,820
Food Services	155,554
Extracurricular Activities	56,791
General Administration	71,845
Plant Maintenance and Operations	209,632
Security and Monitoring Services	5,748
Data Processing Services	12,909
Community Services	46,695
	<u>\$ 2,204,341</u>

E. Interfund Balances and Activities

Due To and From Other Funds

Balances due to and due from other funds at June 30, 2013, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 714,281	Payroll costs
Other Governmental Funds	General Fund	31,502	Payroll costs
Nonmajor Enterprise Funds	Other Governmental Funds	10,677	Reimbursements due
General Fund	General Fund Subfunds	182,494	Cost of service allocations
	Total	<u>\$ 938,954</u>	

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

Transfers to and from other funds at June 30, 2013, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Maintenance Tax Debt Service	\$ 449,022	General Fund tax collections for maintenance note debt service
General fund	Nonmajor Enterprise Funds	298,703	General Fund support of internal service functions
	Total	<u>\$ 747,725</u>	

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

F. Fund Balances

The District has nonspendable, restricted, committed and unassigned fund balance as follows.

Description	Amount
Restricted Fund Balances:	
Federal/State Funds Grant Restrictions	\$ 725,404
Retirement of Long Term Debt	2,664,530
	<u>\$ 3,389,934</u>
Committed Fund Balances:	
General Fund:	
Construction	\$ 1,017,202
Other	323,961
Campus Activity	103,191
	<u>\$ 1,444,354</u>
Unassigned:	<u>\$ 11,453,140</u>
Total Fund Balance	<u><u>\$ 16,287,428</u></u>

G. 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, 2013, are as follows:

Series	Original Issue (Millions)	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:							
2002	15.50	2.00-5.10%	\$ 660,000	\$ --	\$ 660,000	\$ --	\$ --
2006	9.52	3.66%	8,845,000	--	665,000	8,180,000	690,000
2007	8.83	3.92%	8,380,000	--	90,000	8,290,000	95,000
2008	2.3	3.75-4.50%	1,695,000	--	130,000	1,565,000	135,000
2010	4.095	3.50%	3,390,000	--	3,390,000	--	--
2011	2.74	2.00%	2,740,000	--	70,000	2,670,000	605,000
2012	2.93	2.00-3.00%	--	2,930,000	--	2,930,000	395,000
			<u>25,710,000</u>	<u>2,930,000</u>	<u>5,005,000</u>	<u>23,635,000</u>	<u>1,920,000</u>
Accumulated Accretion on CAB			900,887	57,460	--	958,347	--
Premium on Bonds Issued			910,107	187,293	219,740	877,660	--
Total governmental activities			<u>\$ 27,520,994</u>	<u>\$ 3,174,753</u>	<u>\$ 5,224,740</u>	<u>\$ 25,471,007</u>	<u>\$ 1,920,000</u>
Reflected in Statement of Net Position							
Due Within One Year						\$ 1,920,000	
Due in More Than One Year						23,551,007	
						<u>\$ 25,471,007</u>	

The bonded debt detailed above was issued for the construction of school facilities or to refinance debt issued for that purpose. The Series 2006, 2007, 2008 and 2011 bonds were issued to refund outstanding school building bonds. The Series 2010 tax and revenue notes were issued to purchase school buses. The Series 2012 bonds refunded the original 2010 tax and revenue notes.

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2013, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 1,920,000	\$ 864,731	\$ 2,784,731
2015	2,050,000	714,444	2,764,444
2016	2,090,000	656,516	2,746,516
2017	2,125,000	597,253	2,722,253
2018	1,583,024	1,137,623	2,720,647
2019-2023	9,461,964	2,366,699	11,828,663
2024-2028	4,405,000	444,430	4,849,430
Totals	<u>\$ 23,634,988</u>	<u>\$ 6,781,696</u>	<u>\$ 30,416,684</u>

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, 2013, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Series 2002	\$ 10,905,000
Series 2010	3,015,000
Total	<u>\$ 13,920,000</u>

During fiscal year 2013 the District issued \$2.93 million in Limited Tax Refunding Bonds to partially refund the District's Tax & Revenue Note Series 2010 outstanding debt. The proceeds of the refunding, net of debt issuance costs of \$84,682, amounted to \$3.04 million and was deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$216,163 and realized an economic gain (difference between the present value of debt service payments on the old debt and new debt) of \$220,417.

H. 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 2013, 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.

I. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2013, 2012, and 2011, and a state contribution rate of 6.0% for fiscal years 2013 and 2012 and 6.644% for fiscal year 2011. In certain instances the reporting district is required to make all or a portion of the state's contribution. State contributions to TRS made on behalf of the District's employees were recognized as revenues and expenditures for the years ending June 30, 2013, 2012 and 2011 for the amounts of \$1,318,290, \$1,354,147, and \$1,497,487, respectively. The District paid additional state contributions for the years ending June 30, 2013, 2012, and 2011 in the amount of \$408,458, \$380,182, and \$432,353, respectively, on portion of the employees' salaries that exceeded the statutory minimum.

J. Health Care Coverage

During the period ended June 30, 2013, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of \$302 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 Blue Cross and Blue Shield of Texas while Medco Health was assigned the prescription drug plan.

The latest financial information on the state-wide plan is available from TRS (see note I1).

K. Retiree Health Plan

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

b) Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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 and active public school employee contribution rates were 1.0% and 0.65% of the public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2012, and 2011. For the fiscal years ended 2013, 2012, and 2011, the State's contributions to TRS-Care were \$228,027, \$212,725, and \$227,713, respectively, the active member contributions were \$164,217, \$138,271, and \$148,013, respectively, and the District's contributions were \$138,955, \$116,999, and \$125,242, 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 2013, 2012, and 2011, the subsidy payments received by TRS-Care on behalf of the District were \$102,621, \$64,143, and \$59,692, respectively.

L. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at June 30, 2013.

M. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides special education and Medicaid reimbursement 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 Special Education and Medicaid Coop funds 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>	Special Ed. Expenditures	Medicaid Expenditures
Lockhart ISD	\$ 613,300	\$ 3,569
Luling ISD	182,333	625
Prairie Lea ISD	33,151	142
Total	<u>\$ 828,784</u>	<u>\$ 4,336</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

N. Workers' Compensation Insurance

Employees of the District were covered by a workers' compensation insurance plan (the plan). Contributions are made based upon rates established for the District's various types of employees. A third party administrator acts on behalf of the District.

The contract between the District and the third party administrator, Texas Association of School Boards (TASB) is renewable annually and the terms of coverage and costs are included in the contractual provisions.

The District has an aggregate deductible workers' compensation insurance plan. The District pays \$44,886 in administrative costs to TASB. The maximum workers compensation program cost for 2013 is \$197,294.

O. Change in Accounting Principle

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

This resulted in an adjustment to the beginning net position on the statement of activities of \$895,794 to remove deferred charges no longer required to be capitalized in accordance with GASB 65.

With the exception of prepaid insurance costs, costs related to the issuance of debt will no longer be recorded as an expense in the period incurred. These include, but are not limited to, legal costs, costs of printing, insurance costs and various fees such as rating agency fees, trustee fees and administrative fees.

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, 2013

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 10,621,290	\$ 10,937,968	\$ 10,810,993	\$ (126,975)
5800	State Program Revenues	23,635,204	23,964,996	23,926,038	(38,958)
5900	Federal Program Revenues	263,235	263,755	222,807	(40,948)
5020	Total Revenues	34,519,729	35,166,719	34,959,838	(206,881)
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	19,548,192	19,742,785	19,479,755	263,030
0012	Instructional Resources and Media Services	604,405	634,351	626,146	8,205
0013	Curriculum and Staff Development	204,394	202,366	181,604	20,762
	Total Instruction & Instr. Related Services	20,356,991	20,579,502	20,287,505	291,997
Instructional and School Leadership:					
0021	Instructional Leadership	363,233	346,340	335,021	11,319
0023	School Leadership	2,620,479	2,687,794	2,647,229	40,565
	Total Instructional & School Leadership	2,983,712	3,034,134	2,982,250	51,884
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	1,176,229	1,138,139	1,132,765	5,374
0032	Social Work Services	47,270	74,389	74,308	81
0033	Health Services	330,709	312,412	298,303	14,109
0034	Student (Pupil) Transportation	1,718,135	1,812,222	1,711,476	100,746
0035	Food Services	6,000	15,000	14,861	139
0036	Cocurricular/Extracurricular Activities	1,118,448	1,109,177	1,038,548	70,629
	Total Support Services - Student (Pupil)	4,396,791	4,461,339	4,270,261	191,078
Administrative Support Services:					
0041	General Administration	1,350,884	1,394,175	1,310,361	83,814
	Total Administrative Support Services	1,350,884	1,394,175	1,310,361	83,814
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	3,708,197	3,934,324	3,735,651	198,673
0052	Security and Monitoring Services	132,074	175,997	105,580	70,417
0053	Data Processing Services	244,928	246,388	236,020	10,368
	Total Support Services - Nonstudent Based	4,085,199	4,356,709	4,077,251	279,458
Ancillary Services:					
0061	Community Services	308	308	--	308
	Total Ancillary Services	308	308	--	308
Capital Outlay:					
0081	Capital Outlay	--	3,255,646	2,569,090	686,556
	Total Capital Outlay	--	3,255,646	2,569,090	686,556
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	400,000	417,750	414,084	3,666
0099	Other Intergovernmental Charges	253,000	268,100	268,042	58
	Total Intergovernmental Charges	653,000	685,850	682,126	3,724
6030	Total Expenditures	33,826,885	37,767,663	36,178,844	1,588,819

LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

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	692,844	(2,600,944)	(1,219,006)	1,381,938
	Other Financing Sources (Uses):				
8911	Transfers Out	(690,632)	(690,632)	(674,824)	15,808
7080	Total Other Financing Sources and (Uses)	(690,632)	(690,632)	(674,824)	15,808
1200	Net Change in Fund Balance	2,212	(3,291,576)	(1,893,830)	1,397,746
0100	Fund Balance - Beginning	14,644,949	14,644,949	14,644,949	--
3000	Fund Balance - Ending	<u>\$ 14,647,161</u>	<u>\$ 11,353,373</u>	<u>\$ 12,751,119</u>	<u>\$ 1,397,746</u>

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*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, 2013

Data Control Codes		Special Revenue Funds	Debt Service Fund Maintenance Tax Note Debt Service	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:				
1110	Cash and Cash Equivalents	\$ 610,422	\$ 1,533	\$ 611,955
1120	Current Investments	347,180	442,947	790,127
1240	Due from Other Governments	702,036	--	702,036
1250	Accrued Interest	152	--	152
1260	Due from Other Funds	31,502	--	31,502
1290	Other Receivables	62,365	--	62,365
1410	Unrealized Expenditures	1,410	--	1,410
1000	Total Assets	<u>1,755,067</u>	<u>444,480</u>	<u>2,199,547</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 108,060	\$ --	\$ 108,060
2150	Payroll Deductions & Withholdings	57,593	--	57,593
2160	Accrued Wages Payable	351,835	--	351,835
2170	Due to Other Funds	288,555	425,726	714,281
2180	Due to Other Governments	22,949	--	22,949
2300	Unearned Revenue	54,296	--	54,296
2000	Total Liabilities	<u>883,288</u>	<u>425,726</u>	<u>1,309,014</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	725,404	--	725,404
3480	Retirement of Long-Term Debt	--	18,754	18,754
3490	Other Restrictions of Fund Balance	103,191	--	103,191
Committed Fund Balances:				
3545	Other Committed Fund Balance	43,184	--	43,184
3000	Total Fund Balances	<u>871,779</u>	<u>18,754</u>	<u>890,533</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,755,067</u>	<u>\$ 444,480</u>	<u>\$ 2,199,547</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		Special Revenue Funds	Debt Service Fund Maintenance Tax Note Debt Service	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:				
5700	Local and Intermediate Sources	\$ 1,267,752	\$ 707	\$ 1,268,459
5800	State Program Revenues	484,434	--	484,434
5900	Federal Program Revenues	5,369,492	--	5,369,492
5020	Total Revenues	7,121,678	707	7,122,385
EXPENDITURES:				
Current:				
0011	Instruction	2,862,025	--	2,862,025
0012	Instructional Resources and Media Services	38,730	--	38,730
0013	Curriculum and Staff Development	4,425	--	4,425
0021	Instructional Leadership	198,039	--	198,039
0023	School Leadership	2,502	--	2,502
0031	Guidance, Counseling, & Evaluation Services	438,271	--	438,271
0033	Health Services	56,602	--	56,602
0034	Student Transportation	207,595	--	207,595
0035	Food Service	2,842,699	--	2,842,699
0036	Cocurricular/Extracurricular Activities	35,158	--	35,158
0041	General Administration	3,478	--	3,478
0051	Facilities Maintenance and Operations	94,742	--	94,742
0052	Security and Monitoring Services	1,891	--	1,891
0061	Community Services	7,419	--	7,419
0071	Principal on Long-term Debt	--	375,000	375,000
0072	Interest on Long-term Debt	--	67,303	67,303
0073	Bond Issuance Costs and Fees	--	84,682	84,682
0081	Capital Outlay	9,759	--	9,759
0093	Payments to Shared Service Arrangements	86,562	--	86,562
6030	Total Expenditures	6,889,897	526,985	7,416,882
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	231,781	(526,278)	(294,497)
Other Financing Sources and (Uses):				
7901	Refunding Bonds Issued	--	2,930,000	2,930,000
7915	Transfers In	--	449,022	449,022
7916	Premium or Discount on Issuance of Bonds	--	187,293	187,293
8940	Payment to Bond Refunding Escrow Agent	--	(3,039,329)	(3,039,329)
7080	Total Other Financing Sources and (Uses)	--	526,986	526,986
1200	Net Change in Fund Balances	231,781	708	232,489
0100	Fund Balances - Beginning	639,998	18,046	658,044
3000	Fund Balances - Ending	\$ 871,779	\$ 18,754	\$ 890,533

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

Data Control Codes		211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula	225 IDEA-B Preschool Grant
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	241,005	16,994	351,793	12,068
1250	Accrued Interest	--	--	--	--
1260	Due from Other Funds	4,365	164	4,559	109
1290	Other Receivables	--	--	--	--
1410	Unrealized Expenditures	--	--	960	--
1000	Total Assets	<u>245,370</u>	<u>17,158</u>	<u>357,312</u>	<u>12,177</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ (40)	\$ --	\$ 104,403	\$ --
2150	Payroll Deductions & Withholdings	21,379	164	14,300	479
2160	Accrued Wages Payable	136,992	--	104,389	3,202
2170	Due to Other Funds	87,039	16,994	134,220	8,496
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>245,370</u>	<u>17,158</u>	<u>357,312</u>	<u>12,177</u>
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 245,370</u>	<u>\$ 17,158</u>	<u>\$ 357,312</u>	<u>\$ 12,177</u>

240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	350 English Language Acquisition and Enhancement
\$ 355,443	\$ --	\$ --	\$ --	\$ --
347,180	--	--	--	--
15,945	10,688	52,650	--	--
152	--	--	--	--
20,402	117	1,289	--	--
45,274	--	--	--	2,536
--	450	--	--	--
<u>784,396</u>	<u>11,255</u>	<u>53,939</u>	<u>--</u>	<u>2,536</u>
\$ 3,060	\$ 441	\$ --	\$ --	\$ --
6,366	118	3,866	--	161
2,274	4,528	23,264	--	--
3,932	6,168	26,809	--	2,375
176	--	--	--	--
--	--	--	--	--
<u>15,808</u>	<u>11,255</u>	<u>53,939</u>	<u>--</u>	<u>2,536</u>
725,404	--	--	--	--
--	--	--	--	--
43,184	--	--	--	--
<u>768,588</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u>784,396</u>	\$ <u>11,255</u>	\$ <u>53,939</u>	\$ <u>--</u>	\$ <u>2,536</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

Data Control Codes		385 Supplemental Visually Impaired	404 Student Success Initiative	410 State Textbook Fund	411 Technology Allotment
ASSETS:					
1110	Cash and Cash Equivalents	\$ 298	\$ --	\$ 8,604	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	893	--	--
1250	Accrued Interest	--	--	--	--
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	1,978	--	--	--
1410	Unrealized Expenditures	--	--	--	--
1000	Total Assets	<u>2,276</u>	<u>893</u>	<u>8,604</u>	<u>--</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 38	\$ --	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--	--
2160	Accrued Wages Payable	--	816	--	--
2170	Due to Other Funds	2,238	77	--	--
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	8,604	--
2000	Total Liabilities	<u>2,276</u>	<u>893</u>	<u>8,604</u>	<u>--</u>
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,276</u>	<u>\$ 893</u>	<u>\$ 8,604</u>	<u>\$ --</u>

429 State Funded Special Revenue Fund	437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	482 TASB Risk Management
\$ --	\$ 74,232	\$ 21,451	\$ 103,264	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	497	--	--	--
--	12,420	23	--	--
--	--	--	--	--
<u>--</u>	<u>87,149</u>	<u>21,474</u>	<u>103,264</u>	<u>--</u>
\$ --	\$ 148	\$ --	\$ --	\$ --
--	10,760	--	--	--
--	74,942	--	--	--
--	--	--	73	--
--	1,299	21,474	--	--
--	--	--	--	--
<u>--</u>	<u>87,149</u>	<u>21,474</u>	<u>73</u>	<u>--</u>
--	--	--	--	--
--	--	--	103,191	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>103,191</u>	<u>--</u>
\$ --	\$ 87,149	\$ 21,474	\$ 103,264	\$ --

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

JUNE 30, 2013

Data Control Codes	483 Houghton Mifflin	484 Lions Club	485 Meadows Foundation	486 Target
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 5,415	\$ 1,104	\$ 10	\$ 227
1120 <i>Current Investments</i>	--	--	--	--
1240 <i>Due from Other Governments</i>	--	--	--	--
1250 <i>Accrued Interest</i>	--	--	--	--
1260 <i>Due from Other Funds</i>	--	--	--	--
1290 <i>Other Receivables</i>	--	--	--	--
1410 <i>Unrealized Expenditures</i>	--	--	--	--
1000 Total Assets	<u>5,415</u>	<u>1,104</u>	<u>10</u>	<u>227</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ --	\$ --	\$ 10	\$ --
2150 <i>Payroll Deductions & Withholdings</i>	--	--	--	--
2160 <i>Accrued Wages Payable</i>	1,428	--	--	--
2170 <i>Due to Other Funds</i>	--	--	--	--
2180 <i>Due to Other Governments</i>	--	--	--	--
2300 <i>Unearned Revenue</i>	3,987	1,104	--	227
2000 Total Liabilities	<u>5,415</u>	<u>1,104</u>	<u>10</u>	<u>227</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--	--
Committed Fund Balances:				
3545 <i>Other Committed Fund Balance</i>	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,415</u>	<u>\$ 1,104</u>	<u>\$ 10</u>	<u>\$ 227</u>

487	490	491	492	494 Parent Teacher Organization
HEB	Sodexo	Wal-Mart	Headstart	
\$ --	\$ 1,303	\$ 2,563	\$ --	\$ 4,406
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	134	--
--	--	--	--	--
<u>--</u>	<u>1,303</u>	<u>2,563</u>	<u>134</u>	<u>4,406</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	134	--
--	1,303	2,563	--	4,406
<u>--</u>	<u>1,303</u>	<u>2,563</u>	<u>134</u>	<u>4,406</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u>--</u>	\$ <u>1,303</u>	\$ <u>2,563</u>	\$ <u>134</u>	\$ <u>4,406</u>

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LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

Data Control Codes		495 Miscellaneous Grants Fund	496 Athletic Booster Club	497 Advanced Placement Strategies Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:					
1110	Cash and Cash Equivalents	\$ 6,327	\$ 20,154	\$ 5,621	\$ 610,422
1120	Current Investments	--	--	--	347,180
1240	Due from Other Governments	--	--	--	702,036
1250	Accrued Interest	--	--	--	152
1260	Due from Other Funds	--	--	--	31,502
1290	Other Receivables	--	--	--	62,365
1410	Unrealized Expenditures	--	--	--	1,410
1000	Total Assets	<u>6,327</u>	<u>20,154</u>	<u>5,621</u>	<u>1,755,067</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ --	\$ 108,060
2150	Payroll Deductions & Withholdings	--	--	--	57,593
2160	Accrued Wages Payable	--	--	--	351,835
2170	Due to Other Funds	--	--	--	288,555
2180	Due to Other Governments	--	--	--	22,949
2300	Unearned Revenue	6,327	20,154	5,621	54,296
2000	Total Liabilities	<u>6,327</u>	<u>20,154</u>	<u>5,621</u>	<u>883,288</u>
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	725,404
3490	Other Restrictions of Fund Balance	--	--	--	103,191
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	43,184
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>871,779</u>
4000	Total Liabilities and Fund Balances	<u>\$ 6,327</u>	<u>\$ 20,154</u>	<u>\$ 5,621</u>	<u>\$ 1,755,067</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, 2013

Data Control Codes		211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula	225 IDEA-B Preschool Grant
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	921,721	23,224	1,417,187	28,309
5020	Total Revenues	921,721	23,224	1,417,187	28,309
EXPENDITURES:					
Current:					
0011	Instruction	706,947	--	1,215,500	28,309
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	575	--	1,264	--
0021	Instructional Leadership	455	23,224	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	152,263	--	77,344	--
0033	Health Services	56,515	--	--	--
0034	Student Transportation	--	--	122,595	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	4,966	--	484	--
0081	Capital Outlay	--	--	--	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	921,721	23,224	1,417,187	28,309
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	350 English Language Acquisition and Enhancement	385 Supplemental Visually Impaired
\$ 516,809	\$ --	\$ --	\$ --	\$ --
21,193	--	--	2,536	1,978
2,643,277	52,447	192,429	--	--
3,181,279	52,447	192,429	2,536	1,978
--	52,447	191,754	2,536	1,978
--	--	--	--	--
--	--	675	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,842,642	--	--	--	--
--	--	--	--	--
--	--	--	--	--
92,015	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,934,657	52,447	192,429	2,536	1,978
246,622	--	--	--	--
246,622	--	--	--	--
521,966	--	--	--	--
\$ 768,588	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		404 Student Success Initiative	410 State Textbook Fund	411 Technology Allotment	429 State Funded Special Revenue Fund
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	13,803	175,646	--	23
5900	Federal Program Revenues	--	--	--	--
5020	Total Revenues	<u>13,803</u>	<u>175,646</u>	<u>--</u>	<u>23</u>
EXPENDITURES:					
Current:					
0011	Instruction	13,803	175,646	21,381	--
0012	Instructional Resources and Media Services	--	--	--	23
0013	Curriculum and Staff Development	--	--	--	--
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	--
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	--	--	--	--
0081	Capital Outlay	--	--	--	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	<u>13,803</u>	<u>175,646</u>	<u>21,381</u>	<u>23</u>
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	(21,381)	--
1100	Expenditures	--	--	(21,381)	--
1200	Net Change in Fund Balances	--	--	(21,381)	--
0100	Fund Balances - Beginning	--	--	21,381	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

e	437 Special Education	450 Medicaid Coop	461 Campus Activity Funds	483 Houghton Mifflin	484 Lions Club
	\$ 559,573	\$ --	\$ 136,007	\$ 2,709	\$ 278
	269,212	--	--	43	--
	--	90,898	--	--	--
	<u>828,785</u>	<u>90,898</u>	<u>136,007</u>	<u>2,752</u>	<u>278</u>
	358,097	4,336	62,518	2,752	278
	--	--	38,025	--	--
	--	--	1,911	--	--
	174,360	--	--	--	--
	--	--	2,502	--	--
	208,664	--	--	--	--
	--	--	87	--	--
	85,000	--	--	--	--
	--	--	57	--	--
	--	--	19,999	--	--
	2,664	--	814	--	--
	--	--	184	--	--
	--	--	1,891	--	--
	--	--	1,479	--	--
	--	--	--	--	--
	--	86,562	--	--	--
	<u>828,785</u>	<u>90,898</u>	<u>129,467</u>	<u>2,752</u>	<u>278</u>
	--	--	6,540	--	--
	--	--	6,540	--	--
	--	--	96,651	--	--
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 103,191</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, 2013

Data Control Codes	485 Meadows Foundation	486 Target	487 HEB
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 490	\$ 273	\$ 65
5800 <i>State Program Revenues</i>	--	--	--
5900 <i>Federal Program Revenues</i>	--	--	--
5020 Total Revenues	<u>490</u>	<u>273</u>	<u>65</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	--	273	65
0012 <i>Instructional Resources and Media Services</i>	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--
0023 <i>School Leadership</i>	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--
0033 <i>Health Services</i>	--	--	--
0034 <i>Student Transportation</i>	--	--	--
0035 <i>Food Service</i>	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--
0041 <i>General Administration</i>	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--
0061 <i>Community Services</i>	490	--	--
0081 <i>Capital Outlay</i>	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--
6030 Total Expenditures	<u>490</u>	<u>273</u>	<u>65</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--
1100 Expenditures	--	--	--
1200 Net Change in Fund Balances	--	--	--
0100 Fund Balances - Beginning	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

490	491	492	494	495
Sodexo	Wal-Mart	Headstart	Parent Teacher Organization	Miscellaneous Grants Fund
\$ 1,941	\$ 1,516	\$ 134	\$ 26,667	\$ 4,300
--	--	--	--	--
--	--	--	--	--
1,941	1,516	134	26,667	4,300
--	1,516	134	13,683	3,182
--	--	--	682	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,941	--	--	--	1,118
--	--	--	--	--
--	--	--	2,543	--
--	--	--	--	--
--	--	--	--	--
--	--	--	9,759	--
--	--	--	--	--
1,941	1,516	134	26,667	4,300
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

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LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		496 Athletic Booster Club	497 Advanced Placement Strategies Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:				
5700	Local and Intermediate Sources	\$ 12,100	\$ 4,890	\$ 1,267,752
5800	State Program Revenues	--	--	484,434
5900	Federal Program Revenues	--	--	5,369,492
5020	Total Revenues	12,100	4,890	7,121,678
EXPENDITURES:				
Current:				
0011	Instruction	--	4,890	2,862,025
0012	Instructional Resources and Media Services	--	--	38,730
0013	Curriculum and Staff Development	--	--	4,425
0021	Instructional Leadership	--	--	198,039
0023	School Leadership	--	--	2,502
0031	Guidance, Counseling, & Evaluation Services	--	--	438,271
0033	Health Services	--	--	56,602
0034	Student Transportation	--	--	207,595
0035	Food Service	--	--	2,842,699
0036	Cocurricular/Extracurricular Activities	12,100	--	35,158
0041	General Administration	--	--	3,478
0051	Facilities Maintenance and Operations	--	--	94,742
0052	Security and Monitoring Services	--	--	1,891
0061	Community Services	--	--	7,419
0081	Capital Outlay	--	--	9,759
0093	Payments to Shared Service Arrangements	--	--	86,562
6030	Total Expenditures	12,100	4,890	6,889,897
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	231,781
1100	Expenditures	--	--	231,781
1200	Net Change in Fund Balances	--	--	231,781
0100	Fund Balances - Beginning	--	--	639,998
3000	Fund Balances - Ending	\$ --	\$ --	\$ 871,779

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2013

Data Control Codes		Enterprise Fund Summer Recreation	Enterprise Fund After School Program	Enterprise Fund Cubhouse Students
ASSETS:				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 13,138	\$ 10,713	\$ 20,210
Receivables:				
1260	Due from Other Funds	--	--	--
1290	Other Receivables (net)	233	14	--
	Total Current Assets	13,371	10,727	20,210
1000	Total Assets	13,371	10,727	20,210
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 1,505	\$ 352	\$ 870
2150	Payroll Deduction & Withholdings	--	1,379	3,453
2160	Accrued Wages Payable	3,045	8,378	14,901
2170	Due to Other Funds	--	618	986
2300	Unearned Revenues	8,821	--	--
	Total Current Liabilities	13,371	10,727	20,210
2000	Total Liabilities	13,371	10,727	20,210
NET POSITION:				
3000	Total Net Position	\$ --	\$ --	\$ --

Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-1)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Teen Parents	
\$ (1,603)	\$ 9,740	\$ 914	\$ 3,560	\$ 56,672
--	10,677	--	--	10,677
3,978	--	--	--	4,225
2,375	20,417	914	3,560	71,574
2,375	20,417	914	3,560	71,574
\$ 2,375	\$ 1,077	\$ 693	\$ --	\$ 6,872
--	3,453	--	661	8,946
--	14,901	213	2,899	44,337
--	986	8	--	2,598
--	--	--	--	8,821
2,375	20,417	914	3,560	71,574
2,375	20,417	914	3,560	71,574
\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Summer Recreation	After School Program	Cubhouse Students
OPERATING REVENUES:				
5700	Local and Intermediate Sources	\$ 66,151	\$ 200,075	\$ --
5800	State Program Revenues	1,158	10,642	45,738
5020	Total Revenues	67,309	210,717	45,738
OPERATING EXPENSES:				
6100	Payroll Costs	39,782	140,959	151,514
6200	Professional and Contracted Services	2,672	4,068	2,600
6300	Supplies and Materials	4,530	10,844	9,303
6400	Other Operating Costs	2,031	237	381
6030	Total Expenses	49,015	156,108	163,798
	Income (Loss) before Contributions and Transfers	18,294	54,609	(118,060)
7915	Transfers In	--	--	118,060
8911	Transfers Out	(18,294)	(54,609)	--
1300	Change in Net Position	--	--	--
0100	Total Net Position - Beginning	--	--	--
3300	Total Net Position - Ending	\$ --	\$ --	\$ --

Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-2)
GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Teen Parents	
\$ 127,003	\$ 120,990	\$ 19,864	\$ --	\$ 534,083
152	13,661	10,666	1,195	83,212
127,155	134,651	30,530	1,195	617,295
2,392	137,786	134,209	22,556	629,198
128,794	1,379	13,350	--	152,863
10,020	4,515	7,029	--	46,241
11,014	183	947	--	14,793
152,220	143,863	155,535	22,556	843,095
(25,065)	(9,212)	(125,005)	(21,361)	(225,800)
25,065	9,212	125,005	21,361	298,703
--	--	--	--	(72,903)
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Summer Recreation	After School Program	Cubhouse Students
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 68,625	\$ 200,067	\$ --
Cash Received from Grants	1,158	10,642	45,738
Cash Payments to Employees	(45,016)	(141,639)	(149,681)
Cash Payments to Suppliers for Goods and Services	(10,416)	(14,341)	(11,414)
Net Cash Provided (Used) by Operating Activities	<u>14,351</u>	<u>54,729</u>	<u>(115,357)</u>
Cash Flows from Non-capital Financing Activities:			
Transfers From (To) Other Funds	(18,294)	(54,609)	118,060
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(18,294)</u>	<u>(54,609)</u>	<u>118,060</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,943)	120	2,703
Cash and Cash Equivalents at Beginning of Year	17,081	10,593	17,507
Cash and Cash Equivalents at End of Year	<u>\$ 13,138</u>	<u>\$ 10,713</u>	<u>\$ 20,210</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 18,294	\$ 54,609	\$ (118,060)
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	17	(8)	--
Increase (Decrease) in Accounts Payable	(1,183)	352	870
Increase (Decrease) in Payroll Deductions	--	907	532
Increase (Decrease) in Accrued Wages Payable	(5,234)	(1,587)	1,301
Increase (Decrease) in Interfund Payables	--	456	--
Increase (Decrease) in Unearned Revenue	2,457	--	--
Total Adjustments	<u>(3,943)</u>	<u>120</u>	<u>2,703</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 14,351</u>	<u>\$ 54,729</u>	<u>\$ (115,357)</u>

GED Adult Ed	Cubhouse Employees	Community Ed. Adm.	Teen Parents	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 156,838	\$ 120,988	\$ 19,864	\$ --	\$ 566,382
152	13,661	10,666	1,195	83,212
(2,392)	(135,950)	(134,473)	(22,458)	(631,609)
(172,426)	(5,000)	(20,996)	--	(234,593)
(17,828)	(6,301)	(124,939)	(21,263)	(216,608)
25,065	9,212	125,005	21,361	225,800
25,065	9,212	125,005	21,361	225,800
7,237	2,911	66	98	9,192
(8,840)	6,829	848	3,462	47,480
\$ (1,603)	\$ 9,740	\$ 914	\$ 3,560	\$ 56,672
\$ (25,065)	\$ (9,212)	\$ (125,005)	\$ (21,361)	\$ (225,800)
--	--	--	--	--
--	--	--	--	--
29,835	(2)	--	--	29,842
(1,329)	1,077	322	--	109
--	534	(1)	44	2,016
--	1,302	(263)	54	(4,427)
(21,269)	--	8	--	(20,805)
--	--	--	--	2,457
7,237	2,911	66	98	9,192
\$ (17,828)	\$ (6,301)	\$ (124,939)	\$ (21,263)	\$ (216,608)

LOCKHART INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

Data Control Codes		888 Bluebonnet Activity Funds	891 Clear Fork Activity Fund	892 Navarro Activity Fund
ASSETS:				
1110	<i>Cash and Cash Equivalents</i>	\$ 229	\$ --	\$ 16,390
1290	<i>Other Receivables</i>	--	--	33
1000	Total Assets	229	--	16,423
LIABILITIES:				
Current Liabilities:				
2110	<i>Accounts Payable</i>	\$ --	\$ --	\$ --
2190	<i>Due to Student Groups</i>	229	--	16,423
2000	Total Liabilities	229	--	16,423
NET POSITION:				
3000	Total Net Position	\$ --	\$ --	\$ --

895 Junior High Activity Fund	896 High School Activity Fund	897 Plum Creek Activity Fund	898 Freshman Campus Activity Fund	Total Agency Funds (See Exhibit E-1)
\$ 16,032	\$ 91,843	\$ 12,083	\$ 2,145	\$ 138,722
--	--	--	--	33
<u>16,032</u>	<u>91,843</u>	<u>12,083</u>	<u>2,145</u>	<u>138,755</u>
\$ 5	\$ 3,246	\$ 306	\$ --	\$ 3,557
16,027	88,597	11,777	2,145	135,198
<u>16,032</u>	<u>91,843</u>	<u>12,083</u>	<u>2,145</u>	<u>138,755</u>
\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

EXHIBIT H-9

Data Control Codes	97 Balance July 1, 2012	5030 Additions	6050 Deductions	98 Balance June 30, 2013
STUDENT ACTIVITIES:				
ASSETS				
<i>Cash & Temporary Investments</i>	\$ 135,677	\$ 480,198	\$ 477,153	\$ 138,722
<i>Other Receivables</i>	500	--	467	33
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 136,177</u>	<u>\$ 480,198</u>	<u>\$ 477,620</u>	<u>\$ 138,755</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 284	\$ --	\$ 225	\$ 59
<i>Due to Other Funds</i>	585	9,000	6,087	3,498
<i>Due to Student Groups</i>	135,308	470,956	471,066	135,198
Total Liabilities	<u>\$ 136,177</u>	<u>\$ 479,956</u>	<u>\$ 477,378</u>	<u>\$ 138,755</u>
COMBINING STATEMENT:				
<i>Cash & Temporary Investments</i>				
<i>Bluebonnet</i>	\$ 229	\$ 28,452	\$ 28,452	\$ 229
<i>Clear Fork</i>	5	33,379	33,384	--
<i>Navarro</i>	17,476	21,190	22,276	16,390
<i>Junior High</i>	10,367	89,368	83,703	16,032
<i>High School</i>	94,285	270,563	273,005	91,843
<i>Plum Creek</i>	11,275	29,934	29,126	12,083
<i>Freshman Campus</i>	2,040	7,312	7,207	2,145
	<u>\$ 135,677</u>	<u>\$ 480,198</u>	<u>\$ 477,153</u>	<u>\$ 138,722</u>
<i>Other Receivables</i>				
<i>High School</i>	<u>\$ 500</u>	<u>\$ --</u>	<u>\$ 467</u>	<u>\$ 33</u>
<i>Due from Other Funds</i>				
<i>Bluebonnet</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<i>Accounts Payable</i>				
<i>High School</i>	<u>\$ 284</u>	<u>\$ --</u>	<u>\$ 225</u>	<u>\$ 59</u>
<i>Due to Other Funds</i>				
<i>Clear Fork</i>	(25)	78	78	(25)
<i>Junior High</i>	--	--	33	(33)
<i>Junior High</i>	5	--	--	5
<i>High School</i>	310	8,912	5,976	3,246
<i>Plum Creek</i>	295	10	--	305
	<u>\$ 585</u>	<u>\$ 9,000</u>	<u>\$ 6,087</u>	<u>\$ 3,498</u>
<i>Due to Student Groups</i>				
<i>Bluebonnet</i>	\$ 229	\$ 28,452	\$ 28,452	\$ 229
<i>Clear Fork</i>	--	33,301	33,301	--
<i>Navarro</i>	17,476	21,190	22,243	16,423
<i>Junior High</i>	10,362	89,368	83,703	16,027
<i>High School</i>	93,975	261,651	267,029	88,597
<i>Plum Creek</i>	11,226	29,682	29,131	11,777
<i>Freshman Campus</i>	2,040	7,312	7,207	2,145
	<u>\$ 135,308</u>	<u>\$ 470,956</u>	<u>\$ 471,066</u>	<u>\$ 135,198</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, 2013*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2004 and Prior Years	\$	Various	\$	Various	\$	Various
2005		1.386		.2027		699,992,351
2006		1.50		.19		724,621,146
2007		1.37		.17		753,235,584
2008		1.04		.162		764,288,852
2009		1.04		.185		823,703,755
2010		1.04		.19		852,035,448
2011		1.04		.1548		898,857,968
2012		1.04		.1482		972,780,008
2013 (School Year Under Audit)		1.04		.1468		995,561,910

1000 Totals

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

10 Beginning Balance 7/1/12	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/13
\$ 420,782	\$ --	\$ 3,681	\$ 590	\$ (187,430)	\$ 229,081
66,340	--	2,473	362	(416)	63,089
65,495	--	4,097	519	(209)	60,670
70,876	--	8,313	1,031	(263)	61,269
78,132	--	10,724	1,671	(295)	65,442
125,122	--	24,984	4,384	5,961	101,715
203,158	--	53,454	9,766	6,609	146,547
350,273	--	110,417	16,435	4,117	227,538
646,314	--	252,100	36,138	(5,076)	353,000
--	11,815,324	9,765,117	1,377,788	(36,897)	635,522
<u>\$ 2,026,492</u>	<u>\$ 11,815,324</u>	<u>\$ 10,235,360</u>	<u>\$ 1,448,684</u>	<u>\$ (213,899)</u>	<u>\$ 1,943,873</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2014-2015 GENERAL AND SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2013

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ 3,740	\$ --	\$ 238,235	\$ 756,954	\$ --	\$ --	\$ 998,929
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	13,047	--	61,262	--	--	--	74,309
6212	Audit Services	--	--	--	18,450	--	--	18,450
6213	Tax Appraisal and Collection	--	338,219	--	--	--	--	338,219
621X	Other Prof. Services	--	--	--	--	--	--	--
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	2,297	--	--	2,297
6240	Contr. Maint. and Repair	--	--	--	--	2,077	--	2,077
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	--	--	--	--
6290	Miscellaneous Contr.	5,400	--	--	109,358	--	--	114,758
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	351	--	--	--	--	--	351
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	6,500	--	4,536	22,869	--	4,780	38,685
6410	Travel, Subsistence, Stipends	8,094	--	2,851	13,819	--	--	24,764
6420	Ins. and Bonding Costs	--	--	--	6,652	--	2,520	9,172
6430	Election Costs	9,126	--	--	--	--	--	9,126
6490	Miscellaneous Operating	4,229	--	310	48,078	--	144	52,761
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 50,487 \$ 338,219 \$ 307,194 \$ 978,477 \$ 2,077 \$ 7,444 \$ 1,683,898

Total Expenditures for General and Special Revenue Funds (9) \$ 43,068,741

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 2,602,384
Total Debt & Lease (6500)	(11)	\$ --
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 3,822,145
Food (Function 35, 6341 and 6499)	(13)	\$ 20,803
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 978,477

Subtotal 7,423,809

Net Allowed Direct Cost \$ 35,644,932

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 57,761,001
Historical Cost of Buildings over 50 years old	(16)	2,331,661
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	7,165,290
Historical Cost of Furniture & Equipment over 16 years old	(19)	576,371
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 215,951

(8) Note A - \$102,017 in Function 53 expenditures and \$268,042 in Function 99 expenditures are included in this report on administrative costs.

LOCKHART INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT J-3

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 653,782	\$ 516,809	\$ (136,973)
5800	State Program Revenues	45,986	21,193	(24,793)
5900	Federal Program Revenues	2,663,319	2,643,277	(20,042)
5020	Total Revenues	3,363,087	3,181,279	(181,808)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	Food Services	3,105,220	2,842,642	262,578
	Total Support Services - Student (Pupil)	3,105,220	2,842,642	262,578
	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	92,013	92,015	(2)
	Total Support Services - Nonstudent Based	92,013	92,015	(2)
6030	Total Expenditures	3,197,233	2,934,657	262,576
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	165,854	246,622	80,768
1200	Net Change in Fund Balance	165,854	246,622	80,768
0100	Fund Balance - Beginning	521,966	521,966	--
3000	Fund Balance - Ending	\$ 687,820	\$ 768,588	\$ 80,768

LOCKHART INDEPENDENT SCHOOL DISTRICT

MAINTENANCE TAX NOTE DEBT SERVICE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT J-4

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 125	\$ 707	\$ 582
5020	Total Revenues	125	707	582
EXPENDITURES:				
Debt Service:				
0071	Principal on Long-Term Debt	375,000	375,000	--
0072	Interest on Long-Term Debt	72,439	67,303	5,136
0073	Bond Issuance Costs and Fees	84,682	84,682	--
	Total Debt Service	532,121	526,985	5,136
6030	Total Expenditures	532,121	526,985	5,136
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(531,996)	(526,278)	5,718
Other Financing Sources (Uses):				
7901	Refunding Bonds Issued	2,930,000	2,930,000	--
7915	Transfers In	475,632	449,022	(26,610)
7916	Premium or Discount on Issuance of Bonds	187,293	187,293	--
8940	Payment to Bond Refunding Escrow Agent	(3,039,330)	(3,039,329)	1
7080	Total Other Financing Sources and (Uses)	553,595	526,986	(26,609)
1200	Net Change in Fund Balance	21,599	708	(20,891)
0100	Fund Balance - Beginning	18,046	18,046	--
3000	Fund Balance - Ending	\$ 39,645	\$ 18,754	\$ (20,891)

LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 1,487,901	\$ 1,482,797	\$ (5,104)
5800	State Program Revenues	863,174	930,810	67,636
5020	Total Revenues	2,351,075	2,413,607	62,532
EXPENDITURES:				
Debt Service:				
0071	Principal on Long-Term Debt	1,620,000	1,615,000	5,000
0072	Interest on Long-Term Debt	770,752	751,023	19,729
0073	Bond Issuance Costs and Fees	10,000	5,580	4,420
	Total Debt Service	2,400,752	2,371,603	29,149
6030	Total Expenditures	2,400,752	2,371,603	29,149
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(49,677)	42,004	91,681
1200	Net Change in Fund Balance	(49,677)	42,004	91,681
0100	Fund Balance - Beginning	2,603,772	2,603,772	--
3000	Fund Balance - Ending	\$ 2,554,095	\$ 2,645,776	\$ 91,681

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, 2013, 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 October 29, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lockhart Independent School District's internal control over financial reporting (internal control) 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 Lockhart Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lockhart Independent School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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

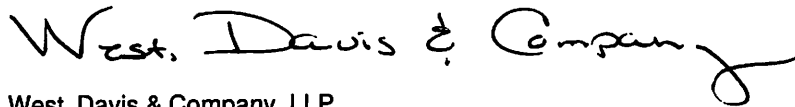
As part of obtaining reasonable assurance about whether Lockhart Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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*.

Lockhart Independent School District's Response to Findings

Lockhart Independent School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Lockhart Independent School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 cursive script that reads "West, Davis & Company". The signature is written in black ink and is positioned above the printed name of the firm.

West, Davis & Company, LLP
Austin, Texas
October 29, 2013

West, Davis & Company, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

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

Board of Trustees
Lockhart Independent School District
Lockhart, Texas

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Lockhart Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lockhart Independent School District's major federal programs for the year ended June 30, 2013. Lockhart Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, 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 each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

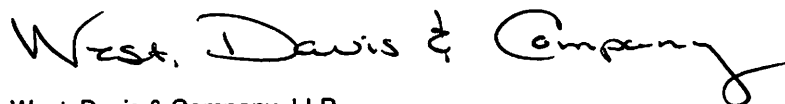
Management of Lockhart Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lockhart Independent School District's internal control

over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. 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
October 29, 2013

LOCKHART INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

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: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA-B Formula
84.173A	IDEA-B Preschool

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Direct Programs:			
<i>ESEA Title I Part C - Education of Migratory Children</i>	84.011	028-902	\$ 23,224
Total Direct Programs			<u>23,224</u>
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010A	13610101028902	942,411
<i>IDEA-B Formula *</i>	84.027A	136600010289026600	1,439,259
<i>Career and Technical - Basic Grant</i>	84.048A	13420006028902	52,447
<i>IDEA-B Preschool *</i>	84.173A	136610010289026610	28,309
<i>SSA English Language Acquisition and Language Enhancement</i>	84.365	13671001227950	2,536
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367A	13694501028902	196,843
Total Passed Through State Department of Education			<u>2,661,805</u>
Total U. S. Department of Education			<u>2,685,029</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401301	951,837
National School Lunch Program *	10.555	71301301	1,480,679
National School Lunch Program (Non-cash) *	10.555	028-902	150,678
National School Lunch Program *	10.555	028-902	15,774
Total CFDA Number 10.555			<u>1,647,130</u>
Child and Adult Care Food Program	10.558	028-902	44,309
Total Passed Through State Department of Education			<u>2,643,276</u>
Total U. S. Department of Agriculture			<u>2,643,276</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,328,305</u></u>

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

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, 2013

Basis of Presentation

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2013*

<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 default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - 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?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 958,347

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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	87
<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	97
<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	102
<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	107
<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	109
<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 ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(IN THOUSANDS OF DOLLARS)

	Fiscal Year			
	2004	2005	2006	2007
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 771	\$ 5,893	\$ 4,786	\$ 3,983
Restricted	10,698	1,091	1,401	1,235
Unrestricted	4,986	7,841	7,623	10,453
Total Primary Government Net Assets	<u>\$ 16,455</u>	<u>\$ 14,825</u>	<u>\$ 13,810</u>	<u>\$ 15,671</u>

TABLE L-1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 3,331	\$ 4,651	\$ 3,863	\$ 4,577	\$ 4,014	\$ 6,487
2,620	2,752	1,506	2,578	2,774	3,456
10,493	11,763	14,420	13,607	14,996	11,555
<u>\$ 16,444</u>	<u>\$ 19,166</u>	<u>\$ 19,789</u>	<u>\$ 20,762</u>	<u>\$ 21,784</u>	<u>\$ 21,498</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction	\$ 19,636,033	\$ 20,017,666	\$ 20,392,666	\$ 19,873,324
Instructional Resources & Media Services	595,253	1,083,496	1,073,048	742,381
Curriculum & Staff Development	252,812	176,491	141,502	153,623
Instructional Leadership	333,054	433,641	499,002	399,373
School Leadership	1,918,365	2,281,989	2,323,042	2,164,177
Guidance, Counseling & Evaluation Svcs	1,330,424	1,460,320	1,534,457	1,515,025
Social Work Services	21,975	153,976	214,988	203,554
Health Services	260,700	288,065	358,395	364,341
Student Transportation	1,535,965	1,562,747	1,543,043	1,471,497
Food Service	1,674,175	1,932,024	1,848,389	1,813,603
Cocurricular/Extracurricular Activities	1,433,830	1,177,877	1,039,678	873,588
General Administration	1,278,978	1,469,071	1,482,512	1,361,457
Plant Maintenance & Operations	3,289,466	3,600,117	3,700,807	3,371,101
Security & Monitoring Services	81,390	120,850	155,173	153,385
Data Processing Services	358,488	227,977	208,777	207,365
Community Services	1,265,257	1,056,004	1,024,296	870,314
Interest on Long-Term Debt	1,826,642	1,539,946	2,038,849	1,747,319
Bond Issuance Costs & Fees	13,527	95,947	144,278	158,110
Payments Related to SSA's	452,230	387,167	570,358	302,516
Other Intergovernmental Charges	--	--	--	--
Total Governmental Activities Expenses	37,558,564	39,065,371	40,293,260	37,746,053
Total Primary Government Expenses	\$ 37,558,564	\$ 39,065,371	\$ 40,293,260	\$ 37,746,053
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 1,307,598	\$ 244,034	\$ 229,953	\$ 240,433
Curriculum & Staff Development	--	--	--	200
Instructional Leadership	--	--	--	81,674
Guidance, Counseling & Evaluation Svcs	--	--	--	126,958
Student Transportation	--	--	--	7
Food Services	628,304	645,291	658,243	596,352
Cocurricular/Extracurricular Activities	393,345	90,959	76,230	97,126
General Administration	--	--	--	1,816
Plant Maintenance & Operations	--	--	--	63,132
Security & Monitoring Services	--	--	--	9
Community Services	--	--	--	531,085
Other Activities	129,708	973,469	979,506	--
Operating Grants and Contributions	6,602,377	5,006,376	5,427,937	5,378,881
Total Governmental Activities Program Rev.	9,061,332	6,960,129	7,371,869	7,117,673
Total Primary Government Program Rev.	9,061,332	6,960,129	7,371,869	7,117,673
Net (Expense)/Revenue				
Governmental Activities	\$ (28,497,232)	\$ (32,105,242)	\$ (32,921,391)	\$ (30,628,380)
Total Primary Government Net Expense	\$ (28,497,232)	\$ (32,105,242)	\$ (32,921,391)	\$ (30,628,380)

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

TABLE L-2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 22,165,983	\$ 22,306,425	\$ 23,448,148	\$ 23,811,319	\$ 23,126,939	\$ 23,550,568
686,262	745,650	786,278	763,821	665,402	696,941
343,372	351,557	324,272	362,855	198,022	196,088
437,458	501,038	552,081	593,199	559,929	562,175
2,486,360	2,500,856	2,549,598	2,700,025	2,670,357	2,793,717
1,607,917	1,632,916	1,723,302	1,771,468	1,594,179	1,656,732
200,342	193,996	191,717	191,079	49,221	78,397
435,281	384,847	402,739	408,659	412,369	374,275
1,663,148	1,694,203	1,874,478	1,869,828	1,982,269	2,025,891
2,005,005	2,082,702	2,481,645	2,606,953	2,996,583	3,013,114
1,009,164	1,151,084	1,216,754	1,170,177	1,133,889	1,120,391
1,522,086	1,281,659	1,304,514	1,428,539	1,381,121	1,385,684
3,629,965	3,896,398	4,052,169	4,052,978	4,008,165	4,031,777
149,721	125,324	124,360	135,554	184,485	113,219
236,327	243,801	230,952	236,028	241,584	248,929
923,126	38,843	91,136	82,489	68,720	54,114
1,046,314	1,083,372	1,136,473	906,126	1,092,486	912,664
57,695	59,457	15,497	53,323	95,412	114,591
375,840	334,927	577,552	674,289	496,726	500,646
--	237,876	243,278	241,348	247,298	268,042
40,981,366	40,846,931	43,326,943	44,060,057	43,205,156	43,697,955
\$ 40,981,366	\$ 40,846,931	\$ 43,326,943	\$ 44,060,057	\$ 43,205,156	\$ 43,697,955
\$ 241,195	\$ 170,398	--	\$ --	\$ --	\$ --
--	2	--	--	--	--
94,188	93,754	--	--	--	--
140,748	124,161	--	--	--	--
20,810	38,775	--	--	--	--
623,484	591,554	591,536	563,452	642,242	477,744
90,769	114,138	92,349	113,200	105,685	106,531
2,416	2,342	--	--	--	--
64,916	76,287	79,106	47,738	65,323	71,151
3,441	6,707	385	473	670	325
567,390	--	--	--	--	--
--	--	2,464	--	--	--
6,048,948	6,137,485	6,020,113	8,516,794	6,608,929	6,765,028
7,898,305	7,355,603	6,785,953	9,241,657	7,422,849	7,420,779
7,898,305	7,355,603	6,785,953	9,241,657	7,422,849	7,420,779
\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)
\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)

LOCKHART INDEPENDENT SCHOOL DISTRICT

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2004	2005	2006	2007
Net (Expense)/Revenue				
Governmental Activities	\$ (28,497,232)	\$ (32,105,242)	\$ (32,921,404)	\$ (30,628,380)
Total Primary Government Net Expense	<u>(28,497,232)</u>	<u>(32,105,242)</u>	<u>(32,921,404)</u>	<u>(30,628,380)</u>
General Revenues & Other Changes in Net Assets				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	8,372,940	9,450,848	10,535,713	10,525,082
Levied for Debt Service	1,400,283	1,386,796	1,356,970	1,322,110
Investment Earnings	277,719	405,202	532,972	565,756
Unrestricted Grants and Contributions	16,725,219	18,482,913	18,237,919	19,664,964
Miscellaneous	916,431	749,193	1,242,401	411,709
Total Governmental Activities	<u>27,692,592</u>	<u>30,474,952</u>	<u>31,905,975</u>	<u>32,489,621</u>
Total Primary Government	<u>27,692,592</u>	<u>30,474,952</u>	<u>31,905,975</u>	<u>32,489,621</u>
Change in Net Assets				
Governmental Activities	(804,640)	(1,630,290)	(1,015,429)	1,861,241
Total Primary Government	\$ <u>(804,640)</u>	\$ <u>(1,630,290)</u>	\$ <u>(1,015,429)</u>	\$ <u>1,861,241</u>

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

TABLE L-3

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (33,083,061)	\$ (33,491,328)	\$ (36,540,990)	\$ (34,818,400)	\$ (35,782,307)	\$ (36,277,176)
<u>(33,083,061)</u>	<u>(33,491,328)</u>	<u>(36,540,990)</u>	<u>(34,818,400)</u>	<u>(35,782,307)</u>	<u>(36,277,176)</u>
8,341,304	8,545,050	9,175,212	9,424,259	10,557,885	10,304,215
1,255,819	1,501,822	1,655,572	1,408,009	1,513,478	1,442,407
597,263	227,937	87,264	87,638	86,710	67,241
27,907,339	25,727,231	25,646,703	24,228,545	24,071,720	24,169,043
1,612,329	1,116,216	599,547	642,153	574,754	904,109
<u>39,714,054</u>	<u>37,118,256</u>	<u>37,164,298</u>	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>
<u>39,714,054</u>	<u>37,118,256</u>	<u>37,164,298</u>	<u>35,790,604</u>	<u>36,804,547</u>	<u>36,887,015</u>
6,630,993	3,626,928	623,308	972,204	1,022,240	609,839
<u>\$ 6,630,993</u>	<u>\$ 3,626,928</u>	<u>\$ 623,308</u>	<u>\$ 972,204</u>	<u>\$ 1,022,240</u>	<u>\$ 609,839</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	7,298,389	6,920,005	6,867,836	9,414,955	10,861,727
Nonspendable					
Inventories					
Committed					
Construction					
Capital Expenditures					
Other Committed					
Unassigned					
Total General Fund	<u>\$ 7,298,389</u>	<u>\$ 6,920,005</u>	<u>\$ 6,867,836</u>	<u>\$ 9,414,955</u>	<u>\$ 10,861,727</u>
All Other Governmental Funds					
Reserved					
Special Revenue Funds					
Federal & State Programs	\$ 59,678	\$ 415,099	\$ 686,952	\$ 212,443	\$ --
Other - Special Revenue	497,912	--	--	620,013	--
Food Service	220,319	235,648	285,033	339,244	361,363
Capital Acquisitions	6,277,633	106,923	36,934	14,768	63
Debt Service	213,009	368,305	387,544	2,531,910	2,249,329
Unreserved					
State & Federal Programs	--	--	--	--	776,783
Restricted					
Federal/State Grant Restrictions					
Capital Acquisitions & Contractual Obligations					
Retirement of Long-Term Debt					
Other Restrictions of Fund Balance					
Committed					
Other Committed					
Total All Other Governmental Funds	<u>\$ 7,268,551</u>	<u>\$ 1,125,975</u>	<u>\$ 1,396,463</u>	<u>\$ 3,718,378</u>	<u>\$ 3,387,538</u>
Total All Governmental Funds	<u>\$ 14,566,940</u>	<u>\$ 8,045,980</u>	<u>\$ 8,264,299</u>	<u>\$ 13,133,333</u>	<u>\$ 14,249,265</u>

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

TABLE L-4

Fiscal Year				
2009	2010	2011	2012	2013
\$ -- 12,999,892	\$ -- 13,581,806	\$	\$	\$
		4,005	3,339	--
		552,420	2,245,945	1,017,202
		154,000	--	--
		--	21,740	280,777
		13,413,682	12,373,924	11,453,140
\$ <u>12,999,892</u>	\$ <u>13,581,806</u>	\$ <u>14,124,107</u>	\$ <u>14,644,948</u>	\$ <u>12,751,119</u>
\$ -- -- 384,379 140,217 1,427,084 504,037	\$ -- -- 300,631 1,466,997 1,547,120 13,220	\$	\$	\$
		385,339	543,347	725,404
		16,466	--	--
		2,440,499	2,621,818	2,664,530
		81,434	96,652	103,191
		--	--	43,184
\$ <u>2,455,717</u>	\$ <u>3,327,968</u>	\$ <u>2,923,738</u>	\$ <u>3,261,817</u>	\$ <u>3,536,309</u>
\$ <u>15,455,609</u>	\$ <u>16,909,774</u>	\$ <u>17,047,845</u>	\$ <u>17,906,765</u>	\$ <u>16,287,428</u>

LOCKHART INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Local & Intermediate Sources	\$ 13,287,369	\$ 14,106,416	\$ 15,552,911	\$ 14,329,507	\$ 12,510,367
State Program Revenues	18,390,205	19,074,218	18,954,740	20,570,257	24,770,185
Federal Program Revenues	4,750,626	4,411,204	4,707,536	4,435,281	4,699,343
Total Revenues	<u>36,428,200</u>	<u>37,591,838</u>	<u>39,215,187</u>	<u>39,335,045</u>	<u>41,979,895</u>
Expenditures					
Instruction	18,645,318	18,926,028	19,164,621	18,483,169	20,909,101
Instructional Resources & Media Services	625,678	1,060,576	1,000,486	684,514	643,004
Curriculum & Staff Development	243,295	182,809	136,160	146,480	323,970
Instructional Leadership	366,701	417,953	479,088	380,653	420,121
School Leadership	1,796,789	2,122,938	2,153,972	1,986,486	2,318,483
Guidance, Counseling & Evaluation Svcs	1,286,327	1,411,004	1,478,758	1,457,775	1,530,697
Social Work Services	21,971	144,703	200,335	187,405	187,203
Health Services	247,047	271,354	337,231	340,864	411,886
Student Transportation	1,453,528	1,562,747	1,543,043	1,471,497	1,663,148
Food Service	1,674,175	1,797,484	1,853,439	1,846,094	2,005,005
Cocurricular/Extracurricular Activities	1,363,667	1,151,689	963,081	801,949	947,782
General Administration	1,222,287	1,376,574	1,373,574	1,249,847	1,419,258
Plant Maintenance & Operations	3,084,433	3,376,086	3,430,826	3,259,680	3,409,800
Security & Monitoring Services	97,761	270,566	206,839	141,038	176,983
Data Processing Services	337,440	213,621	195,211	191,919	222,141
Community Services	1,221,596	993,352	953,904	805,265	863,375
Principal on Long-Term Debt	1,630,000	1,515,000	1,635,000	35,000	1,179,998
Interest on Long-Term Debt	1,617,429	1,503,536	1,326,544	608,695	1,628,841
Bond Issuance Costs & Fees	7,478	68,099	117,978	110,150	9,735
Capital Outlay	7,345,450	5,444,566	--	81,622	217,581
Payments Related to SSA's	432,548	365,125	570,358	302,516	375,840
Other Intergovernmental Charges	--	--	--	--	--
Total Expenditures	<u>44,720,918</u>	<u>44,175,810</u>	<u>39,120,448</u>	<u>34,572,618</u>	<u>40,863,952</u>
Excess of Revenues Over (Under) Expenditures	(8,292,718)	(6,583,972)	94,739	4,762,427	1,115,943
Other Financing Sources (Uses)					
Capital-Related Debt					
Issued	--	1,799,996	9,524,996	8,835,000	--
Transfers In	25,002	19,519	2,658	--	6,430
Premium or Discount					
On Issuance of Bonds	--	127,862	469,931	565,901	--
Other Resources	--	--	3,723	--	--
Transfers Out	(25,002)	(19,519)	(2,658)	--	(6,430)
Payment to Bond Refunding					
Escrow Agent	--	(1,864,835)	(9,875,073)	(9,294,294)	--
Other Uses	--	--	--	--	(37)
Total Other Financing Sources (Uses)	<u>--</u>	<u>63,023</u>	<u>123,577</u>	<u>106,607</u>	<u>(37)</u>
Net Change in Fund Balances	\$ <u>(8,292,718)</u>	\$ <u>(6,520,949)</u>	\$ <u>218,316</u>	\$ <u>4,869,034</u>	\$ <u>1,115,906</u>
Debt Service As A Percentage Of Noncapital Expenditures	8.7%	8.0%	7.9%	2.2%	6.9%

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

TABLE L-5

Fiscal Year				
2009	2010	2011	2012	2013
\$ 11,913,158	\$ 12,355,561	\$ 12,404,898	\$ 13,362,789	\$ 13,562,249
26,929,603	24,528,449	25,217,861	24,298,221	25,341,282
4,836,167	7,134,601	7,525,475	6,381,478	5,592,299
<u>43,678,928</u>	<u>44,018,611</u>	<u>45,148,234</u>	<u>44,042,488</u>	<u>44,495,830</u>
21,081,337	22,440,694	22,453,863	21,649,966	22,341,780
696,213	741,132	722,065	625,938	664,876
332,941	308,188	342,241	185,516	186,029
480,277	531,011	559,134	524,383	533,060
2,327,350	2,394,845	2,545,785	2,502,315	2,649,731
1,552,915	1,645,691	1,671,724	1,492,664	1,571,036
180,479	180,020	180,077	45,969	74,308
362,359	382,871	386,172	386,853	354,905
1,694,203	4,601,694	3,094,495	1,849,156	1,919,071
2,082,702	2,338,556	2,497,766	2,798,762	2,857,560
1,072,398	1,230,172	1,131,950	1,096,937	1,073,706
1,223,157	1,225,325	1,346,681	1,292,733	1,313,839
3,631,770	3,832,326	3,820,715	3,753,842	3,830,393
116,750	116,997	127,782	172,529	107,471
227,441	216,900	222,488	226,227	236,020
38,843	33,319	25,463	12,239	7,419
2,359,996	1,780,000	1,260,000	1,269,997	1,990,000
1,267,941	1,027,299	1,013,008	1,558,180	818,326
51,550	5,000	1,200	83,847	90,262
1,004,209	657,970	514,391	824,228	2,578,849
334,927	577,552	674,289	496,726	500,646
237,876	243,278	241,348	247,298	268,042
<u>42,357,634</u>	<u>46,510,840</u>	<u>44,832,637</u>	<u>43,096,305</u>	<u>45,967,329</u>
1,321,294	(2,492,229)	315,597	946,183	(1,471,499)
2,345,000	4,095,000	--	2,740,000	2,930,000
108	29,801	465,990	507,716	449,022
34,629	--	--	198,930	187,293
--	--	--	--	--
(164,058)	(178,405)	(643,519)	(679,298)	(674,824)
(2,330,629)	--	--	(2,854,611)	(3,039,329)
--	--	--	--	--
<u>(114,950)</u>	<u>3,946,396</u>	<u>(177,529)</u>	<u>(87,263)</u>	<u>(147,838)</u>
\$ <u>1,206,344</u>	\$ <u>1,454,167</u>	\$ <u>138,068</u>	\$ <u>858,920</u>	\$ <u>(1,619,337)</u>
8.9%	6.1%	5.1%	6.9%	6.7%

LOCKHART INDEPENDENT SCHOOL DISTRICT

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2004	341,269,132	55,386,144	39,388,830	330,737,954	81,248,279	685,533,781
2005	351,699,404	57,458,280	43,693,830	382,874,649	135,721,232	700,004,931
2006	364,338,244	59,909,477	48,968,260	397,694,033	146,288,868	724,621,146
2007	392,234,612	67,512,510	46,841,160	435,255,953	151,748,415	790,095,820
2008	428,246,312	70,043,307	46,881,510	412,915,111	154,017,893	804,068,347
2009	441,209,562	75,266,445	46,273,560	461,750,451	159,917,239	864,582,779
2010	449,390,158	78,494,266	46,320,345	493,111,825	177,104,027	890,212,567
2011	455,430,540	86,491,452	63,658,435	411,788,514	91,546,890	925,822,051
2012	436,822,511	88,370,466	65,286,710	513,169,942	98,347,410	1,005,302,219
2013	465,288,836	97,168,686	70,024,320	476,341,573	83,789,050	1,025,034,365

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
1.4654	621,125,434	110.370%
1.5887	635,490,445	110.152%
1.6900	649,386,987	111.585%
1.5400	707,452,438	111.682%
1.2020	721,880,828	111.385%
1.2225	771,874,834	112.011%
1.2300	790,114,157	112.669%
1.1948	827,929,833	111.824%
1.1882	898,655,081	111.867%
1.1868	915,664,816	111.944%

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
2004	1.2637	0.2017	1.4654	0.5674	0.5566
2005	1.3860	0.2027	1.5887	0.5992	0.5700
2006	1.5000	0.1900	1.6900	0.6297	0.6150
2007	1.3700	0.1700	1.5400	0.6437	0.6350
2008	1.0400	0.1620	1.2020	0.6837	0.7074
2009	1.0400	0.1825	1.2225	0.6910	0.7090
2010	1.0400	0.1900	1.2300	0.6910	0.7090
2011	1.0400	0.1548	1.1948	0.6909	0.7292
2012	1.0400	0.1482	1.1882	0.6908	0.7228
2013	1.0400	0.1468	1.1868	0.6907	0.7227

Source: Caldwell County Appraisal District

LOCKHART INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2012			2003		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Flint Hills Resources LP (TPL)	\$ 45,629,140	1	4.69%	\$ 4,372,610	3	0.68%
LCRA Transmission Srv Corp	26,250,930	2	2.70%	4,790,230	2	0.74%
TJ Lambert Construction	9,350,850	3	0.96%	--	--	--
TJ Lambrecht Construction	7,407,220	4	0.76%	--	--	--
Economy Realty Ltd	6,561,300	5	0.67%	--	--	--
Union Pacific RR Company	4,682,430	6	0.48%	2,140,850	10	0.33%
Bluebonnet Electric Cooperative	4,566,920	7	0.47%	3,420,150	7	0.53%
Dormae Products, INC	4,357,500	8	0.45%	--	--	--
Lockhart DMA Housing LLC	3,982,460	9	0.41%	--	--	--
Southwestern Bell Telephone	3,699,770	10	0.38%	6,695,040	1	1.04%
H.E. Butt Grocery	--	--	--	4,116,130	4	0.64%
Walmart Properties Inc	--	--	--	3,951,444	5	0.61%
Kewaunee Scientific Eqp. Corp.	--	--	--	3,934,725	6	0.61%
Hoskins, Fred W.	--	--	--	3,062,080	8	0.48%
Forister Ranch, LTD	--	--	--	2,797,080	9	0.43%
Total	\$ 116,488,520		11.97%	\$ 39,280,339		6.10%

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
2004	9,519,615	8,860,817	93.08%	638,920	9,499,737	99.79%
2005	10,570,504	9,846,508	93.15%	589,333	10,435,841	98.73%
2006	11,659,603	10,888,562	93.39%	645,641	11,534,203	98.92%
2007	11,599,828	10,819,529	93.27%	680,034	11,499,563	99.14%
2008	9,186,752	8,540,510	92.97%	542,104	9,082,614	98.87%
2009	10,090,371	9,276,179	91.93%	647,915	9,924,094	98.35%
2010	10,480,036	9,751,039	93.04%	494,005	10,245,044	97.76%
2011	10,739,555	9,963,142	92.77%	459,289	10,422,431	97.05%
2012	11,558,573	10,930,905	94.57%	288,239	11,219,144	97.06%
2013	11,815,324	11,142,905	94.31%	--	11,142,905	94.31%

Source: Caldwell County Appraisal District, District Records

TABLE L-10

LOCKHART INDEPENDENT SCHOOL DISTRICT

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS*

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Bonded Debt Per Capita</u>	<u>Bonded Debt As a % of Personal Income</u>	<u>Notes Payable</u>
2004	32,649,994	4.76%	1,531	0.06%	--
2005	31,134,993	4.45%	1,535	0.06%	--
2006	29,499,990	4.07%	1,499	0.07%	--
2007	29,464,990	3.91%	1,567	0.07%	--
2008	28,324,980	3.71%	1,384	0.09%	--
2009	25,924,984	3.14%	1,266	0.10%	--
2010	24,144,984	2.83%	1,175	0.10%	4,095,000
2011	23,229,997	2.58%	1,131	0.11%	3,750,000
2012	22,320,000	2.29%	1,086	0.11%	3,390,000
2013	20,705,000	2.08%	821	0.12%	3,015,000

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

LOCKHART INDEPENDENT SCHOOL DISTRICT

*RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS*

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Bonded Debt As a % Personal Income	Per Capita
	General Obligation Bonds	Total			
2004	32,649,994	32,649,994	4.80%	0.06%	1,531
2005	33,446,361	33,446,361	4.80%	0.06%	1,535
2006	31,134,991	31,134,991	4.30%	0.07%	1,499
2007	32,659,978	32,659,978	4.30%	0.07%	1,567
2008	28,324,980	28,324,980	3.70%	0.09%	1,384
2009	25,924,984	25,924,984	3.10%	0.10%	1,266
2010	24,144,984	24,144,984	2.80%	0.10%	1,175
2011	23,229,997	23,229,997	2.60%	0.11%	1,131
2012	22,320,000	22,320,000	2.30%	0.11%	1,086
2013	20,705,000	20,705,000	2.10%	0.12%	821

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>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Caldwell County	\$ 11,945,000	59.610%	\$ 7,120,415
City of Lockhart	9,592,186	100.000%	<u>9,592,186</u>
Total Overlapping Debt			16,712,601
Lockhart ISD	20,705,000	100.000%	<u>20,705,000</u>
Total Direct and Overlapping Debt			\$ <u><u>37,417,601</u></u>

Note: Overlapping debt was calculated based upon the 2012 net taxable assessed values for
 Lockhart ISD and Caldwell County: $\$1,025,034,365 / \$1,719,567,799 = 59.61\%$

Sources: Texas Municipal Report.

LOCKHART INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 43,505,202	\$ 48,999,465	\$ 49,167,235	\$ 52,726,491	\$ 53,500,220
Total Net Debt Applicable to Limit	<u>32,436,985</u>	<u>30,766,688</u>	<u>30,747,447</u>	<u>26,933,080</u>	<u>25,455,661</u>
Legal Debt Margin	\$ <u>11,068,217</u>	\$ <u>18,232,777</u>	\$ <u>18,419,788</u>	\$ <u>25,793,411</u>	\$ <u>28,044,559</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	74.56%	62.79%	62.54%	51.08%	47.58%

Source: Texas Municipal Reports

TABLE L-13

	Fiscal Year				
	2009	2010	2011	2012	2013
\$	57,777,176	\$ 59,642,483	\$ 62,920,060	\$ 68,094,606	\$ 69,689,306
	<u>24,497,901</u>	<u>22,597,864</u>	<u>20,790,798</u>	<u>19,698,182</u>	<u>18,059,213</u>
\$	<u>33,279,275</u>	<u>\$ 37,044,619</u>	<u>\$ 42,129,262</u>	<u>\$ 48,396,424</u>	<u>\$ 51,630,093</u>
	42.40%	37.89%	33.04%	28.93%	25.91%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 995,561,510
Debt Limit (7% of Assessed Value)	69,689,306
Debt Applicable to Limit:	
General Obligation Bonds	20,704,988
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>2,645,775</u>
Total Net Debt Applicable to Limit	<u>18,059,213</u>
Legal Debt Margin	<u>\$ 51,630,093</u>

TABLE L-14

LOCKHART INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Unemployment Rate
2004	35,510	752,494	20,196	6.50%
2005	36,335	812,775	20,748	5.30%
2006	36,542	833,016	21,992	4.90%
2007	36,720	872,891	23,849	4.50%
2008	35,843	872,891	24,499	5.40%
2009	36,899	872,891	25,714	8.30%
2010	37,533	957,644	25,328	8.60%
2011	38,066	957,644	25,328	8.80%
2012	38,442	957,644	25,328	8.50%
2013	38,442	983,222	25,577	6.90%

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	2013			2003		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lockhart ISD	637	1	32.38%	550	1	31.52%
The GEO Group, Inc.	234	2	11.90%	--		
Serta Dormae Mfg.	174	3	8.85%	--		
H.E.B. Food Store	160	4	8.13%	75	8	4.30%
Wal-Mart	125	5	6.35%	100	6	5.73%
Golden Age Home	110	6	5.59%	110	4	6.30%
Pegasus	90	7	4.58%	--		
City of Lockhart	88	8	4.47%	105	5	6.02%
Chisholm Trail Rehab Center	60	9	3.05%	67	9	3.84%
Livengood Feed	60	10	3.05%	--		
Wackenhut Corrections				244	2	13.98%
Caldwell County				160	3	9.17%
Kewaunee Scientific Corp.				81	7	4.64%
First Lockhart National Bank				50	10	2.87%
Total	1,967			1,745		

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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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	387	378	415	392	398	402	403	410	403	408
Instructional Resources & Media Services	12	13	14	14	14	14	14	14	8	8
Instructional Leadership	4	4	4	4	4	4	4	4	4	4
School Leadership	36	38	40	40	40	40	40	41	41	41
Guidance & Counseling	22	27	27	27	27	28	28	28	28	28
Health Services	8	9	8	9	9	9	9	9	9	9
Food Service	41	43	45	45	45	45	45	45	45	45
Cocurricular/Extracurricular Activities	1	3	3	2	2	2	2	2	2	2
General Administration	26	18	18	17	17	17	17	17	14	14
Plant Maintenance & Operations	66	66	75	71	70	70	70	71	71	71
Security & Monitoring Services	2	3	3	2	2	2	2	2	2	2
Data Processing Services	3	3	3	3	3	3	3	3	3	3
Community Services	33	32	31	31	29	28	28	28	28	28
Total	<u>641</u>	<u>637</u>	<u>686</u>	<u>657</u>	<u>660</u>	<u>664</u>	<u>665</u>	<u>674</u>	<u>658</u>	<u>663</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>
2004	4,466	26,468,132	5,927	-0.1%	44,720,918
2005	4,492	28,247,587	6,288	6.1%	44,175,819
2006	4,542	29,124,436	6,412	2.0%	39,120,448
2007	4,451	27,513,024	6,181	-3.6%	44,358,556
2008	4,440	31,025,348	6,988	13.0%	40,942,708
2009	4,526	31,703,598	7,005	0.2%	45,805,522
2010	4,636	31,888,773	6,879	-1.8%	46,689,245
2011	4,709	32,883,746	6,983	1.5%	46,472,736
2012	4,767	33,257,843	6,977	-0.1%	43,096,305
2013	4,969	36,178,844	7,281	4.4%	45,967,329

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

Source: AEIS Reports

TABLE L-17

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
10,014	16%	303	14.7	53.6%
9,834	-2%	375	14.6	55.0%
8,613	-12%	330	13.8	58.0%
9,966	16%	317	14.0	60.2%
9,221	-7%	324	13.7	59.7%
10,121	10%	327	13.9	62.6%
10,071	0%	327	14.2	67.1%
9,869	-2%	331	14.2	69.3%
9,041	-8%	325	14.7	70.7%
9,223	2%	329	15.1	69.8%

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>County Average Salary</u>	<u>Statewide Average Salary</u>
2004	32,500	47,937	38,233	40,478
2005	33,500	48,957	37,903	41,011
2006	33,500	49,844	38,515	41,744
2007	36,250	52,344	40,758	44,897
2008	38,100	55,300	41,300	46,179
2009	39,000	56,300	42,762	47,159
2010	40,200	57,230	43,942	48,263
2011	41,500	57,780	44,360	48,638
2012	41,500	57,780	44,004	48,375
2013	43,100	59,380	Not Available	Not Available

Sources: AEIS Reports, District Records

LOCKHART INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
School					
Elementary					
Carver Kindergarten (1953)					
Square Feet	52,578	52,578	52,578	52,578	52,578
Capacity	512	512	512	512	512
Enrollment	--	--	388	417	360
Clear Fork (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Capacity	489	489	489	489	489
Enrollment	--	--	419	414	424
Plum Creek (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Capacity	512	512	512	512	512
Enrollment	--	--	449	458	462
Navarro (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Capacity	449	449	449	449	449
Enrollment	--	--	421	417	414
Bluebonnet (2005)					
Square Feet	--	64,992	64,992	64,992	64,992
Capacity	--	606	606	606	606
Enrollment	--	--	468	482	525
School					
Secondary					
Lockhart Junior High (2000)					
Square Feet	152,105	152,105	152,105	152,105	152,105
Capacity	1,700	1,700	1,700	1,700	1,700
Enrollment	--	--	1,019	999	963
Lockhart HS Freshman Campus (1923)					
Square Feet	71,057	71,057	71,057	71,057	71,057
Capacity	487	487	487	487	487
Enrollment	--	--	352	319	335
Lockhart High School (1965)					
Square Feet	175,180	175,180	175,180	175,180	175,180
Capacity	1,480	1,480	1,480	1,480	1,480
Enrollment	--	--	831	850	874
Pride High School (1992)					
Square Feet	10,647	10,647	10,647	10,647	10,647
Capacity	66	66	66	66	66
Enrollment	--	--	57	43	62
Discipline Mgmt Center (1997)					
Square Feet	8,088	8,088	8,088	8,088	8,088
Capacity	46	46	46	46	46
Enrollment	--	--	--	--	--

Source: District records.

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

TABLE L-19

Fiscal Year				
2009	2010	2011	2012	2013
52,578	52,578	52,578	52,578	52,578
512	512	512	512	512
391	427	445	457	517
57,113	57,113	57,113	57,113	57,113
489	489	489	489	489
412	409	423	428	455
67,233	67,233	67,233	67,233	67,233
512	512	512	512	512
422	441	451	459	500
55,573	55,573	55,573	55,573	55,573
449	449	449	449	449
407	417	426	423	427
64,992	64,992	64,992	64,992	64,992
606	606	606	606	606
531	583	580	590	581
152,105	152,105	152,105	152,105	152,105
1,700	1,700	1,700	1,700	1,700
992	1,039	1,058	1,073	1,129
71,057	71,057	71,057	71,057	71,057
487	487	487	487	487
343	330	350	352	368
175,180	175,180	175,180	175,180	175,180
1,480	1,480	1,480	1,480	1,480
963	990	945	974	970
10,647	10,647	10,647	10,647	10,647
66	66	66	66	66
65	31	31	26	22
8,088	8,088	8,088	8,088	8,088
46	46	46	46	46
--	--	--	--	--