

**LOCKHART  
INDEPENDENT SCHOOL DISTRICT**

**Lockhart, Texas**

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED JUNE 30, 2008*



Lockhart Independent School District  
Comprehensive Annual Financial Report  
For The Year Ended June 30, 2008

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## *Introductory Section*

# Lockhart Independent School District

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

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

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Dr. Jose Parra  
*Superintendent*

Tina Knudsen  
*Chief Financial Officer*

October 24, 2008

Mr. Timoteo "Tim" Juarez, President  
Board of Trustee Members  
Lockhart Independent School District  
P.O. Box 120  
Lockhart, TX 78644

Dear Mr. Juarez and Members of the Board:

The Comprehensive Annual Financial Report of the Lockhart Independent School District for the twelve months ended June 30, 2008 is hereby submitted. The District's Business Office prepared the report. Responsibility for both, the accuracy of the data presented and the completeness and fairness of the presentation including all disclosures, rests with the District. In our opinion, we believe the data, as presented, are accurate in all material aspects; that they are 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; and 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 on page 19 provides additional information.

The Lockhart Independent School 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. All areas were found to be acceptable and the auditor's opinions in this regard were unqualified.

## **The Reporting Entity and Its Services**

This report includes all of the funds and account groups of the Lockhart ISD. It includes all activities considered by the State of Texas to be a part of the Pre-kindergarten -12 public school system. Lockhart Independent School District is an independent school district incorporated as a political subdivision of the State of Texas.



A seven member Board of Trustees governs the District in accordance with state statutes and regulations. Members serve three-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 new 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. This includes elementary education starting in Pre-kindergarten for eligible four-year old children, and continuing through grade five. Junior high education is provided for grades six, seven, and eight, and high school education for grades nine through twelve. Additionally, career and technology education programs, bilingual education, special education, gifted and talented education, fine arts, athletics, and numerous remedial, elective, and enrichment programs are provided at age-appropriate grades. The district operates a disciplinary alternative education campus and a voluntary alternative education campus. 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.

### **Economic Condition and Outlook**

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 within a half-hour of air freight facilities at the 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 proposed State Highway 130 (SH130) toll road bypass will provide a thoroughfare for NAFTA-based traffic. SH130 has six segments planned and segment five and six travel through Caldwell County, which will impact Lockhart ISD. Construction is slated to begin in 2009 with the road to open for traffic in 2012. The design and aesthetics will include signage, fencing, sound walls, landscaping, irrigation, grading, and sloping. More information can be obtained at [www.mysh130.com](http://www.mysh130.com).

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 has continued to work hard to bring new businesses to Lockhart.

As of October 1, 2008, the Chief Appraiser of the Caldwell County Appraisal District reported that all taxable properties in the District subject to appraisals to be valued at \$770,174,644. In addition to this certified value, there is \$1,700,190 that reflects the estimated taxpayers' opinion of value for those properties still under protest. The total tax rate for the 2007-2008 school year was \$1.202 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 \$0.162. The percentage of current tax collections increased from 90.72% to 93.38% from 2005-2006 to 2007-2008, at June 30.

### **For the school year 2007-2008:**

#### **“Executive Summaries” of Key Instructional Functions:**

#### **Texas Assessment of Knowledge and Skills (TAKS) Highlights**

- ◆ Clear Fork Elementary achieved TEA Recognized status
- ◆ Navarro Elementary achieved TEA Recognized status
- ◆ Plum Creek Elementary achieved TEA Recognized status
- ◆ Bluebonnet Elementary achieved TEA Recognized status
- ◆ Lockhart Junior High achieved TEA Recognized status
- ◆ Lockhart High School Freshman Campus achieved TEA Recognized status

## **Instructional Technology**

- ◆ Classroom computers at a district-wide 3:1 student to computer ratio, includes 4 computers per elementary classroom and multiple static and mobile computer labs on all campuses
- ◆ Web-based “Skyward” student management software, includes a parent-access component allowing parents to view their children’s current attendance, grades, and discipline records from home or their workplace
- ◆ “Compass” integrated core curriculum instructional software at the elementary grades to support direct teacher instruction
- ◆ “A+” credit recovery software at the secondary schools and Discipline Management Center
- ◆ Teacher-certified Technology Instructional Specialists at all elementary and secondary schools

## **Advanced Placement Programs and Dual Credit Courses**

Lockhart Freshman Campus and Lockhart High School offer courses in all four core areas in the College Board Advanced Placement Program. Students completing these courses at the junior and senior grades are eligible to take exams to earn college credit for their high school work.

Lockhart High School and Austin Community College (ACC) are in a partnership to provide dual credit courses for LHS students, taught during the school day. In 2008-09 LHS students will earn credit for approximately 395 college courses (3 college credit hours per course). Through ACC’s College Connection, all LHS seniors are completing the ACC admission process throughout the school year, with the goal that every senior will have both their diploma and a life time opportunity to attend ACC when they graduate. While there is no commitment for students to attend ACC, they will have the opportunity to earn a certificate, an Associates Degree, transfer credit to other colleges and universities, or take selected courses, should they choose. Students also became eligible to earn up to 62 college courses through the Advanced Placement exams taken in May 2008.

## **Career and Technology Education (CATE)**

Lockhart ISD is in a partnership with Austin Community College (ACC) to manage, refine, and expand the CATE career pathways, coherent sequence of courses, and work-related licensing and certification options available to high school students.

Currently LISD offers career pathway programs in seven major areas:

- ◆ Agriculture Science
- ◆ Automotive Technology
- ◆ Computer Technology
- ◆ Culinary Arts
- ◆ Family and Consumer Science
- ◆ Marketing Education
- ◆ Health Science Technology

Multiple “articulation agreements” with Austin Community College are in place to provide ACC college credit for specified high school CATE courses. A Citizens Advisory Council provides feedback and input relating to the CATE programs.

The ACC has implemented the College Connection Program at Lockhart ISD. It will connect every graduating senior to post-secondary involvement (enrollment at ACC) during their senior year.

### **Air Force Junior Reserve Officers Training Corps (JROTC)**

An Air Force Junior ROTC program has been active in Lockhart High School since August 2000. The all volunteer program is open to 9th thru 12th grade students as an elective class. While the four year program prepares the students for Corporate America by teaching them the fundamentals of Aerospace Science, Leadership and Management skills, it is not a recruiting program for military service. Should a student decide to join the military after successfully completing two or more years of AFJROTC, the student may be eligible for advanced promotion upon completion of basic training.

AFJROTC cadets exercise their leadership and followership skills by participating at Lockhart ISD athletic events, school board meetings and community service, as well as drill team competitions and leadership camps with other local AFJROTC programs.

The LHS AFJROTC received the Distinguished Unit Award during 2006-07 school year, and during their formal inspection by Headquarters AFJROTC in April 2008 the program exceeded standards qualifying them to receive Distinguished Unit Award with Merit.

### **Gifted and Talented (G/T) Program**

LISD provides an academic enrichment program for identified gifted and talented students, in accordance with requirements of the Texas Education Agency. A dedicated G/T program teacher is assigned to every elementary school and the junior high school. Identified students participate in academically accelerated enrichment activities and projects. High school students participate in the G/T program through enrollment in Advanced Placement courses.

### **Bilingual/ ESL Program**

To address the continuously increasing population of students whose primary home language is Spanish, LISD provides bilingual instruction in one or more classrooms at each grade at every elementary and kindergarten school. Those classrooms are assigned to certified elementary teachers who have a second certification in bilingual education. An English-As-A-Second Language (ESL) program is provided at all three secondary schools. English language instruction and tutoring support for core academic classes is provided to secondary students with limited English proficiency.

## **Special Education Program**

Lockhart Independent School District offers a variety of programs to meet the needs of all Special Education students in the district. Special Education services and programs include:

- ◆ Content Mastery Centers.
- ◆ Resource classes
- ◆ Inclusion classes.
- ◆ Redirection Program
- ◆ Learning Independence through Functional Living Experience (L.I.F.E.) classes.
- ◆ Speech services
- ◆ Pre-school Program for Students with Disabilities
- ◆ Physical Therapy (PT), Occupational Therapy (OT), Transportation and Special Education Counseling
- ◆ Texas School for the Blind and Visually Impaired
- ◆ Texas School for the Deaf
- ◆ Regional Day School Services for the Deaf.
- ◆ Homebound Services
- ◆ Vocational Adjustment Classes/Job Coaching
- ◆ Diagnostic services

## **Student Scholarships**

The Community of Lockhart has a proud tradition of supporting each graduating class by local civic organizations and businesses awarding scholarships to Lockhart High School seniors. Fifty-nine members of the most recent graduating class were awarded \$146,245 in local scholarships from different area civic groups, foundations, and businesses. Additionally, fourteen students were awarded \$787,400 in scholarships directly from universities around the state and nation, including a notable scholarship to The United States Military at West Point.

## **For the Future:**

### **Mission Statement**

The Mission of the Lockhart Independent School District is to graduate our students as citizens who are educated, productive, and self-fulfilling lifelong learners. We will provide a safe, caring, and challenging learning environment in which all students realize their dreams through bold and visionary leadership.

### **Board of Trustee Approved Academic Goals for 2008-2009**

1. Reach Exemplary status for each campus in LISD!
2. Achieve a 100% graduation rate for each graduating class!
3. Seek and achieve 100% parental involvement at all grade levels!
4. Achieve 100% post-secondary engagement! (i.e.: college or university acceptance, trade or technical school acceptance, military, or meaningful apprenticeship engagement)
5. Achieve 100% student participation in extra-curricular involvement in grades 6 through 12!

## **Administrative Operational Goals for 2007-2008**

### ***Instruction:***

1. Monitor the instructional improvement initiatives set forth in the new Lockhart ISD KEYS (Knowledge Essential for Yearly Success) document.
2. Provide ongoing instructional training for teachers and administrators including disaggregating TAKS (Texas Assessment of Knowledge and Skills), unpacking TEKS (Texas Essential Knowledge and Skills), developing interdisciplinary instructional approaches, emphasis on data analysis, and best teaching practices. Instruction was improved with the increase from three TEA recognized campuses in 2005-06 to six TEA recognized campuses in 2007-08.
3. Review the expenditures of all dedicated state and federal funds to insure compliance with all regulations, and to effectively and efficiently utilize all dedicated funds to supplement core instruction for targeted student groups.
4. Contract with Austin Community College to oversee improvements in the Career and Technology Education (CATE) vocational programs.
5. Continue to monitor the operation of a full-day pre-kindergarten instructional program and assess the affect for students' success on the TAKS test.
6. Project Gold – Encouraging students at all levels to be more heavily involved in activities outside of school.
7. One-A-Day Phone Contact Program – Teachers will make thousands of calls during the school year to parents to report the students' good progress as well as the need for improvement. Studies show that the more involved a parent is, the more successful the student will be.
8. The Lockhart Disciplinary Management Center will continue to improve with staffing of certified teachers, counseling, sending school instructional coordination, and service learning. Because of its' stellar program, another area school district contracts with Lockhart ISD for its' disciplinary school.

### ***Human Resources (HR):***

1. Fund a competitive compensation package that attracts and retains high quality faculty and staff.
2. Increase the number of minority and bilingual teachers to better reflect our diverse student population.
3. Meet federal No Child Left Behind criteria for all teachers and instructional aides to be classified as "highly qualified."
4. Streamline HR practices and protocols by enhancing technology.
5. Identify appropriate roles and assignments of job duties for HR staff to improve teamwork.
6. Improve communication with District Administrators and supervisors and serve student population needs.
7. Ensure compliance with HR-related laws and district policies.

***Counseling and Social Work:***

1. Four campuses have Communities in Schools (social workers) employees working with students most at-risk.
2. Counselor-Student-Parent Conferences at grades 1, 3, 5, 8, 9, 10, 11 and 12 to help students and their families prepare for the student success in school and post-secondary.
3. Family Access software to improve parent access by Internet to their students' grades, attendance, schedules and discipline.

***Financial Management:***

1. Continue to prepare a comprehensive annual financial report and to have the necessary internal controls and financial reporting standards to receive an unqualified opinion.
2. Meet the highest rating standards of the Financial Integrity Rating System of Texas
3. Complete a thorough review of the district staffing patterns, programs and expenditures by categories to assist in development of the 2008-2009 budget.
4. To compile a comprehensive annual financial report that complies with the guidelines of the Government Finance Officers Association.

***Communications:***

1. Improve internal and external communication to raise expectations and effectively present Lockhart schools to all 690+ employees, within the Lockhart greater Lockhart community, and the region.
2. Customer service activities for most "front-line" employees will be monitored.

***Facilities:***

1. Identify building renovations and repair needs.
2. Identify the finances to address the needs.

***Technology:***

1. Upgrade the district computer wide-area network to better accommodate the growing number of instructional and operational software functions.
2. Maintain a comprehensive three-year District Technology Plan to continue the effective integration of technology into instruction.
3. Apply for federal e-rate reimbursement continuation grants to fund the infrastructure.

### ***Student and Employee Safety and Wellness:***

Review, update, and conduct employee training regarding the district Emergency Operations Plan.

1. Conduct drills to test the effectiveness of the plan.
2. Evaluate the effectiveness of the plan
3. Communicate the plan.

### **Independent Audit**

The State of Texas, by law, requires an annual audit by an independent auditing firm of the District's government-wide financial statements. The Lockhart Independent School District's government-wide financial statements have been audited. The auditor's opinion is included in this report.

### **Financial Information**

The Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that sufficient accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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.

Single Audit – As a recipient of state and federal assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made by the auditor to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, as well as to determine that the District has complied with the applicable laws and regulations.

### **Accounting System and Budgetary Control**

The Lockhart Independent School District's accounting records reflect generally accepted accounting principles. In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting structure. The internal accounting structure is designed to provide reasonable, but not absolute,



assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe that the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary control is initiated when the Board of Trustees 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/school.finance/audit/resguide12/index.html>. The local policies can be found at the Districts website at [www.lockhartisd.org](http://www.lockhartisd.org) 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.

### **Cash Management**

Lockhart I.S.D. has an effective cash management program in place to maximize the use of the District's cash resources. The cash management policy is to be diversified in terms of investment instruments, maturity scheduling, and diversified in financial institutions to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity or specific issuer. Investment strategies include the primary objective of safety, then investment liquidity and maturity sufficient to meet anticipated cash flow requirements.

Surplus cash on hand was either deposited in the approved depository bank, First Lockhart National Bank, or in one of the five approved investment pools pursuant to the Inter-local Cooperation Act of 1989. Interest earnings from the General Fund totaled \$516,348. Interest earnings for the Debt Service Fund were \$64,806 for the year. The deposits with the local contract depository bank were in interest-bearing accounts that were secured at the balance sheet date by FDIC coverage and by pledged U.S.Government securities held by a third-party bank (FinSer) in the name of the School District. The deposits were deemed collateralized under Texas law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District.

The District complies with the School Depository Act by executing a depository agreement with a banking institution for a period of two fiscal years. Competitive bids are taken, although state law sets the general terms of the uniform bid form. The current depository contract is due to expire on June 30, 2009 and will be re-bid prior to that expiration date.

## **Risk Management**

Lockhart I.S.D. is a member of the Teacher Retirement System of Texas employee group health insurance plan called TRS Active Care, which is managed by Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association. Blue Cross and Blue Shield of Texas provide claims payment services only and do not assume any financial risk or obligation with respect to claims.

Prescription drug benefits are administered by Medco Health Solutions, Inc. The district and state contributed \$314 of the total cost for the employee's cost of the medical plan that include optional coverage for a spouse, children and/or family. Due to an increase in the premiums from 2006-07 to 2007-08, the district increased its contribution.

For worker's compensation, the District has a policy through Texas Association of School Boards Risk Management Fund (TASB) in an Inter-local policy. The district bid out and awarded aggregate liability workers compensation insurance policy for the 2007-08 school year. During 2007-08, Lockhart I.S.D paid \$49,554 in workers compensation administrative cost premiums and \$148,633 in paid and incurred losses.

For property loss exposure, the District has a policy through Great American Insurance Company in an Inter-local policy. The 2007-08 policy has a \$91,096,171 Blanket Replacement Cost Limit on Buildings, Personal Property and Auxiliary Structures. The Risk of loss includes the risk of direct physical loss including flood and earthquake, wind, hurricane and hail coverage, equipment breakdown, fleet liability, crime and miscellaneous property. An employee dishonesty coverage policy is included in the Crime coverage and provides the District with blanket crime coverage covering employee dishonesty, loss inside and outside the premises for money, securities, and faithful bonded performance with a \$100,000 limit on all employees and a \$1,000 deductible.

For General Liability and School Professional Legal Liability insurance in 2007-08, the District had a policy through Texas Association of School Boards through an Inter-local policy. The limit is \$1,000,000 per occurrence and \$2,000,000 annual aggregate and is made based upon the first date of claims made coverage.

The District provides regular home-to-school and special education student transportation through the contracted services of Durham Transportation. Durham Transportation provides a certificate of insurance to cover their operations at Lockhart I.S.D.

Aramark Corporation provides food service management for Lockhart ISD and provides a certificate of insurance to cover their operations at Lockhart ISD.

All other vendors, as required by law or district administrative procedures, submit a certificate of insurance to Lockhart ISD and the certificate is on file at the Administration Office, and is available for inspection.

## **Other Information**

### **Independent Audit**

The State of Texas, by law, requires an annual audit by an independent auditing firm of the District's government-wide financial statements. The Lockhart Independent School District's (GASB#34) financial statements have been audited. The auditor's opinion is included in this report.

### **Awards**

The Texas Education Agency has a Financial Accountability Rating System named Schools FIRST (Financial Integrity Rating System of Texas). This rating system was required in SB 218 of the 77<sup>th</sup> 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 I.S.D. has received five Superior Achievement ratings for the six school years 2001-2002 through 2006-07. The Superior Achievement rating is the highest that a school district can receive.

The Government Finance Officers Association (GFOA) has an award program called a Certificate of Excellence in Financial Reporting for a Comprehensive Annual Financial Report (CAFR). Pursuant to GFOA program requirements, governments may be awarded a Certificate of Excellence if the CAFR satisfies both generally accepted accounting principles and applicable legal requirements. The published financial report must also be efficiently organized and easy to read.

On July 14, 2008, Lockhart ISD received the GFOA Award of Financial Reporting Achievement for last years' comprehensive annual financial report for the fiscal year ended June 30, 2007.

We believe that our June 30, 2008 report will satisfy the requirements of GFOA and will submit this report to determine its certificate eligibility. This will be the fourth 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 Tull, Therisa Denby, Jennifer Caudillo, and Tonya Lott for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports at year-end.

Lockhart Independent School District publicly solicits the active involvement of all citizens and School District personnel in its financial affairs. Our financial records are available for public inspection and discussion during normal office hours at any reasonable time.

Respectfully submitted,

(ORIGINAL SIGNATURE ON FILE)  
Dr. Jose Parra  
Superintendent of Schools

(ORIGINAL SIGNATURE ON FILE)  
Tina Knudsen  
Chief Financial Officer

# 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  
August 31, 2007

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



*Cherie S. Cox*

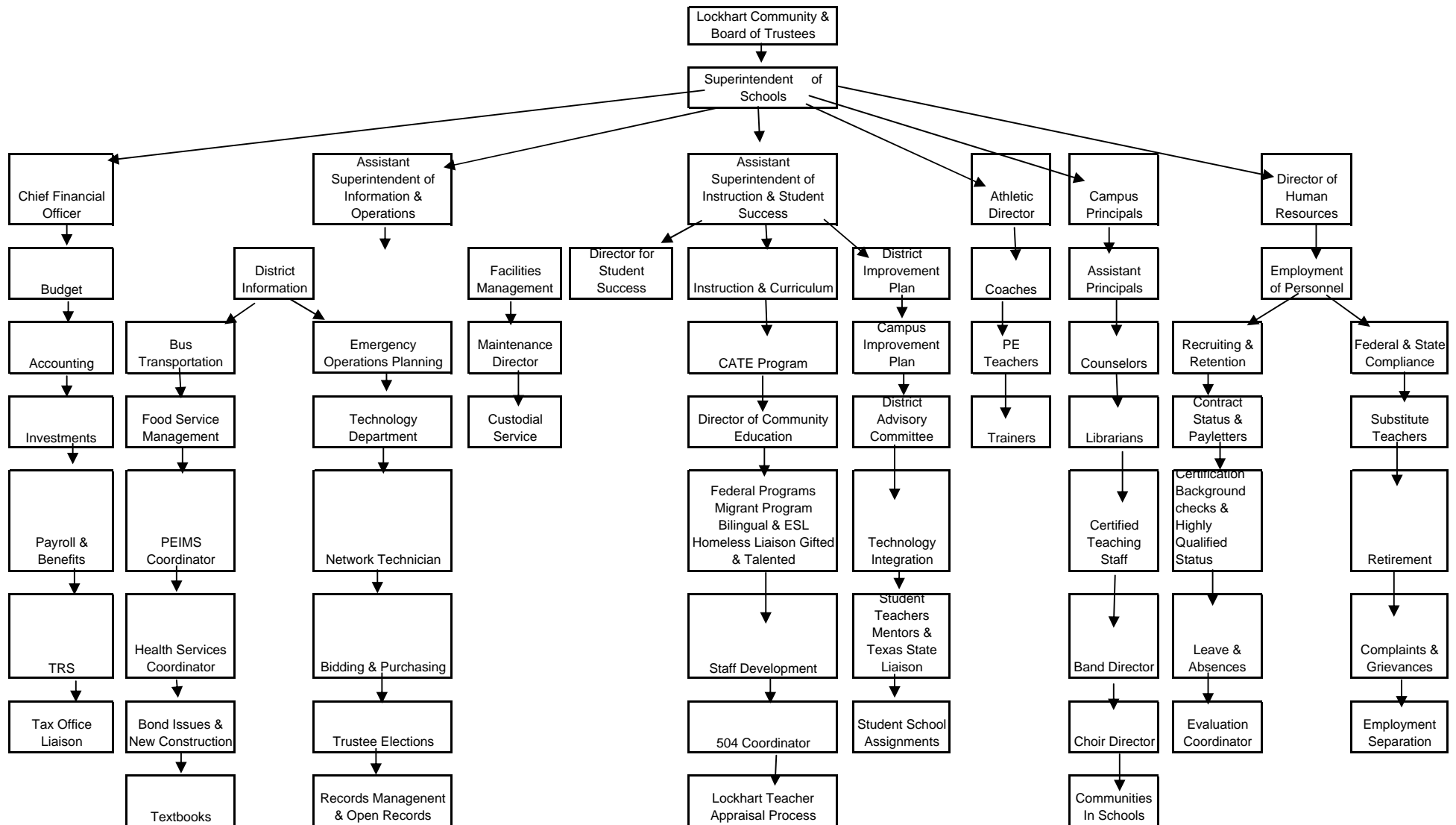
President

*Jeffrey R. Emer*

Executive Director

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

## Organizational Chart



# LOCKHART INDEPENDENT SCHOOL DISTRICT

## LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

### Elected Officials

<u>Name</u>	<u>Office</u>
Timoteo Juarez, Jr.	President
John V. Flores	Vice-President
Juan Alvarez, Jr.	Secretary
Brenda Spillman	Trustee
Susan K. Brooks	Trustee
Derek Benavides	Trustee
John Manning	Trustee

### Appointed Officials

<u>Name</u>	<u>Position</u>
Dr. Jose Parra	Superintendent
Cliff Gardner	Assistant Superintendent Information and Operations
Janie Wright	Assistant Superintendent Curriculum, Instruction and Federal/State Programs
Jessica Neyman	Director of Human Resources
Tina Knudsen	Chief Financial Officer

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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, 2008, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

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

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## *Financial Section*

**WEST, DAVIS & COMPANY, LLP**  
11615 Angus Road, Suite 219  
Austin, Texas 78759

**Independent Auditor's Report on Financial Statements**

Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lockhart Independent School District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

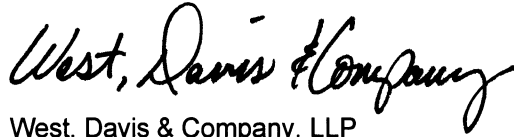
In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2008, on our consideration of Lockhart Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Lockhart Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining and individual fund

financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

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  
October 24, 2008

## **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, 2008. Please read it in conjunction with the independent auditors' report on page 18, and the District's Basic Financial Statements, which begin on page 26. 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 Assets and the Statement of Activities (on pages 26 and 27). 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 28) 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.

Texas state law provides for school districts to have a fiscal year of July 1 through June 30, or September 1 through August 31. In the 2006-2007 school year there was a change in fiscal year to end June 30, instead of August 31. Therefore, care must be exercised when comparing financial information for the current year versus the prior year.

The notes to the financial statements (starting on page 34) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

#### **Reporting the District as a Whole**

##### ***The Statement of Net Assets and the Statement of Activities***

The analysis of the District's overall financial condition and operations begins on page 26. 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 Assets 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 assets and changes in them. The District's net assets (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 assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall financial health of the District, however, nonfinancial factors should be considered as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Assets and the Statement of Activities, the following District activities are classified 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 28 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 Assets 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 Assets 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 no 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 Assets and Changes in Fiduciary Net Assets on pages 32 and 33. 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 assets (Table I below) and changes in net assets (Table II below) of the District's governmental and business-type activities.

Net assets of the District's governmental activities increased from \$15.7 million to \$16.4 million. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – were \$10.4 million at June 30, 2008. This increase in governmental net assets was the result of the District's revenues exceeding the expenses by about \$773 thousand.

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

**NET ASSETS**  
in thousands

	Governmental Activities	
	2008	2007
Current and other assets	20,421	20,048
Capital assets	31,616	32,916
Total assets	52,037	52,964
Long-term liabilities	27,297	30,266
Other liabilities	8,295	7,027
Total liabilities	35,592	37,293
Net Assets:		
Invested in capital assets net of related debt	3,330	3,983
Restricted	2,621	1,235
Unrestricted	10,493	10,453
Total net assets	16,444	15,671



**Table II**  
**Lockhart Independent School District**

**CHANGES IN NET ASSETS**  
in thousands

	Governmental Activities	
	2008	2007
Revenues:		
Program Revenues:		
Charges for Services	1,849	1,739
Operating grants and contributions	6,049	5,379
General Revenues:		
Maintenance and operations taxes	8,093	10,525
Debt Service taxes	1,256	1,322
State aid - formula grants	23,481	19,665
Investment Earnings	597	566
Miscellaneous	430	412
Total Revenue	<u>41,755</u>	<u>39,608</u>
Expenses:		
Instruction, curriculum and media services	23,196	20,769
Instructional and school leadership	2,924	2,564
Student support services	3,907	3,554
Child nutrition	2,005	1,814
Extracurricular activities	1,009	874
General administration	1,522	1,361
Plant maintenance, security and data processing	4,016	3,732
Community services	923	870
Debt services	1,104	1,905
Special Ed & other	376	303
Total Expenses	<u>40,982</u>	<u>37,746</u>
Increase (decrease) in net assets	773	1,862
Net assets at Beginning	<u>15,671</u>	<u>13,809</u>
Net assets at Ending	<u>16,444</u>	<u>15,671</u>

## **THE DISTRICT'S FUNDS**

As the District completed this annual period, its General funds (as presented in the balance sheet on page 28) reported a fund balance of \$10.8 million, which is \$1.4 million more than last year's total of \$9.4 million. The increase is primarily due to construction in progress that was budgeted in 2007-08, but not completed, as well as about \$249 thousand settle-up funds received from the state for prior years.

The District's Debt Service funds reported a fund balance of \$2.2 million, which is \$283 thousand less than last year's total of \$2.5 million. The District's other governmental funds reported a fund balance of \$1.1 million, which is \$48 thousand less than the previous year.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into two categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June 2007). 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 2008, the District had \$31.6 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 2009 capital budget calls for no additional expenditures for new instructional facilities, however it has \$716 thousand budgeted for capital expenditures. The \$716 thousand is comprised of \$465 thousand for new roofs, \$145 thousand for lighting retrofit projects, and the remainder for Americans with Disabilities improvements. The district has no plans to issue additional debt to finance any building projects. 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 \$29.6 million in bonds outstanding and accumulated accretion on CAB's versus \$31.3 million last year. 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 2008-09 budget and tax rates. Those factors include property values, changes in enrollment, the economy, and legislative mandates.

A steady enrollment population, coupled with a moderate increase in property values, has led to a General Fund budget of \$32.1 million for the 2008-2009 fiscal year. The budget included an anticipated pay raise for all employees, as well as \$716 thousand budgeted for district-wide capital outlay needs.

Future enrollments and property values are forecast to remain steady, which will continue to produce revenues that fall short of projected expenditures. For the 2008-2009 budget year, the District has held constant its maintenance and operations tax rate to \$1.04 per hundred per taxable value, as a result of legislative maintenance and operations tax rate restrictions and a funding increase from the State of Texas.

#### **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*

**LOCKHART INDEPENDENT SCHOOL DISTRICT****STATEMENT OF NET ASSETS**

JUNE 30, 2008

Data Control Codes		1
		Governmental Activities
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 2,011,351
1120	Current Investments	11,826,038
1225	Property Taxes Receivable (Net)	869,031
1240	Due from Other Governments	4,538,200
1250	Accrued Interest	5,363
1290	Other Receivables (Net)	221,873
1300	Inventories	2,419
1410	Deferred Expenses	83,073
1420	Capitalized Bond and Other Debt Issuance Costs	863,274
	Capital Assets:	
1510	Land	531,300
1520	Buildings and Improvements, Net	30,455,093
1530	Furniture and Equipment, Net	629,442
1000	Total Assets	<u>52,036,457</u>
<b>LIABILITIES:</b>		
2110	Accounts Payable	362,995
2140	Interest Payable	519,648
2165	Accrued Liabilities	3,841,160
2180	Due to Other Governments	203,358
2300	Unearned Revenue	1,008,264
	Noncurrent Liabilities:	
2501	Due Within One Year	2,359,997
2502	Due in More Than One Year	27,296,807
2000	Total Liabilities	<u>35,592,229</u>
<b>NET ASSETS</b>		
3200	Invested in Capital Assets, Net of Related Debt	3,330,843
	Restricted For:	
3850	Debt Service	2,531,910
3860	Capital Projects	63
3870	Campus Activities	65,017
3900	Unrestricted	10,516,395
3000	Total Net Assets	<u>\$ 16,444,228</u>

The accompanying notes are an integral part of this statement.

## LOCKHART INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Assets
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 22,165,983	\$ 241,195	\$ 3,274,906	\$ (18,649,882)
12	Instructional Resources and Media Services	686,262	--	28,788	(657,474)
13	Curriculum and Staff Development	343,372	--	43,888	(299,484)
21	Instructional Leadership	437,458	94,188	77,186	(266,084)
23	School Leadership	2,486,360	--	104,982	(2,381,378)
31	Guidance, Counseling, & Evaluation Services	1,607,917	140,748	346,797	(1,120,372)
32	Social Work Services	200,342	--	14,816	(185,526)
33	Health Services	435,281	--	97,831	(337,450)
34	Student Transportation	1,663,148	20,810	274,919	(1,367,419)
35	Food Service	2,005,005	623,484	1,305,328	(76,193)
36	Cocurricular/Extracurricular Activities	1,009,164	90,769	25,942	(892,453)
41	General Administration	1,522,086	2,416	65,661	(1,454,009)
51	Plant Maintenance and Operations	3,629,965	64,916	179,746	(3,385,303)
52	Security and Monitoring Services	149,721	3,441	8,773	(137,507)
53	Data Processing Services	236,327	--	9,004	(227,323)
61	Community Services	923,126	567,390	64,322	(291,414)
72	Interest on Long-term Debt	1,046,314	--	--	(1,046,314)
73	Bond Issuance Costs and Fees	57,695	--	--	(57,695)
81	Capital Outlay	--	--	9,895	9,895
93	Special Education and Other Services	375,840	--	116,164	(259,676)
TG	Total Governmental Activities	40,981,366	1,849,357	6,048,948	(33,083,061)
TP	Total Primary Government	\$ 40,981,366	\$ 1,849,357	\$ 6,048,948	(33,083,061)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				8,092,297
DT	Property Taxes, Levied for Debt Service				1,255,819
IE	Investment Earnings				597,263
GC	Grants and Contributions Not Restricted to Specific Programs				23,480,775
MI	Miscellaneous				430,192
TR	Total General Revenues				33,856,346
CN	Change in Net Assets				773,285
NB	Net Assets - Beginning				15,670,943
NE	Net Assets - Ending				\$ 16,444,228

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2008

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 919,018	\$ 114,043	\$ 978,290	\$ 2,011,351
1120 <i>Current Investments</i>	9,188,105	2,265,053	372,880	11,826,038
1225 <i>Taxes Receivable, Net</i>	760,266	108,765	--	869,031
1240 <i>Due from Other Governments</i>	3,748,865	--	789,335	4,538,200
1250 <i>Accrued Interest</i>	4,876	487	--	5,363
1260 <i>Due from Other Funds</i>	405,405	--	31,868	437,273
1290 <i>Other Receivables</i>	204,290	5,449	12,134	221,873
1300 <i>Inventories</i>	2,419	--	--	2,419
1410 <i>Deferred Expenditures</i>	81,514	--	1,559	83,073
1000 <b>Total Assets</b>	<b>\$ 15,314,758</b>	<b>\$ 2,493,797</b>	<b>\$ 2,186,066</b>	<b>\$ 19,994,621</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 262,801	\$ --	\$ 100,194	\$ 362,995
2150 <i>Payroll Deductions &amp; Withholdings</i>	761,637	--	33,669	795,306
2160 <i>Accrued Wages Payable</i>	2,631,690	--	414,164	3,045,854
2170 <i>Due to Other Funds</i>	21,157	--	416,116	437,273
2180 <i>Due to Other Governments</i>	2,624	135,703	65,031	203,358
2300 <i>Unearned Revenue</i>	773,122	108,765	18,683	900,570
2000 <b>Total Liabilities</b>	<b>4,453,031</b>	<b>244,468</b>	<b>1,047,857</b>	<b>5,745,356</b>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3420 <i>Debt Service</i>	--	2,249,329	--	2,249,329
3450 <i>Reserve for Food Service</i>	--	--	361,363	361,363
3470 <i>Capital Acquisitions &amp; Contractual Obligations</i>	--	--	63	63
Designated Fund Balance:				
3510 <i>Construction</i>	545,022	--	--	545,022
3590 <i>Other Designated Fund Balance</i>	500,000	--	--	500,000
3600 <i>Unreserved</i>	9,816,705	--	--	9,816,705
Unreserved, Reported in Nonmajor:				
3610 <i>Special Revenue Funds</i>	--	--	776,783	776,783
3000 <b>Total Fund Balances</b>	<b>10,861,727</b>	<b>2,249,329</b>	<b>1,138,209</b>	<b>14,249,265</b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 15,314,758</b>	<b>\$ 2,493,797</b>	<b>\$ 2,186,066</b>	<b>\$ 19,994,621</b>

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 ASSETS*  
 JUNE 30, 2008

Total fund balances - governmental funds balance sheet	\$ 14,249,265
--	---------------

Amounts reported for governmental activities in the statement of net assets  
 ("SNA") are different because:

Capital assets used in governmental activities are not reported in the funds.	31,615,835
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	869,031
Payables for bond principal which are not due in the current period are not reported in the funds.	(28,284,992)
Accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(1,371,812)
Payables for bond interest which are not due in the current period are not reported in the funds.	(519,648)
Bond premium is capitalized in the SNA and is reflected as inflow in the funds.	(976,725)
Bond issuance costs and similar items are capitalized and amortized in the SNA but not in the funds.	863,274

Net assets of governmental activities - statement of net assets	\$ <u>16,444,228</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, 2008

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 9,747,360	\$ 1,347,280	\$ 1,415,727	\$ 12,510,367
5800 <i>State Program Revenues</i>	22,528,653	1,188,624	1,052,908	24,770,185
5900 <i>Federal Program Revenues</i>	196,107	--	4,503,236	4,699,343
5020 <i>Total Revenues</i>	32,472,120	2,535,904	6,971,871	41,979,895
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	17,268,971	--	3,640,130	20,909,101
0012 <i>Instructional Resources and Media Services</i>	595,660	--	47,344	643,004
0013 <i>Curriculum and Staff Development</i>	265,959	--	58,011	323,970
0021 <i>Instructional Leadership</i>	240,451	--	179,670	420,121
0023 <i>School Leadership</i>	2,305,686	--	12,797	2,318,483
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	1,061,362	--	469,335	1,530,697
0032 <i>Social Work Services</i>	180,020	--	7,183	187,203
0033 <i>Health Services</i>	321,399	--	90,487	411,886
0034 <i>Student Transportation</i>	1,408,625	--	254,523	1,663,148
0035 <i>Food Service</i>	27,395	--	1,977,610	2,005,005
0036 <i>Cocurricular/Extracurricular Activities</i>	921,817	--	25,965	947,782
0041 <i>General Administration</i>	1,415,049	--	4,209	1,419,258
0051 <i>Plant Maintenance and Operations</i>	3,337,413	--	72,387	3,409,800
0052 <i>Security and Monitoring Services</i>	163,336	--	13,647	176,983
0053 <i>Data Processing Services</i>	197,990	--	24,151	222,141
0061 <i>Community Services</i>	824,442	--	38,933	863,375
0071 <i>Principal on Long-term Debt</i>	--	1,179,998	--	1,179,998
0072 <i>Interest on Long-term Debt</i>	--	1,628,841	--	1,628,841
0073 <i>Bond Issuance Costs and Fees</i>	--	9,735	--	9,735
0081 <i>Capital Outlay</i>	217,581	--	--	217,581
0093 <i>Special Education and Other Services</i>	265,851	--	109,989	375,840
6030 <i>Total Expenditures</i>	31,019,007	2,818,574	7,026,371	40,863,952
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	1,453,113	(282,670)	(54,500)	1,115,943
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	89	6,341	6,430
8911 <i>Transfers Out</i>	(6,341)	--	(89)	(6,430)
8949 <i>Other Uses</i>	--	--	(37)	(37)
7080 <i>Total Other Financing Sources and (Uses)</i>	(6,341)	89	6,215	(37)
1200 <i>Net Change in Fund Balances</i>	1,446,772	(282,581)	(48,285)	1,115,906
0100 <i>Fund Balances - Beginning</i>	9,414,955	2,531,910	1,186,494	13,133,359
3000 <i>Fund Balances - Ending</i>	\$ 10,861,727	\$ 2,249,329	\$ 1,138,209	\$ 14,249,265

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, 2008*

Net change in fund balances - total governmental funds	\$ 1,115,906
--	--------------

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

Capital outlays are not reported as expenses in the SOA.	285,373
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,117,315)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(279,506)
Bond premium amortized over the life of the bonds and not reported as revenue in the funds.	54,262
Bond issuance costs amortized over the life of the bonds and not reported as expenditures in the funds.	(47,960)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,179,998
The accretion of interest on capital appreciation bonds is not reported in the funds.	484,016
(Increase) decrease in accrued interest from beginning of period to end of period	<u>98,511</u>

Change in net assets of governmental activities - statement of activities	<u>\$ 773,285</u>
---	-------------------

The accompanying notes are an integral part of this statement.

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

JUNE 30, 2008

JUNE 30, 2008		Private-purpose Trust Funds	
Data Control Codes		Scholarship Fund	Agency Funds
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 4,984	\$ 99,791
1290	Other Receivables	--	34
1800	Restricted Assets	323,042	--
1000	Total Assets	\$ 328,026	\$ 99,825
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	\$ 2,500	\$ --
2190	Due to Student Groups	--	99,825
2300	Unearned Revenues	10	--
2000	Total Liabilities	2,510	99,825
<b>NET ASSETS</b>			
3800	Held in Trust	325,516	--
3000	Total Net Assets	\$ 325,516	\$ --

The accompanying notes are an integral part of this statement.

**LOCKHART INDEPENDENT SCHOOL DISTRICT***STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**FIDUCIARY FUNDS**FOR THE YEAR ENDED JUNE 30, 2008*

	Private- Purpose Trusts
	Scholarship Funds
<b>Additions:</b>	
Investment Income	\$ 10,865
Gifts and Bequests	138,205
Total Additions	149,070
<b>Deductions:</b>	
Scholarship Awards	71,547
Supplies	740
Total Deductions	72,287
<b>Change in Net Assets</b>	76,783
Net Assets-Beginning of the Year	248,733
Net Assets-End of the Year	\$ 325,516

The accompanying notes are an integral part of this statement.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

### 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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 funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

Debt Service Fund: This fund accounts for taxes assessed for and payments of debt service on outstanding bonded debt.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

In addition, the District reports the following fund types:

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

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

b. **Measurement Focus, Basis of Accounting**

**Government-wide and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. They 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.

3. **Financial Statement Amounts**

a. **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.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

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.

b. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

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

c. Capital Assets

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

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

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

d. 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.

e. Interfund Activity

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



# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

f. Use of Estimates

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

g. 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.

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

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, 2008, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,008,220 and the bank balance was \$2,428,632. The District's cash deposits at June 30, 2008 and during the period ended June 30, 2008, 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.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

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, 2008 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	\$ 5,463,359	46%
Texas TERM	50 days average	AAA-m	6,362,679	54%
			<u>\$ 11,826,038</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.

#### 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. The District does not have a formal investment policy that limits credit risk.

#### 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.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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.

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.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

### D. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 531,300	\$ --	\$ --	\$ 531,300
Construction in progress	54,100	--	54,100	--
Total capital assets not being depreciated	585,400	--	54,100	531,300
<i>Capital assets being depreciated:</i>				
Buildings and improvements	55,034,644	271,681	--	55,306,325
Furniture and equipment	3,289,170	67,792	--	3,356,962
Total capital assets being depreciated	58,323,814	339,473	--	58,663,287
Less accumulated depreciation for:				
Buildings and improvements	(22,953,249)	(1,897,983)	--	(24,851,232)
Furniture and equipment	(2,508,188)	(219,332)	--	(2,727,520)
Total accumulated depreciation	(25,461,437)	(2,117,315)	--	(27,578,752)
Total capital assets being depreciated, net	32,862,377	(1,777,842)	--	31,084,535
Governmental activities capital assets, net	\$ 33,447,777	\$ (1,777,842)	\$ 54,100	\$ 31,615,835

Depreciation was charged to functions as follows:

Instruction	\$ 1,256,882
Instructional Resources and Media Services	43,258
Curriculum and Staff Development	19,402
Instructional Leadership	17,337
School Leadership	167,877
Guidance, Counseling, & Evaluation Services	77,220
Social Work Services	13,139
Health Services	23,395
Extracurricular Activities	67,102
General Administration	102,828
Plant Maintenance and Operations	243,056
Security and Monitoring Services	11,882
Data Processing Services	14,186
Community Services	59,751
	<u>\$ 2,117,315</u>

### E. Interfund Balances and Activities

Due To and From Other Funds

Balances due to and due from other funds at June 30, 2008, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 405,405	Short-term loans
Other Governmental Funds	General Fund	21,157	Short-term loans
Other Governmental Funds	Other Governmental Funds	10,711	Short-term loans
	Total	<u>\$ 437,273</u>	

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

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

Transfers to and from other funds at June 30, 2008, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Other Governmental Funds	\$ 6,341	Supplement other funds sources
Debt Service fund	Other Governmental Funds	89	Supplement other funds sources
	Total	<u>\$ 6,430</u>	

### F. Fund Balances

The District has reserved, unreserved and designated fund balance as follows.

Description	Amount
Reserved for:	
Debt Service	\$ 2,249,329
Food Service	361,363
Capital Acquisitions & Contractual Obligations	63
	<u>\$ 2,610,755</u>
Unreserved for:	
Special Revenue Funds:	
Campus Activities	\$ 66,368
Technology	547,840
High School Grades 6-12	162,575
	<u>\$ 776,783</u>
Designated for:	
General Fund:	
Roofing Projects	\$ 545,022
Facilities Maintenance	500,000
	<u>\$ 1,045,022</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, 2008, are as follows:

Series	Original Issue (Millions)	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>							
1997	17.17	4.25-5.25%	\$ 4,154,997	\$ --	\$ 619,998	\$ 3,534,999	\$ 1,190,000
2002	15.50	2.00-5.10%	5,385,000	--	325,000	5,060,000	325,000
2004	1.80	2.90-3.00%	1,659,996	--	40,000	1,619,996	684,997
2006	9.52	3.66%	9,429,997	--	75,000	9,354,997	80,000
2007	8.83	3.92%	8,835,000	--	120,000	8,715,000	80,000
Accumulated Accretion on CAB			1,855,828	95,987	580,003	1,371,812	--
Total governmental activities			<u>\$ 31,320,818</u>	<u>\$ 95,987</u>	<u>\$ 1,760,001</u>	<u>\$ 29,656,804</u>	<u>\$ 2,359,997</u>

The bonded debt detailed above was issued for the construction of school facilities or to refinance debt issued for that purpose.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

### 2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2008, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2009	\$ 2,359,997	\$ 1,267,940	\$ 3,627,937
2010	1,810,000	981,805	2,791,805
2011	900,000	917,709	1,817,709
2012	899,997	1,487,521	2,387,518
2013	1,535,000	835,110	2,370,110
2014-2018	7,773,024	3,811,773	11,584,797
2019-2023	8,601,974	2,358,873	10,960,847
2024-2028	4,405,000	444,430	4,849,430
Totals	\$ 28,284,992	\$ 12,105,161	\$ 40,390,153

### 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, 2008, 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 1992	\$ 1,800,000
Series 1997	9,525,000
Series 2002	8,835,000
Total	\$ 20,160,000

### 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 2008, 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 (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

### 2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District's covered payroll. The District's employees' contributions to the System for the fiscal periods ending in 2008, 2007, and 2006 were \$1,464,165, \$1,197,238 and \$1,367,495 respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the fiscal periods ending in 2008, 2007, and 2006 were \$289,213, \$224,729 and \$232,436, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$1,381,953 for the fiscal period ended in 2008. These amounts are reflected as state revenue and personnel expense.

### J. Health Care Coverage

During the period ended June 30, 2008, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of \$241 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 H1).

### K. Commitments and Contingencies

#### 1. Contingencies

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

#### 2. Litigation

No reportable litigation was pending against the District at June 30, 2008.

### L. 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:

Member Districts	Special Ed. Expenditures	Medicaid Expenditures
Lockhart ISD	\$ 432,264	\$ 66,354
Luling ISD	151,530	20,372
Navarro ISD	138,042	20,206
Prairie Lea ISD	22,325	3,057
Total	\$ 744,161	\$ 109,989

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

### M. Workers' Compensation Insurance

Beginning in the fiscal year ended June 30, 2008, employees of the District were covered by a workers' compensation insurance plan (the plan). Contributions are made based upon statutory rates established for the District's various types of employees. A third party administrator acts on behalf of the self-funded pool.

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 is protected against unanticipated catastrophic individual loss by stop-loss coverage carried through Safety National a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage is in effect for specific occurrences exceeding \$300,000.

TASB has performed an evaluation of claims submitted for incidents occurring prior to June 30, 2008, and has projected that additional claims will cost \$119,786. No long-term portion was identified by the actuary.

Following is a reconciliation of changes in the aggregate liabilities for claims in the current fiscal year:

	<u>June 30, 2008</u>
Unpaid claims, beginning of the fiscal year	\$ 167,466
Incurred claims	119,786
Claim payments	(141,355)
Unpaid claims, end of the fiscal year	<u>\$ 145,897</u>

### N. Subsequent Event

Subsequent to June 30, 2008 the District refinanced a portion of outstanding bonded debt. In August, 2008 the District refunded some \$2.4 million of Series 1997 outstanding debt for a net present value savings of some \$130,000. The Unlimited Tax Refunding Bonds, Series 2008, will be repaid annually through the year ended 2023 with interest ranging from 3.75% to 4.5%.



### *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, 2008

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 9,752,835	\$ 9,893,107	\$ 9,747,360	\$ (145,747)
5800	State Program Revenues	22,177,789	22,066,615	22,528,653	462,038
5900	Federal Program Revenues	159,000	163,716	196,107	32,391
5020	Total Revenues	32,089,624	32,123,438	32,472,120	348,682
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	17,995,506	17,637,508	17,268,971	368,537
0012	Instructional Resources and Media Services	653,571	629,520	595,660	33,860
0013	Curriculum and Staff Development	131,761	294,795	265,959	28,836
	Total Instruction & Instr. Related Services	18,780,838	18,561,823	18,130,590	431,233
Instructional and School Leadership:					
0021	Instructional Leadership	258,412	246,848	240,451	6,397
0023	School Leadership	2,308,192	2,302,715	2,305,686	(2,971)
	Total Instructional & School Leadership	2,566,604	2,549,563	2,546,137	3,426
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	758,687	1,061,968	1,061,362	606
0032	Social Work Services	181,175	181,175	180,020	1,155
0033	Health Services	296,464	321,185	321,399	(214)
0034	Student (Pupil) Transportation	1,411,035	1,427,016	1,408,625	18,391
0035	Food Services	18,000	27,395	27,395	--
0036	Cocurricular/Extracurricular Activities	911,860	950,293	921,817	28,476
	Total Support Services - Student (Pupil)	3,577,221	3,969,032	3,920,618	48,414
Administrative Support Services:					
0041	General Administration	1,423,261	1,435,873	1,415,049	20,824
	Total Administrative Support Services	1,423,261	1,435,873	1,415,049	20,824
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	3,473,285	3,491,970	3,337,413	154,557
0052	Security and Monitoring Services	137,078	169,576	163,336	6,240
0053	Data Processing Services	203,009	204,066	197,990	6,076
	Total Support Services - Nonstudent Based	3,813,372	3,865,612	3,698,739	166,873
Ancillary Services:					
0061	Community Services	885,809	861,999	824,442	37,557
	Total Ancillary Services	885,809	861,999	824,442	37,557
Capital Outlay:					
0081	Capital Outlay	565,000	763,056	217,581	545,475
	Total Capital Outlay	565,000	763,056	217,581	545,475
Intergovernmental Charges:					
0093	Special Education and Other Services	360,500	360,500	265,851	94,649
	Total Intergovernmental Charges	360,500	360,500	265,851	94,649
6030	Total Expenditures	31,972,605	32,367,458	31,019,007	1,348,451

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2008

**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	117,019	(244,020)	1,453,113	1,697,133
	Other Financing Sources (Uses):				
8911	Transfers Out	--	--	(6,341)	(6,341)
7080	Total Other Financing Sources and (Uses)	--	--	(6,341)	(6,341)
1200	Net Change in Fund Balance	117,019	(244,020)	1,446,772	1,690,792
0100	Fund Balance - Beginning	9,414,955	9,414,955	9,414,955	--
3000	Fund Balance - Ending	\$ 9,531,974	\$ 9,170,935	\$ 10,861,727	\$ 1,690,792

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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, 2008

Data Control Codes		Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 978,182	\$ 108	\$ 978,290
1120	Current Investments	372,880	--	372,880
1240	Due from Other Governments	789,335	--	789,335
1260	Due from Other Funds	31,868	--	31,868
1290	Other Receivables	12,134	--	12,134
1410	Deferred Expenditures	1,559	--	1,559
1000	Total Assets	<u>\$ 2,185,958</u>	<u>\$ 108</u>	<u>\$ 2,186,066</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 100,186	\$ 8	\$ 100,194
2150	Payroll Deductions & Withholdings	33,669	--	33,669
2160	Accrued Wages Payable	414,164	--	414,164
2170	Due to Other Funds	416,116	--	416,116
2180	Due to Other Governments	64,994	37	65,031
2300	Unearned Revenue	18,683	--	18,683
2000	Total Liabilities	<u>1,047,812</u>	<u>45</u>	<u>1,047,857</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3450	Reserve for Food Service	361,363	--	361,363
3470	Capital Acquisitions & Contractual Obligations	--	63	63
Unreserved, Reported in Nonmajor:				
3610	Special Revenue Funds	776,783	--	776,783
3000	Total Fund Balances	<u>1,138,146</u>	<u>63</u>	<u>1,138,209</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,185,958</u>	<u>\$ 108</u>	<u>\$ 2,186,066</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

Data Control Codes		Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 1,415,136	\$ 591	\$ 1,415,727
5800	State Program Revenues	1,052,908	--	1,052,908
5900	Federal Program Revenues	4,503,236	--	4,503,236
5020	Total Revenues	6,971,280	591	6,971,871
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	3,640,130	--	3,640,130
0012	Instructional Resources and Media Services	47,344	--	47,344
0013	Curriculum and Staff Development	58,011	--	58,011
0021	Instructional Leadership	179,670	--	179,670
0023	School Leadership	12,797	--	12,797
0031	Guidance, Counseling, & Evaluation Services	469,335	--	469,335
0032	Social Work Services	7,183	--	7,183
0033	Health Services	90,487	--	90,487
0034	Student Transportation	254,523	--	254,523
0035	Food Service	1,977,610	--	1,977,610
0036	Cocurricular/Extracurricular Activities	25,965	--	25,965
0041	General Administration	4,209	--	4,209
0051	Plant Maintenance and Operations	69,051	3,336	72,387
0052	Security and Monitoring Services	1,788	11,859	13,647
0053	Data Processing Services	24,151	--	24,151
0061	Community Services	38,933	--	38,933
0093	Special Education and Other Services	109,989	--	109,989
6030	Total Expenditures	7,011,176	15,195	7,026,371
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(39,896)	(14,604)	(54,500)
Other Financing Sources and (Uses):				
7915	Transfers In	6,341	--	6,341
8911	Transfers Out	--	(89)	(89)
8949	Other Uses	--	(37)	(37)
7080	Total Other Financing Sources and (Uses)	6,341	(126)	6,215
1200	Net Change in Fund Balances	(33,555)	(14,730)	(48,285)
0100	Fund Balances - Beginning	1,171,701	14,793	1,186,494
3000	Fund Balances - Ending	\$ 1,138,146	\$ 63	\$ 1,138,209

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

Data Control Codes	204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	222 National and Community Service Trust
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ --	\$ --
1120 <i>Current Investments</i>	--	--	--	--
1240 <i>Due from Other Governments</i>	9,438	237,164	4,303	20,484
1260 <i>Due from Other Funds</i>	--	--	--	--
1290 <i>Other Receivables</i>	--	--	--	--
1410 <i>Deferred Expenditures</i>	--	549	--	--
1000 <b>Total Assets</b>	<b>\$ 9,438</b>	<b>\$ 237,713</b>	<b>\$ 4,303</b>	<b>\$ 20,484</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ --	\$ 1,231	\$ --	\$ 1,589
2150 <i>Payroll Deductions &amp; Withholdings</i>	--	10,886	1	--
2160 <i>Accrued Wages Payable</i>	--	140,881	19	--
2170 <i>Due to Other Funds</i>	9,438	84,715	4,283	18,895
2180 <i>Due to Other Governments</i>	--	--	--	--
2300 <i>Unearned Revenue</i>	--	--	--	--
2000 <b>Total Liabilities</b>	<b>9,438</b>	<b>237,713</b>	<b>4,303</b>	<b>20,484</b>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3450 <i>Reserve for Food Service</i>	--	--	--	--
Unreserved, Reported in Nonmajor:				
3610 <i>Special Revenue Funds</i>	--	--	--	--
3000 <b>Total Fund Balances</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 9,438</b>	<b>\$ 237,713</b>	<b>\$ 4,303</b>	<b>\$ 20,484</b>



224	225	240	242	243
IDEA-B Formula	IDEA-B Preschool Grant	National School Breakfast/Lunch Program	Summer Feeding Program	Vo Ed Technical Preparation
\$ --	\$ --	\$ 9,910	\$ 293	\$ --
--	--	372,880	--	--
407,746	7,477	--	12,069	2,108
--	--	25,527	6,341	--
--	--	179	--	--
--	--	--	--	--
<u>\$ 407,746</u>	<u>\$ 7,477</u>	<u>\$ 408,496</u>	<u>\$ 18,703</u>	<u>\$ 2,108</u>
\$ 35,538	\$ --	\$ 37,237	\$ 8,918	\$ 59
9,277	485	--	--	--
123,626	4,696	1,989	5,164	--
239,305	2,296	7,907	4,621	2,049
--	--	--	--	--
--	--	--	--	--
<u>407,746</u>	<u>7,477</u>	<u>47,133</u>	<u>18,703</u>	<u>2,108</u>
--	--	361,363	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>361,363</u>	<u>--</u>	<u>--</u>
<u>\$ 407,746</u>	<u>\$ 7,477</u>	<u>\$ 408,496</u>	<u>\$ 18,703</u>	<u>\$ 2,108</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

Data Control Codes		244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	269 Title V, Part A Innovative Programs
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 6,292	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	7,226	59,822	7,074	822
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	77	--	--	--
1410	Deferred Expenditures	--	1,010	--	--
1000	Total Assets	<u>\$ 13,595</u>	<u>\$ 60,832</u>	<u>\$ 7,074</u>	<u>\$ 822</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 681	\$ 2,661	\$ --	\$ --
2150	Payroll Deductions & Withholdings	640	2,813	--	--
2160	Accrued Wages Payable	3,583	33,971	--	--
2170	Due to Other Funds	8,691	21,387	7,074	822
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>13,595</u>	<u>60,832</u>	<u>7,074</u>	<u>822</u>
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3450	Reserve for Food Service	--	--	--	--
Unreserved, Reported in Nonmajor:					
3610	Special Revenue Funds	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 13,595</u>	<u>\$ 60,832</u>	<u>\$ 7,074</u>	<u>\$ 822</u>

350 English Language Acquisition and Enhancement	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative	411 Technology Allotment
\$ 65	\$ --	\$ 5,333	\$ --	\$ 550,246
--	--	--	--	--
--	4,946	--	797	7,859
--	--	--	--	--
--	--	--	--	292
--	--	--	--	--
<u>\$ 65</u>	<u>\$ 4,946</u>	<u>\$ 5,333</u>	<u>\$ 797</u>	<u>\$ 558,397</u>
\$ --	\$ 36	\$ 400	\$ 29	\$ 10,557
--	488	--	--	--
--	2,657	--	179	--
--	1,765	--	589	--
65	--	--	--	--
--	--	4,933	--	--
<u>65</u>	<u>4,946</u>	<u>5,333</u>	<u>797</u>	<u>10,557</u>
--	--	--	--	--
--	--	--	--	547,840
--	--	--	--	547,840
<u>65</u>	<u>4,946</u>	<u>5,333</u>	<u>797</u>	<u>558,397</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

Data Control Codes		423 High School Allotment	429 State Funded Special Revenue Fund	437 Special Education	450 Medicaid Coop
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 220,529	\$ 4,564	\$ 86,685	\$ 13,111
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	--	--	--
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	11,154	432
1410	Deferred Expenditures	--	--	--	--
1000	Total Assets	<u>\$ 220,529</u>	<u>\$ 4,564</u>	<u>\$ 97,839</u>	<u>\$ 13,543</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 185	\$ --	\$ 102	\$ --
2150	Payroll Deductions & Withholdings	1,914	--	7,165	--
2160	Accrued Wages Payable	28,265	--	69,134	--
2170	Due to Other Funds	492	4,564	(2,850)	--
2180	Due to Other Governments	27,098	--	24,288	13,543
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>57,954</u>	<u>4,564</u>	<u>97,839</u>	<u>13,543</u>
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3450	Reserve for Food Service	--	--	--	--
Unreserved, Reported in Nonmajor:					
3610	Special Revenue Funds	162,575	--	--	--
3000	Total Fund Balances	<u>162,575</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 220,529</u>	<u>\$ 4,564</u>	<u>\$ 97,839</u>	<u>\$ 13,543</u>

461 Campus Activity Funds	482 TASB Risk Management	484 Lions Club	485 Meadows Foundation	486 Target
\$ 66,441	\$ 2,575	\$ 834	\$ 1,230	\$ 423
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 66,441</u>	<u>\$ 2,575</u>	<u>\$ 834</u>	<u>\$ 1,230</u>	<u>\$ 423</u>
\$ --	\$ 56	\$ --	\$ 110	\$ --
--	--	--	--	--
--	--	--	--	--
73	--	--	--	--
--	--	--	--	--
--	2,519	834	1,120	423
<u>73</u>	<u>2,575</u>	<u>834</u>	<u>1,230</u>	<u>423</u>
--	--	--	--	--
66,368	--	--	--	--
<u>66,368</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 66,441</u>	<u>\$ 2,575</u>	<u>\$ 834</u>	<u>\$ 1,230</u>	<u>\$ 423</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

Data Control Codes		487 Rural Capital Area Workforce Development	488 Mitchell Ward	489 San Marcos Civic Foundation
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 5	\$ 1,143	\$ 566
1120	Current Investments	--	--	--
1240	Due from Other Governments	--	--	--
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	--	--
1410	Deferred Expenditures	--	--	--
1000	Total Assets	<u>\$ 5</u>	<u>\$ 1,143</u>	<u>\$ 566</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 5	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--
2160	Accrued Wages Payable	--	--	--
2170	Due to Other Funds	--	--	--
2180	Due to Other Governments	--	--	--
2300	Unearned Revenue	--	1,143	566
2000	Total Liabilities	<u>5</u>	<u>1,143</u>	<u>566</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3450	Reserve for Food Service	--	--	--
Unreserved, Reported in Nonmajor:				
3610	Special Revenue Funds	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 1,143</u>	<u>\$ 566</u>

491	493	494	496	Total
Wal-Mart	LCRA Grant	Parent Teacher Organization	Athletic Booster Club	Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 1,056	\$ 80	\$ 3,565	\$ 3,236	\$ 978,182
--	--	--	--	372,880
--	--	--	--	789,335
--	--	--	--	31,868
--	--	--	--	12,134
--	--	--	--	1,559
<u>\$ 1,056</u>	<u>\$ 80</u>	<u>\$ 3,565</u>	<u>\$ 3,236</u>	<u>\$ 2,185,958</u>
\$ --	\$ --	\$ --	\$ 792	\$ 100,186
--	--	--	--	33,669
--	--	--	--	414,164
--	--	--	--	416,116
--	--	--	--	64,994
1,056	80	3,565	2,444	18,683
<u>1,056</u>	<u>80</u>	<u>3,565</u>	<u>3,236</u>	<u>1,047,812</u>
--	--	--	--	361,363
--	--	--	--	776,783
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,138,146</u>
<u>\$ 1,056</u>	<u>\$ 80</u>	<u>\$ 3,565</u>	<u>\$ 3,236</u>	<u>\$ 2,185,958</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, 2008

Data Control Codes		204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	222 National and Community Service Trust
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	16,131	973,145	10,099	30,466
5020	Total Revenues	16,131	973,145	10,099	30,466
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	13,720	720,548	--	8,166
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	2	6,582	--	--
0021	Instructional Leadership	--	16,425	10,099	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	132,288	--	--
0032	Social Work Services	--	6,517	--	--
0033	Health Services	--	83,214	--	--
0034	Student Transportation	759	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Plant Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	1,650	--	--	--
0053	Data Processing Services	--	--	--	--
0061	Community Services	--	7,571	--	22,300
0093	Special Education and Other Services	--	--	--	--
6030	Total Expenditures	16,131	973,145	10,099	30,466
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100	Expenditures	--	--	--	--
Other Financing Sources and (Uses):					
7915	Transfers In	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --



224	225	240	242	243
IDEA-B Formula	IDEA-B Preschool Grant	National School Breakfast/Lunch Program	Summer Feeding Program	Vo Ed Technical Preparation
\$ --	\$ --	\$ 668,795	\$ 1,030	\$ 2,108
--	--	32,208	--	--
1,673,016	32,193	1,317,372	15,178	--
<u>1,673,016</u>	<u>32,193</u>	<u>2,018,375</u>	<u>16,208</u>	<u>2,108</u>
1,358,469	32,193	--	--	2,108
--	--	--	--	--
11,056	--	--	--	--
--	--	--	--	--
--	--	--	--	--
99,313	--	--	--	--
--	--	--	--	--
204,035	--	--	--	--
--	--	1,953,118	22,549	--
--	--	--	--	--
--	--	--	--	--
--	--	43,138	--	--
--	--	--	--	--
--	--	--	--	--
143	--	--	--	--
--	--	--	--	--
<u>1,673,016</u>	<u>32,193</u>	<u>1,996,256</u>	<u>22,549</u>	<u>2,108</u>
--	--	22,119	(6,341)	--
--	--	--	6,341	--
--	--	--	6,341	--
--	--	22,119	--	--
--	--	339,244	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 361,363</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, 2008

Data Control Codes		244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	269 Title V, Part A Innovative Programs
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	48,063	238,115	8,989	13,173
5020	Total Revenues	48,063	238,115	8,989	13,173
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	45,320	226,929	7,154	--
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	2,743	11,186	1,835	11,945
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	1,228
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Plant Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0053	Data Processing Services	--	--	--	--
0061	Community Services	--	--	--	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	48,063	238,115	8,989	13,173
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
Other Financing Sources and (Uses):					
7915	Transfers In	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

289 Summer School LEP	350 English Language Acquisition and Enhancement	385 Supplemental Visually Impaired	394 Life Skills Program	397 Advanced Placement Incentives
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	1,800	24,639	3,315
1,156	2,323	--	--	--
1,156	2,323	1,800	24,639	3,315
1,156	2,323	1,800	--	1,955
--	--	--	--	--
--	--	--	--	1,360
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	16,550	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	8,089	--
--	--	--	--	--
1,156	2,323	1,800	24,639	3,315
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

Data Control Codes		404 Student Success Initiative	411 Technology Allotment	423 High School Allotment	429 State Funded Special Revenue Fund
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ 40,865	\$ --	\$ --
5800	State Program Revenues	74,343	120,712	337,445	171,960
5900	Federal Program Revenues	--	--	--	--
5020	Total Revenues	<u>74,343</u>	<u>161,577</u>	<u>337,445</u>	<u>171,960</u>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	74,343	189,593	317,209	156,051
0012	Instructional Resources and Media Services	--	2,160	--	1,419
0013	Curriculum and Staff Development	--	--	5,088	--
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	6,620
0031	Guidance, Counseling, & Evaluation Services	--	--	--	2,112
0032	Social Work Services	--	--	--	666
0033	Health Services	--	--	--	1,431
0034	Student Transportation	--	--	--	--
0035	Food Service	--	--	--	1,723
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Plant Maintenance and Operations	--	17,846	--	1,938
0052	Security and Monitoring Services	--	--	--	--
0053	Data Processing Services	--	24,151	--	--
0061	Community Services	--	--	--	--
0093	Special Education and Other Services	--	--	--	--
6030	Total Expenditures	<u>74,343</u>	<u>233,750</u>	<u>322,297</u>	<u>171,960</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>(72,173)</u>	<u>15,148</u>	<u>--</u>
Other Financing Sources and (Uses):					
7915	Transfers In	--	--	--	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200	Net Change in Fund Balances	<u>--</u>	<u>(72,173)</u>	<u>15,148</u>	<u>--</u>
0100	Fund Balances - Beginning	--	620,013	147,427	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ 547,840</u>	<u>\$ 162,575</u>	<u>\$ --</u>

	437	450	461	480	482
	Special	Medicaid	Campus	Bluebonnet	TASB
	Education	Coop	Activity	Electric	Risk
			Funds		Management
\$	457,675	\$ --	\$ 188,913	\$ 622	\$ 4,989
	286,486	--	--	--	--
	--	123,817	--	--	--
	<u>744,161</u>	<u>123,817</u>	<u>188,913</u>	<u>622</u>	<u>4,989</u>
	325,058	13,828	121,450	--	--
	--	--	41,576	--	--
	--	--	218	--	--
	153,146	--	--	--	--
	--	--	6,177	--	--
	228,850	--	4,233	--	--
	--	--	--	--	--
	--	--	231	622	4,989
	33,179	--	--	--	--
	--	--	220	--	--
	--	--	10,909	--	--
	3,928	--	281	--	--
	--	--	2,129	--	--
	--	--	138	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	109,989	--	--	--
	<u>744,161</u>	<u>123,817</u>	<u>187,562</u>	<u>622</u>	<u>4,989</u>
	--	--	1,351	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	1,351	--	--
	--	--	65,017	--	--
\$	<u>--</u>	\$ <u>--</u>	\$ <u>66,368</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, 2008

Data Control Codes	484  Lions Club	485  Meadows Foundation	488  Mitchell Ward
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 1,180	\$ 830	\$ 4,103
5800 <i>State Program Revenues</i>	--	--	--
5900 <i>Federal Program Revenues</i>	--	--	--
5020 <b>Total Revenues</b>	<u>1,180</u>	<u>830</u>	<u>4,103</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	1,180	--	1,914
0012 <i>Instructional Resources and Media Services</i>	--	--	2,189
0013 <i>Curriculum and Staff Development</i>	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--
0023 <i>School Leadership</i>	--	--	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	--
0032 <i>Social Work 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>Plant Maintenance and Operations</i>	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--
0053 <i>Data Processing Services</i>	--	--	--
0061 <i>Community Services</i>	--	830	--
0093 <i>Special Education and Other Services</i>	--	--	--
6030 <b>Total Expenditures</b>	<u>1,180</u>	<u>830</u>	<u>4,103</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources and (Uses):</b>			
7915 <i>Transfers In</i>	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

489 San Marcos Civic Foundation	491 Wal-Mart	492 Headstart	493 LCRA Grant	494 Parent Teacher Organization
\$ 7,307	\$ 892	\$ 1,905	\$ 693	\$ 14,173
--	--	--	--	--
--	--	--	--	--
7,307	892	1,905	693	14,173
--	892	1,905	693	10,173
--	--	--	--	--
5,996	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,311	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	4,000
--	--	--	--	--
--	--	--	--	--
7,307	892	1,905	693	14,173
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

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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, 2008

Data Control Codes	495 Miscellaneous Grants Fund	496 Athletic Booster Club	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 4,000	\$ 15,056	\$ 1,415,136
5800 <i>State Program Revenues</i>	--	--	1,052,908
5900 <i>Federal Program Revenues</i>	--	--	4,503,236
5020 <b>Total Revenues</b>	<u>4,000</u>	<u>15,056</u>	<u>6,971,280</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	4,000	--	3,640,130
0012 <i>Instructional Resources and Media Services</i>	--	--	47,344
0013 <i>Curriculum and Staff Development</i>	--	--	58,011
0021 <i>Instructional Leadership</i>	--	--	179,670
0023 <i>School Leadership</i>	--	--	12,797
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	469,335
0032 <i>Social Work Services</i>	--	--	7,183
0033 <i>Health Services</i>	--	--	90,487
0034 <i>Student Transportation</i>	--	--	254,523
0035 <i>Food Service</i>	--	--	1,977,610
0036 <i>Cocurricular/Extracurricular Activities</i>	--	15,056	25,965
0041 <i>General Administration</i>	--	--	4,209
0051 <i>Plant Maintenance and Operations</i>	--	--	69,051
0052 <i>Security and Monitoring Services</i>	--	--	1,788
0053 <i>Data Processing Services</i>	--	--	24,151
0061 <i>Community Services</i>	--	--	38,933
0093 <i>Special Education and Other Services</i>	--	--	109,989
6030 <b>Total Expenditures</b>	<u>4,000</u>	<u>15,056</u>	<u>7,011,176</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>(39,896)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	6,341
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>6,341</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>(33,555)</u>
0100 <b>Fund Balances - Beginning</b>	--	--	1,171,701
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,138,146</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2008

Data Control Codes		615 2002 Bond Proceeds	Total Nonmajor Capital Projects Funds (See Exhibit H-1)
<b>ASSETS:</b>			
1110	<i>Cash and Cash Equivalents</i>	\$ 108	\$ 108
1000	Total Assets	<u>\$ 108</u>	<u>\$ 108</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	<i>Accounts Payable</i>	\$ 8	\$ 8
2180	<i>Due to Other Governments</i>	37	37
2000	Total Liabilities	<u>45</u>	<u>45</u>
<b>FUND BALANCES:</b>			
Reserved Fund Balances:			
3470	<i>Capital Acquisitions &amp; Contractual Obligations</i>	63	63
3000	Total Fund Balances	<u>63</u>	<u>63</u>
4000	Total Liabilities and Fund Balances	<u>\$ 108</u>	<u>\$ 108</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

Data Control Codes		601 School Facilities Assistance	615 2002 Bond Proceeds	Total Nonmajor Capital Projects Funds (See Exhibit H-2)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 1	\$ 590	\$ 591
5020	Total Revenues	1	590	591
<b>EXPENDITURES:</b>				
Current:				
0051	Plant Maintenance and Operations	--	3,336	3,336
0052	Security and Monitoring Services	--	11,859	11,859
6030	Total Expenditures	--	15,195	15,195
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	1	(14,605)	(14,604)
Other Financing Sources and (Uses):				
8911	Transfers Out	(89)	--	(89)
8949	Other Uses	--	(37)	(37)
7080	Total Other Financing Sources and (Uses)	(89)	(37)	(126)
1200	Net Change in Fund Balances	(88)	(14,642)	(14,730)
0100	Fund Balances - Beginning	88	14,705	14,793
3000	Fund Balances - Ending	\$ --	\$ 63	\$ 63

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2008**

Data Control Codes		888 Bluebonnet Activity Funds	891 Clear Fork Activity Fund	892 Navarro Activity Fund
	<b>ASSETS:</b>			
1110	<i>Cash and Cash Equivalents</i>	\$ 210	\$ 81	\$ 26,606
1290	<i>Other Receivables</i>	34	--	--
1000	Total Assets	<u>\$ 244</u>	<u>\$ 81</u>	<u>\$ 26,606</u>
	<b>LIABILITIES:</b>			
	Current Liabilities:			
2190	<i>Due to Student Groups</i>	\$ 244	\$ 81	\$ 26,606
2000	Total Liabilities	<u>244</u>	<u>81</u>	<u>26,606</u>
	<b>NET ASSETS</b>			
3000	Total Net Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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)
\$ 1,619	\$ 59,635	\$ 10,497	\$ 1,143	\$ 99,791
--	--	--	--	34
<u>\$ 1,619</u>	<u>\$ 59,635</u>	<u>\$ 10,497</u>	<u>\$ 1,143</u>	<u>\$ 99,825</u>
\$ 1,619	\$ 59,635	\$ 10,497	\$ 1,143	\$ 99,825
<u>1,619</u>	<u>59,635</u>	<u>10,497</u>	<u>1,143</u>	<u>99,825</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2007**

**EXHIBIT H-8**

Data Control Codes	97 Balance September 1, 2007	5030 Additions	6050 Deductions	98 Balance June 30, 2008
<b>STUDENT ACTIVITIES:</b>				
<b>ASSETS</b>				
<i>Cash &amp; Temporary Investments</i>	\$ 96,511	\$ 242,375	\$ 239,095	\$ 99,791
<i>Accrued Interest</i>	--	--	--	--
<i>Due from Other Funds</i>	206	--	206	--
<i>Other Receivables</i>	--	34	--	34
<i>Inventory</i>	--	--	--	--
Total Assets	<u>\$ 96,717</u>	<u>\$ 242,409</u>	<u>\$ 239,301</u>	<u>\$ 99,825</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Student Groups</i>	96,717	242,409	239,301	99,825
Total Liabilities	<u>\$ 96,717</u>	<u>\$ 242,409</u>	<u>\$ 239,301</u>	<u>\$ 99,825</u>
<b>COMBINING STATEMENT:</b>				
<i>Bluebonnet</i>	\$ --	\$ 1,367	\$ 1,157	\$ 210
<i>C.O.</i>	--	--	--	--
<i>Kingergarten</i>	--	--	--	--
<i>Clear Fork</i>	286	2,435	2,640	81
<i>Navarro</i>	21,581	17,799	12,774	26,606
<i>Community Ed.</i>	--	--	--	--
<i>Other</i>	206	45	206	45
<i>Junior High</i>	8,093	3,434	9,919	1,608
<i>High School</i>	53,580	206,864	200,809	59,635
<i>Plum Creek</i>	11,795	8,157	9,455	10,497
<i>Freshman Campus</i>	1,176	2,308	2,341	1,143
<i>Special Ed.</i>	--	--	--	--
Total Liabilities	<u>\$ 96,717</u>	<u>\$ 242,409</u>	<u>\$ 239,301</u>	<u>\$ 99,825</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, 2008*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
1999 and Prior Years	\$	Various	\$	Various	\$	Various
2000		1.28		.1369		493,744,287
2001		1.2948		.1329		480,079,598
2002		1.2665		.1435		516,072,270
2003		1.2637		.1754		638,600,612
2004		1.2637		.2017		685,489,421
2005		1.386		.2027		699,992,351
2006		1.50		.19		724,621,146
2007		1.37		.17		753,235,584
2008 (School Year Under Audit)		1.04		.162		764,288,852

1000 Totals

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



10 Beginning Balance 7/1/07	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/08
\$ 223,715	\$ --	\$ 14,174	\$ 4,801	\$ (1,719)	\$ 203,021
42,178	--	4,290	459	(706)	36,723
49,894	--	6,130	629	(521)	42,614
89,400	--	18,480	2,094	(1,582)	67,244
105,548	--	27,277	3,786	3,776	78,261
143,327	--	38,252	6,115	2,784	101,744
213,443	--	73,446	10,741	(1,635)	127,621
387,556	--	134,239	17,063	(5,432)	230,822
806,606	--	355,305	44,021	(35,060)	372,220
--	9,186,752	7,390,461	1,150,049	(41,189)	605,053
<u>\$ 2,061,667</u>	<u>\$ 9,186,752</u>	<u>\$ 8,062,054</u>	<u>\$ 1,239,758</u>	<u>\$ (81,284)</u>	<u>\$ 1,865,323</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

## SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2009-2010 GENERAL AND SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2008

### FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

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	\$ 7,641	\$ --	\$ 150,436	\$ 591,152	\$ --	\$ --	\$ 749,229
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	--	--	112,806	--	--	--	112,806
6212	Audit Services	--	--	--	22,750	--	--	22,750
6213	Tax Appraisal and Collection	--	295,642	--	--	--	--	295,642
621X	Other Prof. Services	18,938	--	33,210	108,224	6,928	--	167,300
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	1,647	--	--	1,647
6240	Contr. Maint. and Repair	--	--	--	--	15,605	--	15,605
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	--	--	--	--
6290	Miscellaneous Contr.	--	--	--	3,112	--	--	3,112
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	596	--	--	175	--	--	771
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	7,145	--	2,996	37,416	--	--	47,557
6410	Travel, Subsistence, Stipends	10,313	--	2,658	17,685	--	--	30,656
6420	Ins. and Bonding Costs	--	--	--	2,660	--	--	2,660
6430	Election Costs	20,501	--	--	--	--	--	20,501
6490	Miscellaneous Operating	4,980	--	4,925	33,351	--	163	43,419
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 70,114 \$ 295,642 \$ 307,031 \$ 818,172 \$ 22,533 \$ 163 \$ 1,513,655

Total expenditures for General and Special Revenue Funds (9) \$ 38,030,183

### LESS: Deductions of Unallowable Costs

#### FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 273,515
Total Debt & Lease (6500)	(11)	\$ --
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 3,383,536
Food (Function 35, 6341 and 6499)	(13)	\$ 238
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 818,172

Subtotal 4,475,461

Net Allowed Direct Cost \$ 33,554,722

#### CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 55,306,323
Historical Cost of Buildings over 50 years old	(16)	2,317,240
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	3,356,961
Historical Cost of Furniture & Equipment over 16 years old	(19)	--
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ --

(8) Note A - \$94,397 in Function 53 expenditures are included in this report on administrative costs.

**LOCKHART INDEPENDENT SCHOOL DISTRICT****EXHIBIT J-3**

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)

GENERAL FUND

AS OF JUNE 30, 2008

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of June 30, 2008 (Exhibit C-1 object 3000 for the General Fund only)	\$ 10,861,727
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	--
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	1,045,022
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	2,509,185
5	Estimate of one month's average cash disbursements during the regular school session (9/1/08 - 5/31/09)	2,567,013
6	Estimate of delayed payments from state sources (58XX) including August payment delays	4,538,201
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
8	Estimate of delayed payments from federal sources (59XX)	180,521
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
10	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	10,839,942
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ 21,785

If Item 11 is a Positive Number

Explanation of need for and/or projected use of net positive

Undesignated Unreserved General Fund Fund Balance:

*Maintenance and repair of school buildings.*

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008

**EXHIBIT J-4**

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 677,915	\$ 668,795	\$ (9,120)
5800	State Program Revenues	34,900	32,208	(2,692)
5900	Federal Program Revenues	1,320,000	1,317,372	(2,628)
5020	Total Revenues	2,032,815	2,018,375	(14,440)
	<b>EXPENDITURES:</b>			
	Current:			
	Support Services - Student (Pupil):			
0035	Food Services	1,955,384	1,953,118	2,266
	Total Support Services - Student (Pupil)	1,955,384	1,953,118	2,266
	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operations	71,559	43,138	28,421
	Total Support Services - Nonstudent Based	71,559	43,138	28,421
6030	Total Expenditures	2,026,943	1,996,256	30,687
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	5,872	22,119	16,247
1200	Net Change in Fund Balance	5,872	22,119	16,247
0100	Fund Balance - Beginning	339,244	339,244	--
3000	Fund Balance - Ending	\$ 345,116	\$ 361,363	\$ 16,247

# LOCKHART INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 1,377,036	\$ 1,347,280	\$ (29,756)
5800	State Program Revenues	1,191,168	1,188,624	(2,544)
5020	Total Revenues	2,568,204	2,535,904	(32,300)
<b>EXPENDITURES:</b>				
Debt Service:				
0071	Principal on Long-Term Debt	1,760,000	1,179,998	580,002
0072	Interest on Long-Term Debt	1,048,839	1,628,841	(580,002)
0073	Bond Issuance Costs and Fees	25,000	9,735	15,265
	Total Debt Service	2,833,839	2,818,574	15,265
6030	Total Expenditures	2,833,839	2,818,574	15,265
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(265,635)	(282,670)	(17,035)
Other Financing Sources (Uses):				
7915	Transfers In	89	89	--
7080	Total Other Financing Sources and (Uses)	89	89	--
1200	Net Change in Fund Balance	(265,546)	(282,581)	(17,035)
0100	Fund Balance - Beginning	2,531,910	2,531,910	--
3000	Fund Balance - Ending	\$ 2,266,364	\$ 2,249,329	\$ (17,035)

**WEST, DAVIS & COMPANY, LLP**  
11615 Angus Road, Suite 219  
Austin, Texas 78759

**Independent Auditors' Report**

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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lockhart Independent School District as of and for the year ended June 30, 2008, which collectively comprise the Lockhart Independent School District's basic financial statements and have issued our report thereon dated October 24, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lockhart Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Lockhart Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lockhart Independent School District's internal control over financial reporting. A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Lockhart Independent School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Lockhart Independent School District's financial statements that is more than inconsequential will not be prevented by the Lockhart Independent School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Lockhart Independent School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

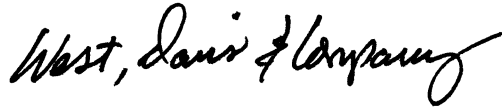
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lockhart Independent School District's financial statements are free of 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*.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "West, Davis & Company".

West, Davis & Company, LLP  
October 24, 2008

**WEST, DAVIS & COMPANY, LLP**  
11615 Angus Road, Suite 219  
Austin, Texas 78759

**Independent Auditors' Report**

Report on Compliance with Requirements Applicable  
To each Major Program and on Internal Control over Compliance  
In Accordance With OMB Circular A-133

Board of Trustees  
Lockhart Independent School District  
Lockhart, Texas

Members of the Board of Trustees:

Compliance

We have audited the compliance of Lockhart Independent School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lockhart Independent School District's management. Our responsibility is to express an opinion on Lockhart Independent School District's compliance based on our audit.

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. Our audit does not provide a legal determination of Lockhart Independent School District's compliance with those requirements.

In our opinion, Lockhart Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Lockhart Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lockhart Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.



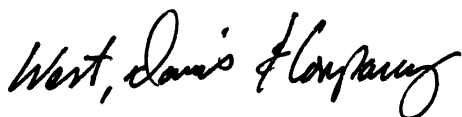
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

West, Davis & Company, LLP  
October 24, 2008

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

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 Circular A-133?        Yes   X   No

Identification of major programs:

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

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, 2008

**EXHIBIT K-1**

	(1)	(2)	(2A)	(3)
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
	Passed Through State Department of Education:			
222	<i>National &amp; Community Service Trust Act - Learn &amp; Serve</i>	94.004	753000171214	\$ 5,669
222	<i>National &amp; Community Service Trust Act - Learn &amp; Serve</i>	94.004	853000171214	24,797
	Total CFDA Number 94.004			30,466
	Total Passed Through State Department of Education			30,466
	U. S. DEPARTMENT OF EDUCATION			
	Passed Through State Department of Education:			
211	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	08610101028902	993,697
	Total CFDA Number 84.010A			993,697
212	<i>ESEA Title I Part C - Education of Migratory Children</i>	84.011	08615001227950	10,099
	Total CFDA Number 84.011			10,099
224	<i>IDEA-B Formula *</i>	84.027	0866000102890266	1,694,276
	Total CFDA Number 84.027			1,694,276
244	<i>Career and Technical - Basic Grant</i>	84.048	08420006028902	48,992
	Total CFDA Number 84.048			48,992
225	<i>IDEA-B Preschool *</i>	84.173	0866100102890266	32,193
	Total CFDA Number 84.173			32,193
204	<i>ESEA Title IV Part A-Safe &amp; Drug-Free Schools &amp; Communities Act</i>	84.186A	08691001028902	16,482
	Total CFDA Number 84.186A			16,482
243	<i>Career and Technical - Technical</i>	84.243A	028-902	2,108
	Total CFDA Number 84.243A			2,108
269	<i>Title V, Part A - Innovative Programs</i>	84.298	08685001028902	13,300
	Total CFDA Number 84.298			13,300
262	<i>Title II Part D Enhancing Education Through Technology</i>	84.318	08630001028902	9,165
	Total CFDA Number 84.318			9,165
263	<i>SSA English Language Acquisition and Language Enhancement</i>	84.365	028-902	2,323
	Total CFDA Number 84.365			2,323
255	<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	08694501028902	243,230
	Total CFDA Number 84.367A			243,230
267	<i>Summer School LEP</i>	84.369A	69550702	1,156
	Total Passed Through State Department of Education			3,067,021
	Total U. S. Department of Education			3,097,487
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed Through State Department of Education:			
241	Commodity Supplemental Food Program	10.550	028-902	74,579
240	School Breakfast Program *	10.553	71400801	326,675
240	National School Lunch Program *	10.555	71300801	916,118
242	Summer Food Service Program for Children *	10.559	028-902	15,178
	Total Passed Through State Department of Education			1,332,550
	Total U. S. Department of Agriculture			1,332,550
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 4,430,037</b>

\* 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, 2008*****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, 2008*

<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 unqualified 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?	\$ 1,371,812

# 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	85
<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	94
<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	99
<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	104
<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	106
<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.

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**LOCKHART INDEPENDENT SCHOOL DISTRICT****TABLE L-1***NET ASSETS BY COMPONENT**LAST SEVEN FISCAL YEARS**(ACCRUAL BASIS OF ACCOUNTING)**(IN THOUSANDS OF DOLLARS)*

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Primary Government							
Invested in Capital Assets, Net of Related Debt	\$ 6,510	\$ 7,229	\$ 771	\$ 5,893	\$ 4,786	\$ 3,983	\$ 3,331
Restricted	1,239	1,493	10,698	1,091	1,401	1,235	2,597
Unrestricted	7,637	8,538	4,986	7,841	7,623	10,453	10,516
Total Primary Government Net Assets	<u>\$ 15,386</u>	<u>\$ 17,260</u>	<u>\$ 16,455</u>	<u>\$ 14,825</u>	<u>\$ 13,810</u>	<u>\$ 15,671</u>	<u>\$ 16,444</u>

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

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

	Fiscal Year		
	2002	2003	2004
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$ 18,241,316	\$ 18,402,439	\$ 19,636,033
Instructional Resources & Media Services	609,507	689,749	595,253
Curriculum & Staff Development	438,791	467,695	252,812
Instructional Leadership	408,898	336,292	333,054
School Leadership	1,733,027	1,879,974	1,918,365
Guidance, Counseling & Evaluation Svcs	1,174,471	1,481,468	1,330,424
Social Work Services	44,692	18,356	21,975
Health Services	281,113	244,321	260,700
Student Transportation	1,212,407	1,422,838	1,535,965
Food Service	1,520,669	1,584,515	1,674,175
Cocurricular/Extracurricular Activities	1,324,617	1,421,622	1,433,830
General Administration	1,123,867	1,095,303	1,278,978
Plant Maintenance & Operations	3,008,920	3,171,783	3,289,466
Security & Monitoring Services	39,172	44,023	81,390
Data Processing Services	630,669	356,086	358,488
Community Services	1,319,419	1,374,852	1,265,257
Interest on Long-Term Debt	1,173,463	1,713,077	1,826,642
Bond Issuance Costs & Fees	--	11,006	13,527
Payments Related to SSA's	424,568	405,642	452,230
Total Governmental Activities Expenses	34,709,586	36,121,041	37,558,564
Total Primary Government Expenses	\$ 34,709,586	\$ 36,121,041	\$ 37,558,564

**Program Revenues**

Governmental Activities:			
Charges for Services:			
Instruction	\$ 29,740	\$ 924,349	\$ 1,307,598
Curriculum & Staff Development	--	--	--
Instructional Leadership	--	--	--
Guidance, Counseling & Evaluation Svcs	--	--	--
Student Transportation	--	--	--
Food Services	562,017	682,357	628,304
Cocurricular/Extracurricular Activities	460,843	388,295	393,345
General Administration	--	--	--
Plant Maintenance & Operations	--	--	--
Security & Monitoring Services	--	--	--
Community Services	--	--	--
Other Activities	508,302	448,728	129,708
Operating Grants and Contributions	8,271,803	6,995,179	6,602,377
Total Governmental Activities Program Rev.	9,832,705	9,438,908	9,061,332
Total Primary Government Program Rev.	9,832,705	9,438,908	9,061,332

**Net (Expense)/Revenue**

Governmental Activities	\$ (24,876,881)	\$ (26,682,133)	\$ (28,497,232)
Total Primary Government Net Expense	\$ (24,876,881)	\$ (26,682,133)	\$ (28,497,232)

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

TABLE L-2

Fiscal Year				
	2005	2006	2007	2008
\$	20,017,666	\$ 20,392,666	\$ 19,873,324	\$ 22,165,983
	1,083,496	1,073,048	742,381	686,262
	176,491	141,502	153,623	343,372
	433,641	499,002	399,373	437,458
	2,281,989	2,323,042	2,164,177	2,486,360
	1,460,320	1,534,457	1,515,025	1,607,917
	153,976	214,988	203,554	200,342
	288,065	358,395	364,341	435,281
	1,562,747	1,543,043	1,471,497	1,663,148
	1,932,024	1,848,389	1,813,603	2,005,005
	1,177,877	1,039,678	873,588	1,009,164
	1,469,071	1,482,512	1,361,457	1,522,086
	3,600,117	3,700,807	3,371,101	3,629,965
	120,850	155,173	153,385	149,721
	227,977	208,777	207,365	236,327
	1,056,004	1,024,296	870,314	923,126
	1,539,946	2,038,849	1,747,319	1,046,314
	95,947	144,278	158,110	57,695
	387,167	570,358	302,516	375,840
	<u>39,065,371</u>	<u>40,293,260</u>	<u>37,746,053</u>	<u>40,981,366</u>
\$	<u>39,065,371</u>	\$ <u>40,293,260</u>	\$ <u>37,746,053</u>	\$ <u>40,981,366</u>

\$	244,034	\$	229,953	\$	240,433	\$	241,195
	--		--		200		--
	--		--		81,674		94,188
	--		--		126,958		140,748
	--		--		7		20,810
	645,291		658,243		596,352		623,484
	90,959		76,230		97,126		90,769
	--		--		1,816		2,416
	--		--		63,132		64,916
	--		--		9		3,441
	--		--		531,085		567,390
	973,469		979,506		--		--
	5,006,376		5,427,937		5,378,881		6,048,948
	<u>6,960,129</u>		<u>7,371,869</u>		<u>7,117,673</u>		<u>7,898,305</u>
	<u>6,960,129</u>		<u>7,371,869</u>		<u>7,117,673</u>		<u>7,898,305</u>

\$	(32,105,242)	\$	(32,921,391)	\$	(30,628,380)	\$	(33,083,061)
\$	<u>(32,105,242)</u>	\$	<u>(32,921,391)</u>	\$	<u>(30,628,380)</u>	\$	<u>(33,083,061)</u>

# **LOCKHART INDEPENDENT SCHOOL DISTRICT**

## **GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS**

### **LAST SEVEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year		
	2002	2003	2004
<b>Net (Expense)/Revenue</b>			
Governmental Activities	\$ (24,876,881)	\$ (26,682,133)	\$ (28,497,232)
Total Primary Government Net Expense	<u>(24,876,881)</u>	<u>(26,682,133)</u>	<u>(28,497,232)</u>
<b>General Revenues &amp; Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes:			
Levied for General Purposes	6,510,875	7,229,428	8,372,940
Levied for Debt Service	730,507	1,012,926	1,400,283
Investment Earnings	220,449	342,642	277,719
Unrestricted Grants and Contributions	19,194,425	18,781,573	16,725,219
Miscellaneous	663,955	1,189,181	916,431
Total Governmental Activities	<u>27,320,211</u>	<u>28,555,750</u>	<u>27,692,592</u>
Total Primary Government	<u>27,320,211</u>	<u>28,555,750</u>	<u>27,692,592</u>
<b>Change in Net Assets</b>			
Governmental Activities	2,443,330	1,873,617	(804,640)
Total Primary Government	<u>\$ 2,443,330</u>	<u>\$ 1,873,617</u>	<u>\$ (804,640)</u>

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

TABLE L-3

Fiscal Year			
2005	2006	2007	2008
\$ (32,105,242)	\$ (32,921,404)	\$ (30,628,380)	\$ (33,083,061)
<u>(32,105,242)</u>	<u>(32,921,404)</u>	<u>(30,628,380)</u>	<u>(33,083,061)</u>
9,450,848	10,535,713	10,525,082	8,092,297
1,386,796	1,356,970	1,322,110	1,255,819
405,202	532,972	565,756	597,263
18,482,913	18,237,919	19,664,964	23,480,775
749,193	1,242,401	411,709	430,192
<u>30,474,952</u>	<u>31,905,975</u>	<u>32,489,621</u>	<u>33,856,346</u>
<u>30,474,952</u>	<u>31,905,975</u>	<u>32,489,621</u>	<u>33,856,346</u>
(1,630,290)	(1,015,429)	1,861,241	773,285
<u>\$ (1,630,290)</u>	<u>\$ (1,015,429)</u>	<u>\$ 1,861,241</u>	<u>\$ 773,285</u>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	4,174,338	4,545,951	5,397,548	6,597,295	7,693,491
Total General Fund	<u>\$ 4,174,338</u>	<u>\$ 4,545,951</u>	<u>\$ 5,397,548</u>	<u>\$ 6,597,295</u>	<u>\$ 7,693,491</u>
All Other Governmental Funds					
Reserved					
State & Federal Programs	\$ 88,064	\$ 171,195	\$ 76,634	\$ 799,218	\$ 78,873
Other - Special Revenue	--	--	--	51,288	1,044,026
Food Service	50,373	50,484	23,650	57,177	167,386
Capital Acquisitions	9,807,392	743,756	389,685	142,201	13,707,934
Debt Service	173,748	193,502	188,850	188,850	167,948
Unreserved					
State & Federal Programs	--	--	--	--	--
Total All Other Governmental Funds	<u>\$ 10,119,577</u>	<u>\$ 1,158,937</u>	<u>\$ 678,819</u>	<u>\$ 1,238,734</u>	<u>\$ 15,166,167</u>
Total All Governmental Funds	<u>\$ 14,293,915</u>	<u>\$ 5,704,888</u>	<u>\$ 6,076,367</u>	<u>\$ 7,836,029</u>	<u>\$ 22,859,658</u>

TABLE L-4

Fiscal Year				
2004	2005	2006	2007	2008
\$ --	\$ --	\$ --	\$ --	\$ --
7,298,389	6,920,005	6,867,836	9,414,955	10,861,727
<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>
\$ 59,678	\$ 415,099	\$ 686,952	\$ 212,443	\$ --
497,912	--	--	620,013	--
220,319	235,648	285,033	339,244	361,363
6,277,633	106,923	36,934	14,768	63
213,009	368,305	387,544	2,531,910	2,249,329
--	--	--	--	776,783
<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>
<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>

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

#### (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	1999	2000	2001	2002	2003
<b>Revenues</b>					
Local & Intermediate Sources	\$ 8,278,334	\$ 8,163,541	\$ 9,136,143	\$ 12,542,534	\$ 12,869,713
State Program Revenues	17,899,217	20,386,772	20,194,373	20,453,530	20,867,716
Federal Program Revenues	3,059,729	3,054,984	4,034,360	4,117,470	4,554,017
Total Revenues	<u>29,237,280</u>	<u>31,605,297</u>	<u>33,364,876</u>	<u>37,113,534</u>	<u>38,291,446</u>
<b>Expenditures</b>					
Instruction	12,769,088	15,264,336	15,548,854	17,380,192	17,551,634
Instructional Resources & Media Services	423,303	650,068	625,621	575,094	658,007
Curriculum & Staff Development	387,530	456,128	439,967	421,981	451,824
Instructional Leadership	240,980	371,556	412,616	395,050	320,421
School Leadership	1,385,323	1,491,970	1,719,524	1,632,301	1,800,620
Guidance, Counseling & Evaluation Svcs	955,908	1,001,851	1,118,181	1,135,905	1,417,985
Social Work Services	81,843	81,356	77,456	43,137	18,356
Health Services	281,415	243,818	280,006	267,966	228,450
Student Transportation	976,782	1,107,782	1,379,958	1,212,407	1,359,355
Food Service	1,234,335	1,339,988	1,582,454	1,505,653	1,521,032
Cocurricular/Extracurricular Activities	764,506	1,003,632	1,070,484	1,268,016	1,374,010
General Administration	1,068,547	1,096,163	809,378	1,061,302	1,031,820
Plant Maintenance & Operations	2,346,123	2,578,141	2,691,670	2,844,522	3,028,946
Security & Monitoring Services	33,361	57,543	64,358	36,965	44,023
Data Processing Services	353,446	331,025	355,214	598,183	393,112
Community Services	554,705	646,796	1,151,705	1,292,495	1,311,369
Principal on Long-Term Debt	1,489,650	1,518,457	1,500,684	1,545,000	1,680,000
Interest on Long-Term Debt	1,177,424	1,075,758	1,083,057	1,042,197	1,636,139
Bond Issuance Costs & Fees	1,662	19,967	4,678	--	4,957
Capital Outlay	6,288,224	10,455,657	532,701	671,590	2,337,197
Payments Related to SSA's	381,586	391,133	367,252	408,067	389,771
Total Expenditures	<u>33,195,741</u>	<u>41,183,125</u>	<u>32,815,818</u>	<u>35,338,023</u>	<u>38,559,028</u>
Excess of Revenues Over (Under) Expenditures	(3,958,461)	(9,577,828)	549,058	1,775,511	(267,582)
<b>Other Financing Sources (Uses)</b>					
Capital-Related Debt					
Issued (Regular Bonds)	--	--	--	--	15,255,419
Transfers In	--	--	--	--	24,017
Premium or Discount On Issuance of Bonds	--	--	--	--	--
Other Resources	252,581	1,047,544	53,838	--	35,792
Transfers Out	--	--	--	--	(24,017)
Payment to Bond Refunding Escrow Agent	--	--	--	--	--
Other Uses	(246,425)	(65,869)	(60,224)	--	--
Total Other Financing Sources (Uses)	<u>6,156</u>	<u>981,675</u>	<u>(6,386)</u>	<u>--</u>	<u>15,291,211</u>
Net Change in Fund Balances	<u>\$ (3,952,305)</u>	<u>\$ (8,596,153)</u>	<u>\$ 542,672</u>	<u>\$ 1,775,511</u>	<u>\$ 15,023,629</u>
Debt Service As A Percentage Of Noncapital Expenditures	9.9%	8.5%	8.0%	7.5%	9.2%

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



TABLE L-5

Fiscal Year				
2004	2005	2006	2007	2008
\$ 13,287,369	\$ 14,106,416	\$ 15,552,911	\$ 14,329,507	\$ 12,510,367
18,390,205	19,074,218	18,954,740	20,570,257	24,770,185
4,750,626	4,411,204	4,707,536	4,435,281	4,699,343
<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>
18,645,318	18,926,028	19,164,621	18,483,169	20,909,101
625,678	1,060,576	1,000,486	684,514	643,004
243,295	182,809	136,160	146,480	323,970
366,701	417,953	479,088	380,653	420,121
1,796,789	2,122,938	2,153,972	1,986,486	2,318,483
1,286,327	1,411,004	1,478,758	1,457,775	1,530,697
21,971	144,703	200,335	187,405	187,203
247,047	271,354	337,231	340,864	411,886
1,453,528	1,562,747	1,543,043	1,471,497	1,663,148
1,674,175	1,797,484	1,853,439	1,846,094	2,005,005
1,363,667	1,151,689	963,081	801,949	947,782
1,222,287	1,376,574	1,373,574	1,249,847	1,419,258
3,084,433	3,376,086	3,430,826	3,259,680	3,409,800
97,761	270,566	206,839	141,038	176,983
337,440	213,621	195,211	191,919	222,141
1,221,596	993,352	953,904	805,265	863,375
1,630,000	1,515,000	1,635,000	35,000	1,179,998
1,617,429	1,503,536	1,326,544	608,695	1,628,841
7,478	68,099	117,978	110,150	9,735
7,345,450	5,444,566	--	81,622	217,581
432,548	365,125	570,358	302,516	375,840
<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>
(8,292,718)	(6,583,972)	94,739	4,762,427	1,115,943
--	1,799,996	9,524,996	8,835,000	--
25,002	19,519	2,658	--	6,430
--	127,862	469,931	565,901	--
--	--	3,723	--	--
(25,002)	(19,519)	(2,658)	--	(6,430)
--	(1,864,835)	(9,875,073)	(9,294,294)	--
--	--	--	--	(37)
--	63,023	123,577	106,607	(37)
<u>\$ (8,292,718)</u>	<u>\$ (6,520,949)</u>	<u>\$ 218,316</u>	<u>\$ 4,869,034</u>	<u>\$ 1,115,906</u>
8.7%	8.0%	7.9%	2.2%	6.9%

## 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
1999	\$ 195,207,690	\$ 29,570,953	\$ 28,396,850	\$ 191,453,030	\$ 37,371,340	\$ 407,257,183
2000	213,442,874	33,370,680	28,424,590	256,980,473	38,474,330	493,744,287
2001	235,055,179	38,140,740	30,645,840	215,988,739	39,750,900	480,079,598
2002	265,406,668	43,459,364	33,513,120	216,957,708	43,264,590	516,072,270
2003	321,830,773	50,886,476	39,279,310	272,129,983	45,525,930	638,600,612
2004	341,269,132	55,386,144	39,388,830	296,963,495	47,518,180	685,489,421
2005	351,699,404	57,458,280	43,693,830	298,640,017	51,499,180	699,992,351
2006	364,338,244	59,909,477	48,968,260	310,810,745	59,405,580	724,621,146
2007	392,234,612	67,512,510	46,841,160	310,687,182	64,039,880	753,235,584
2008	428,246,312	70,043,307	46,881,510	373,502,679	154,384,956	764,288,852

Source: Caldwell County Appraisal District

TABLE L-6

	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
\$	1.4300	\$ 381,045,652	106.879%
	1.4169	428,383,300	115.258%
	1.4277	480,079,598	100.000%
	1.4100	545,860,801	94.543%
	1.4391	643,584,882	99.226%
	1.4654	685,533,781	99.994%
	1.5887	699,992,351	100.000%
	1.6900	702,389,066	103.165%
	1.5400	785,547,230	95.887%
	1.2020	803,522,238	95.117%

**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
1999	\$ 1.0912	0.3388	1.4300	0.6030	0.4758
2000	1.2800	0.1369	1.4169	0.5865	0.4944
2001	1.2948	0.1329	1.4277	0.5761	0.4857
2002	1.2665	0.1435	1.4100	0.5447	0.4766
2003	1.2637	0.1754	1.4391	0.5409	0.4766
2004	1.2637	0.2017	1.4654	0.5674	0.5166
2005	1.3860	0.2027	1.5887	0.5992	0.5566
2006	1.5000	0.1900	1.6900	0.6297	0.5700
2007	1.3700	0.1700	1.5400	0.6437	0.6350
2008**	1.0400	0.1620	1.2020	0.6837	0.7074

\*\* Note: The District is limited by legislation to \$1.04 for general purposes, without voter approval. With voter approval, the maximum limit is \$1.17.

Source: Caldwell County Appraisal District

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008			1999		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
LCRA Transmission Srv Corp	\$ 9,063,480	1	1.19%	\$ --	--	--
Southwestern Bell Telephone	5,107,140	2	0.67%	6,386,450	1	1.57%
Flint Hills Resources LP (TPL)	4,911,330	3	0.64%	--	--	--
Bluebonnet Electric Cooperative	4,180,940	4	0.55%	3,377,510	6	0.83%
H.E. Butt Grocery	3,627,820	5	0.47%	3,630,710	4	0.89%
Union Pacific RR Company	3,283,910	6	0.43%	--	--	--
Hoskins, Fred W.	2,890,830	7	0.38%	2,281,390	7	0.56%
Economy Realty Ltd	2,854,770	8	0.37%	--	--	--
Walmart Properties Inc	2,835,700	9	0.37%	3,457,990	5	0.85%
Lockhart Village Partners LP	2,759,120	10	0.36%	1,518,090	8	0.37%
Kewaunee Scientific Eqp. Corp.	--	--	--	3,959,335	3	0.97%
General Telephone Company of SW	--	--	--	1,451,180	9	0.36%
Koch Refining	--	--	--	4,244,340	2	1.04%
Frazier Land & Cattle Co., LLC	--	--	--	1,156,400	10	0.28%
Total	\$ 41,515,040		5.43%	\$ 31,463,395		7.72%

Source: Caldwell County Appraisal District, District Records

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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
1999	\$	5,151,690	4,765,634	92.51%	338,317	5,103,951	99.07%
2000		5,732,050	5,256,246	91.70%	415,490	5,671,736	98.95%
2001		6,470,101	5,939,877	91.81%	445,862	6,385,739	98.70%
2002		7,276,619	6,734,738	92.55%	416,528	7,151,266	98.28%
2003		8,768,635	8,121,451	92.62%	464,065	8,585,516	97.91%
2004		9,519,615	8,860,817	93.08%	327,833	9,188,650	96.52%
2005		10,570,504	9,846,508	93.15%	83,925	9,930,433	93.94%
2006		11,659,603	10,888,562	93.39%	335,418	11,223,980	96.26%
2007		11,599,828	10,819,529	93.27%	399,326	11,218,855	96.72%
2008		9,186,752	8,540,510	92.97%	--	8,939,836	97.31%

Source: Caldwell County Appraisal District, District Records

**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>Per Capita</u>	<u>Notes Payable</u>	<u>Capital Leases</u>
1999	\$ 20,764,777	5.10%	660	\$ 110,000	\$ 700,895
2000	20,176,600	4.09%	627	825,000	460,861
2001	19,677,982	4.10%	611	225,000	322,102
2002	34,607,925	6.71%	1,024	150,000	--
2003	33,619,224	5.26%	965	224,091	--
2004	32,649,994	4.76%	919	--	--
2005	31,134,993	4.45%	857	--	--
2006	29,499,990	4.07%	807	--	--
2007	29,464,990	3.91%	802	--	--
2008	28,324,980	3.71%	790	--	--

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	Per Capita
	General Obligation Bonds	Total		
1999	\$ 20,764,777	\$ 20,764,777	5.10%	866
2000	20,176,600	20,176,600	4.10%	860
2001	19,677,982	19,677,982	4.10%	953
2002	34,607,925	34,607,925	6.70%	1,696
2003	33,619,224	33,619,224	5.30%	1,600
2004	32,649,994	32,649,994	4.80%	1,531
2005	31,134,993	31,134,993	4.80%	1,535
2006	29,499,990	29,499,990	4.30%	1,499
2007	29,464,990	29,464,990	4.30%	1,567
2008	27,704,990	27,704,990	3.60%	1,353

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

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**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	\$ 9,685,000	59.270%	\$ 5,740,300
City of Lockhart	7,197,327	100.000%	7,197,327
Lockhart ISD	28,284,992	100.000%	<u>28,284,992</u>
 Total Direct and Overlapping Debt			 \$ <u>41,222,619</u>

Sources: Texas Municipal Report dated 9/08.

## LOCKHART INDEPENDENT SCHOOL DISTRICT

### LEGAL DEBT MARGIN INFORMATION

#### LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
Debt Limit	\$ 26,673,196	\$ 29,998,367	\$ 33,637,971	\$ 38,210,256	\$ 43,924,454
Total Net Debt Applicable to Limit	<u>20,591,029</u>	<u>19,983,098</u>	<u>19,489,132</u>	<u>34,367,787</u>	<u>33,451,276</u>
Legal Debt Margin	\$ <u>6,082,167</u>	\$ <u>10,015,269</u>	\$ <u>14,148,839</u>	\$ <u>3,842,469</u>	\$ <u>10,473,178</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	77.20%	66.61%	57.94%	89.94%	76.16%

Source: Texas Municipal Reports

TABLE L-13

	Fiscal Year				
	2004	2005	2006	2007	2008
\$	43,505,202	\$ 48,999,465	\$ 49,167,235	\$ 52,726,491	\$ 53,500,220
	<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>
\$	<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>
	74.56%	62.79%	62.54%	51.08%	47.58%

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

Assessed Value	\$ 764,288,852
Debt Limit (7% of Assessed Value)	53,500,220
Debt Applicable to Limit:	
General Obligation Bonds	27,704,990
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>2,249,329</u>
Total Net Debt Applicable to Limit	<u>25,455,661</u>
Legal Debt Margin	<u>\$ 28,044,559</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
1999	31,485	552,006	16,878	3.40%
2000	32,194	598,129	17,944	4.20%
2001	32,194	642,283	19,776	5.00%
2002	33,799	691,953	20,473	6.70%
2003	34,846	700,300	20,097	7.40%
2004	35,510	717,144	20,196	6.50%
2005	36,335	75,384	20,748	5.30%
2006	36,542	803,644	21,992	4.90%
2007**	36,720	803,644	21,992	4.30%
2008**	36,720	803,644	21,992	4.30%

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

\*\* This most recent data published was in 2006.

**LOCKHART INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2008			1999		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lockhart ISD	662	1	****	****	1	****
Serta Dormae Mfg.	174	2	****	****	2	****
The GEO Group, Inc.	159	3	****	****	3	****
Pegasus	151	4	****	****	4	****
H.E.B. Food Store	147	5	****	****	5	****
City of Lockhart	143	6	****	****	6	****
Wal-Mart	117	7	****	****	7	****
Golden Age Home	110	8	****	****	8	****
Chisholm Trail Rehab Center	76	9	****	****	9	****
Livengood Feed	64	10	****	****	10	****
Total	1,803		****	****		****

\*\*\*The 1999 information is not available from any source.

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**LOCKHART INDEPENDENT SCHOOL DISTRICT**  
*FULL-TIME-EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM*  
*LAST SEVEN FISCAL YEARS*

	Full-Time Equivalent Employees as of Year End						
	2002	2003	2004	2005	2006	2007	2008
Instruction	385	388	383	385	422	393	399
Instructional Resources & Media Services	7	7	7	7	8	14	14
Instructional Leadership	8	6	5	5	5	5	5
School Leadership	36	36	36	38	40	40	40
Guidance & Counseling	21	21	22	27	27	27	27
Health Services	9	9	8	9	8	9	9
Food Service	46	46	41	43	45	45	45
Cocurricular/Extracurricular Activities	1	1	1	3	3	2	2
General Administration	23	23	27	19	19	18	17
Plant Maintenance & Operations	64	64	66	66	75	71	70
Security & Monitoring Services	2	2	2	3	3	2	2
Data Processing Services	2	2	2	2	2	2	3
Community Services	20	20	33	32	31	31	29
<b>Total</b>	<b>624</b>	<b>625</b>	<b>633</b>	<b>639</b>	<b>688</b>	<b>659</b>	<b>662</b>

Source: In-house District information

Note: Information for 1999 to 2001 was not available in this format.

# 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>Expenses</u>
1999	4,275	21,209,113	4,961	2%	33,195,741
2000	4,405	24,111,522	5,474	10%	41,183,125
2001	4,420	24,426,224	5,526	1%	32,815,818
2002	4,524	25,443,691	5,624	2%	35,338,023
2003	4,453	26,404,985	5,930	5%	38,559,028
2004	4,466	26,468,132	5,927	0%	44,720,918
2005	4,492	28,247,587	6,288	6%	44,175,819
2006	4,542	29,124,436	6,412	2%	39,120,448
2007	4,451	27,513,024	6,181	-4%	44,358,556
2008	4,440	31,025,348	6,988	13%	40,942,708

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
7,765	25%	257.2	16.6	49.1%
9,349	20%	279.9	15.7	49.6%
7,424	-21%	302.2	14.6	48.2%
7,811	5%	297.2	15.2	46.7%
8,659	11%	303.6	14.7	51.8%
10,014	16%	303.1	14.7	53.6%
9,834	-2%	374.5	14.6	55.0%
8,613	-12%	329.6	13.8	58.0%
9,966	16%	325.0	14:1	60.2%
9,221	-7%	325.0	14:1	59.7%

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**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>
1999	\$ 24,000	39,050	34,047	34,336
2000	27,000	42,050	34,715	37,567
2001	28,350	43,400	34,960	38,361
2002	30,000	44,834	35,941	39,232
2003	32,500	47,937	36,838	39,974
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	*	*

Sources: AEIS Reports, District Records

\* At the date of this report the 2007-08 AEIS report has not been published.

# LOCKHART INDEPENDENT SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION

### LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
<b>School</b>					
<b>Elementary</b>					
Carver Kindergarten (1953)					
Square Feet	52,578	52,578	52,578	52,578	52,578
Capacity	385	385	385	385	385
Enrollment	--	--	--	--	--
Clear Fork (1953)					
Square Feet	57,113	57,113	57,113	57,113	57,113
Capacity	441	441	441	441	441
Enrollment	--	--	--	--	--
Plum Creek (1986)					
Square Feet	67,233	67,233	67,233	67,233	67,233
Capacity	449	449	449	449	449
Enrollment	--	--	--	--	--
Navarro (1972)					
Square Feet	55,573	55,573	55,573	55,573	55,573
Capacity	415	415	415	415	415
Enrollment	--	--	--	--	--
Bluebonnet (2005)					
Square Feet	--	--	--	--	--
Capacity	--	--	--	--	--
Enrollment	--	--	--	--	--
<b>School</b>					
<b>Secondary</b>					
Lockhart Junior High (2000)					
Square Feet	--	--	152,105	152,105	152,105
Capacity	--	--	1,036	1,036	1,036
Enrollment	--	--	--	--	--
Lockhart HS Freshman Campus (1923)					
Square Feet	71,057	71,057	71,057	71,057	71,057
Capacity	361	361	361	361	361
Enrollment	--	--	--	--	--
Lockhart High School (1965)					
Square Feet	175,180	175,180	175,180	175,180	175,180
Capacity	924	924	924	924	924
Enrollment	--	--	--	--	--
Pride High School (1992)					
Square Feet	10,647	10,647	10,647	10,647	10,647
Capacity	58	58	58	58	58
Enrollment	--	--	--	--	--
Discipline Mgmt Center (1997)					
Square Feet	8,088	8,088	8,088	8,088	8,088
Capacity	40	40	40	40	40
Enrollment	--	--	--	--	--

Source: District records.

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

TABLE L-19

Fiscal Year				
2004	2005	2006	2007	2008
52,578	52,578	52,578	52,578	52,578
385	385	385	385	385
--	--	388	417	360
57,113	57,113	57,113	57,113	57,113
441	441	441	441	441
--	--	419	414	424
67,233	67,233	67,233	67,233	67,233
449	449	449	449	449
--	--	449	458	462
55,573	55,573	55,573	55,573	55,573
415	415	415	415	415
--	--	421	417	414
--	64,992	64,992	64,992	64,992
--	479	479	479	479
--	--	468	482	525
152,105	152,105	152,105	152,105	152,105
1,036	1,036	1,036	1,036	1,036
--	--	1,019	999	963
71,057	71,057	71,057	71,057	71,057
361	361	361	361	361
--	352	352	319	335
175,180	175,180	175,180	175,180	175,180
924	924	924	924	924
--	831	831	850	874
10,647	10,647	10,647	10,647	10,647
58	58	58	58	58
--	--	57	43	43
8,088	8,088	8,088	8,088	8,088
40	40	40	40	40
--	--	--	--	--