

**BASTROP
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013

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Bastrop Independent School District
Annual Financial Report
For The Year Ended June 30, 2013

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Introductory Section

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CERTIFICATE OF BOARD

Bastrop Independent School District
Name of School District

Bastrop
County

011-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended June 30, 2013, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

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Financial Section

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Independent Auditors' Report

To the Board of Trustees
Bastrop Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District (the "District") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory section and the scheduled labeld "unaudited" have not been subjected to the auditng procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013, on our consideration of Bastrop Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bastrop Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 15, 2013

Management's Discussion and Analysis

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BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2013

In this section of the Annual Financial Report, we, the managers of Bastrop Independent School District (the "District"), discuss and analyze the District's financial performance for the twelve months ended June 30, 2013. Please read it in conjunction with the independent auditors' report on page 5, and the District's Basic Financial Statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

- The Bastrop Independent School District, for the eleventh consecutive year, earned a rating of Superior Achievement by the Texas Education Agency under its Financial Integrity Rating System of Texas (FIRST). The District received 70 out of 70 points used to determine the overall financial health and stability of school districts throughout Texas.
- The District's total net position were \$12.3 million.
- Net position of our business-type activities (employee daycare, community education, STARS after-school program, and PAC Events) changed by \$136,176, resulting in total net position of \$655,774.
- The General Fund ended the year with a fund balance of \$16.64 million, \$484,101 less than the previous year. Contributing factors were: the District implemented a reorganization of the secondary campus curriculum specialist to address academic needs, all employees received a pay increase after teachers did not receive an increase in the prior year and all other employees had not received pay increases for the past three years.
- The new \$65.7 million Cedar Creek High School opened in August 2010. The 2012-13 budget included staffing and start-up costs for year three of this new campus. Cedar Creek High School opened with grades nine and ten with one grade being added each year.
- On July 18, 2012, Bastrop Independent School District successfully sold its Unlimited Tax Refunding Bonds, Series 2012 to refund a portion of its outstanding Unlimited Tax Bonds, Series 2002 and Series 2005A at a lower interest rate. The District's savings on this refunding program were \$1,884,839 (net of all costs). On April 10, 2013, the District successfully completed the sale of its Unlimited Tax Refunding Bonds, Series 2013-A and Unlimited Tax Refunding Bonds, Taxable Series-B. The total savings realized from the Refunding Program totaled \$4,380,689 for the District and its taxpayers.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities on pages 19 and 20. 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 22, 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. For proprietary activities, fund financial statements tell how services of the District were sold within the District or to external customers and how the sales revenues covered the expenses of the services.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2013

The notes to the financial statements starting on page 31 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 Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 19. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets 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 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 tuition received from students from outside the District and 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. Liabilities are considered regardless of whether they must be paid in the current or future years (such as workers' compensation claims).

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

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of 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.
- **Business-type activities**—The District charges a fee to "customers" to help it cover all or most of the cost of services it provides in the child care programs.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2013

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 22 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds—governmental and proprietary—use different accounting approaches:

- Governmental funds – Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the District's governmental activities decreased from \$16.7 million to \$12.3 million. Unrestricted net position – 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 \$4.9 million at June 30, 2013.

In 2013, the net position of our business-type activities increased by \$136,176. This increase was due to an increase in the after-school program (STARS)

Table I
Bastrop Independent School District

	NET POSITION					
	in thousands					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	41,244	45,196	711	586	41,955	45,782
Capital assets	189,701	194,235			194,235	194,235
Total assets	230,945	239,431	711	586	231,656	240,017
Total Deferred Outflows of Resources	4,692				4,692	
Long-term liabilities	207,244	204,989			207,244	204,989
Other liabilities	16,115	17,705	55	67	16,170	17,772
Total liabilities	223,359	222,694	55	67	223,414	222,761
Net Position:						
Invested in capital assets net of related debt	388	5,282			388	5,282
Restricted	6,936	8,365			6,936	8,365
Unrestricted	4,943	3,089	656	520	5,599	8,609
Total net position	12,267	16,736	656	519	12,923	17,255

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2013

Table II
Bastrop Independent School District

CHANGES IN NET POSITION in thousands

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	1,710	1,356	750	802	2,158	2,158
Operating grants and contributions	14,021	20,141	28	--	20,141	20,141
General Revenues:						
Maintenance and operations taxes	28,255	27,439	--	--	27,439	27,439
Debt Service taxes	11,962	12,059	--	--	12,059	12,059
Grants and contributions not restricted to specific functions	37,440	30,465	--	--	30,465	30,465
Investment earnings	48	41	--	--	41	41
Miscellaneous	239	964	39	47	1,011	1,011
Transfers	49					
Total Revenue	<u>93,724</u>	<u>92,465</u>	<u>817</u>	<u>849</u>	<u>93,314</u>	<u>93,314</u>
Expenses:						
Instruction, curriculum and media services	50,609	45,729	--	--	50,609	45,729
Instructional and school leadership	5,014	4,677	--	--	5,014	4,677
Student support services	8,713	8,630	--	--	8,713	8,630
Child nutrition	5,594	5,033	--	--	5,594	5,033
Expenses (continued):						
Co-curricular activities	2,800	2,663	--	--	2,800	2,663
General administration	2,065	1,999	--	--	2,065	1,999
Plant maintenance, security and data processing	8,944	8,309	--	--	8,944	8,309
Community services	1,246	1,681	--	--	1,246	1,681
Debt services	10,239	8,774	--	--	10,239	8,774
Bond Issuance cost	508	15	--	--	508	15
Capital Outlay						
Payments related to SSA	61	3,926	--	--	61	3,926
Other Intergovernmental Charges	621	607	--	--	621	607
Other business-type activities			680	830	680	830
Total Expenses	<u>96,414</u>	<u>92,043</u>	<u>680</u>	<u>830</u>	<u>97,094</u>	<u>92,873</u>
Increase in net assets before transfers and special items	(2,739)	422	136	19	(2,602)	
Net Position – Beginning	16,736		520		17,256	
Prior Period Adjustment	(1,730)				(1,730)	
Net Position – Beginning as Restated	<u>15,006</u>	<u>16,315</u>	<u>520</u>	<u>501</u>	<u>15,526</u>	<u>16,816</u>
Net Position – Ending	<u>12,267</u>	<u>16,736</u>	<u>656</u>	<u>520</u>	<u>12,923</u>	<u>17,256</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2013

The cost of all governmental activities this year was \$97.0 million. The Statement of Activities on pages 20 and 21 show that the amount that our taxpayers ultimately financed for these activities through District taxes was only \$40.2 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirement, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved, undesignated fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

The Board of Trustees has a fund balance policy as follows:

A financial goal of the District is to have a sufficient balance in the operating fund to be able to maintain fiscal independence in case of a financial need or crisis. The District shall strive to maintain a yearly fund balance in the general operating fund in which the total fund balance is 22.5 percent of the total operating expenditures and the unreserved/undesignated fund balance is 15 percent of the total operating expenditures.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$25,291,854, a decrease of \$428,494 due to a decrease of \$484,101 in the general fund, a increase of \$431,959 in the debt service fund, an increase in Food Service inventories of \$85,514, a decrease in federal and state grant restrictions of 200,237, a decrease in other restrictions of fund balance or 117,845, and a decrease of \$143,784 in capital projects. Approximately 48.7 percent of this total amount (\$12,326,671) constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for:

- Inventory (\$205,892);
- Payment of debt service payments (\$5,887,042);
- Federal/State funds grant restrictions (\$620,126);
- Capital projects (\$1,552,007);
- Other restrictions of fund balance (\$454,197)
- Construction (\$1,810,919);
- Claims and judgments (\$100,000);
- Purchase of capital outlay (\$750,000); and
- Other miscellaneous designations (\$1,585,000)

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$12,326,671 while the total fund balance was \$16,644,454. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance, and total fund balance to the total fund expenditures. Unreserved, undesignated fund balance represents 18.3 percent of the total general fund expenditures, while total fund balance represents 24.7 percent of that same amount.

BASTROP INDEPENDENT SCHOOL DISTRICT

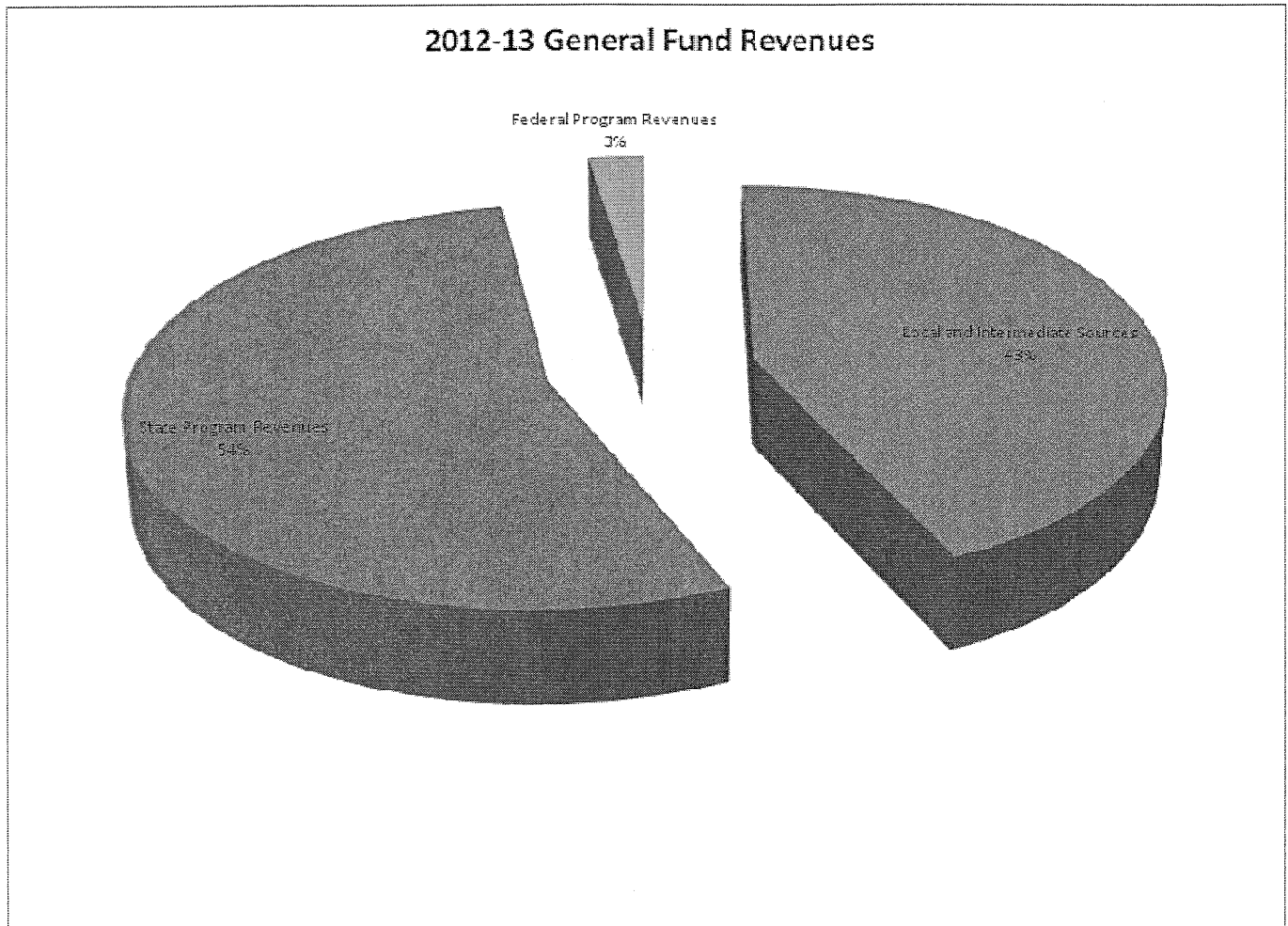
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2013

The total fund balance of the District's general fund budget decreased by \$428,494: Key factors to this change are as follows:

- Pay increases given;
- Reorganization of Instructional Secondary Specialists;
- 18 additional teaching positions for new high school;
- Campus testing coordinator;
- Special Education Coop dissolved previous year;

The debt service fund has a total fund balance of \$5,887,042, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$431,959. The District's total general revenues were \$66.8 million. A portion, \$29.0 million or 43 percent, of the District's revenues come from taxes, and other local revenue. The majority of the other 54 percent of revenues is from State Program Revenues and \$1.6 million or 3 percent was Federal Program Revenue.



BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and appropriations. These amendments fall into the following categories:

- Amendment approved after the beginning of the new fiscal year to record E-Rate revenue received and expenditures associated with this award;
- Amendment for change in campus allocations;
- Amendment for additional transportation routes;
- Amendment for roof repair and insurance recovery;
- Amendment to increase tax revenue;
- Amendment to decrease State aid;
- Amendment for SHARS settle-up;
- Amendment for Special Education Coop dissolution;
- Amendment for safety upgrades;
- Amendment to increase utilities;
- Amendment to increase legal costs;
- Amendment to increase fuel costs;
- Amendment to TRS on Behalf costs.

The District made the following major amendments to budgeted revenues:

- \$ 400,000 increase in tax collections;
- \$ 60,469 increase for insurance recovery;
- \$ 238,802 increase for E-rate award;
- \$1,234,448 increase in state aid;
- \$ 787,566 SHARS settle-up payment;
- \$2,098,465 Special Education Coop Dissolution
- \$ 677,300 TRS on Behalf (Accounting Entry Only).

The following is a summary of major amendments made to appropriations:

- \$238,800 increase for E-rate expenditures;
- \$ 60,469 increase for insurance recover costs;
- \$300,000 increase in fuel costs;
- \$ 25,000 increase for legal costs;
- \$750,000 increase for utilities;
- \$933,000 increase for payroll costs; and
- \$108,000 increase for additional transportation routes; and
- \$677,300 increase for TRS on behalf (accounting entry only).

CAPITAL ASSETS

At the end of the 2012-13, the District had \$189.7 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. More detailed information about the District's capital assets is presented in Note D to the financial statements.

LONG-TERM DEBT

At year-end, the District had \$174,676,071 in bonds and notes outstanding versus \$177,683,945 last year.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2013

The District credit ratings are as follows; Moody's Investors Service underlying credit rating for the District is "A2" while Standard and Poor's underlying rating for the District is "A+". More detailed information about the District's long-term liabilities is presented in Note F to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2013-14 budget and tax rates. Factors considered during the budget process were the outcome of the 83rd Legislative Session and the additional revenues received. Another factor is the economy. Two years after the Bastrop complex fires, the District continues to see growth in residential and commercial property values. At budget time, 500 building permits had been issued to residents in the affected fire areas. Bastrop County continues to be a growing area. The District had a 3.5 percent property value growth from 2012 to 2013. Commercial businesses continue to open enhancing the economy and property values.

The new Cedar Creek High School opened in August 2010. The school opened with ninth and tenth grades students. Cedar Creek High School had all grade levels in 2012-13.

The district estimated a conservative 1.8 percent enrollment growth and a 1.2 percent average daily attendance growth. A three percent growth in property value was used for budget purposes. The 2013-14 tax rate is \$1.461, with \$1.04 for maintenance and operations and \$0.421 for debt service. The District was able to reduce the debt service tax rate for the 2013-14 year due to continued property growth and savings realized from bond refunding program.

These indicators were taken into consideration when adopting the General Fund budget for 2013-14. Amounts available for appropriation in the General Fund budget are \$68.9 million. Budgeted expenditures are expected to be \$69.3 million; this includes a one-time fund balance use for technology, safety and security and capital projects for a wastewater project. Teachers received a \$1,000 pay increase for the 2012-13 budget year. Administrative and auxiliary staff received 1.5 percent and 3 percent raises, respectively. The District expanded the Instructional Secondary Specialists to allow the high school specialists support classroom teachers full-time without teaching classes. Twenty-one additional teaching positions were added to accommodate growth as well as bring full-time elementary art and music teachers back to the elementary campuses. Math/Science bilingual interventionists were added to the intermediate schools to accommodate this growing population. Pre-K mid-day routes reduced in the 2012-13 school year were added back for 2013-14, and an additional attendance officer was added to the western zone feeder pattern. The District's secure parental access component of the student software package continues to grow in use. This system allows authorized parents or guardians to view student information such as attendance, grades, class schedules, and discipline records from any computer with Internet access. The District has also implemented a parent communication program, which allows the campuses and District to communicate with parents via phone messages, emails, and text messages.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at the District's service center at Bastrop Independent School District, 906 Farm Street, Bastrop, Texas 78602. Financial information is available on the Bastrop ISD website (www.bisdtx.org).

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Basic Financial Statements

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BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2013

Data Control Codes		1	2	3
		Governmental Activities	Business-type Activities	Total
ASSETS:				
1110	Cash and Cash Equivalents	\$ 17,578,121	\$ 711,159	\$ 18,289,280
1120	Current Investments	9,521,412	--	9,521,412
1220	Property Taxes Receivable	5,615,381	--	5,615,381
1230	Allowance for Uncollectible Taxes	(1,575,015)	--	(1,575,015)
1240	Due from Other Governments	9,573,728	--	9,573,728
1290	Other Receivables (Net)	324,525	--	324,525
1300	Inventories	205,891	--	205,891
1490	Other Current Assets	45	--	45
	Capital Assets:			
1510	Land	8,715,493	--	8,715,493
1520	Buildings and Improvements, Net	180,429,134	--	180,429,134
1530	Furniture and Equipment, Net	556,270	--	556,270
1000	Total Assets	<u>230,944,984</u>	<u>711,159</u>	<u>231,656,143</u>
DEFERRED OUTFLOWS OF RESOURCES:				
	Deferred Outflows of Resources	4,681,535	--	4,681,535
1700	Total Deferred Outflows of Resources	<u>4,681,535</u>	<u>--</u>	<u>4,681,535</u>
LIABILITIES:				
2110	Accounts Payable	1,980,869	3,867	1,984,736
2140	Interest Payable	3,788,959	--	3,788,959
2165	Accrued Liabilities	7,457,459	51,518	7,508,977
2180	Due to Other Governments	140,454	--	140,454
2190	Due to Student Groups	100	--	100
	Noncurrent Liabilities:			
2501	Due Within One Year	2,747,235	--	2,747,235
2502	Due in More Than One Year	207,244,124	--	207,244,124
2000	Total Liabilities	<u>223,359,200</u>	<u>55,385</u>	<u>223,414,585</u>
NET POSITION				
3200	Net Investment in Capital Assets	388,486	--	388,486
	Restricted For:			
3820	Federal and State Programs	608,397	--	608,397
3850	Debt Service	5,887,042	--	5,887,042
3870	Campus Activities	440,022	--	440,022
3900	Unrestricted	4,943,372	655,774	5,599,146
3000	Total Net Position	<u>\$ 12,267,319</u>	<u>\$ 655,774</u>	<u>\$ 12,923,093</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	1	3	4
		Program Revenues	
Data			
Control			
Codes	Functions/Programs	Charges for	Operating
		Services	Grants and
	Expenses		Contributions
	Governmental Activities:		
11	Instruction	\$ 152,000	\$ 5,559,236
12	Instructional Resources and Media Services	--	32,838
13	Curriculum and Staff Development	--	660,779
21	Instructional Leadership	--	23,261
23	School Leadership	--	183,724
31	Guidance, Counseling, & Evaluation Services	--	481,228
32	Social Work Services	--	43,257
33	Health Services	--	29,160
34	Student Transportation	--	216,922
35	Food Service	1,349,131	3,915,337
36	Cocurricular/Extracurricular Activities	209,094	63,567
41	General Administration	--	92,641
51	Plant Maintenance and Operations	--	347,185
52	Security and Monitoring Services	--	10,855
53	Data Processing Services	--	37,952
61	Community Services	--	1,148,872
72	Interest on Long-term Debt	--	1,171,438
73	Bond Issuance Costs and Fees	--	--
93	Payments Related to Shared Services Arrangements	--	2,773
99	Other Intergovernmental Charges	--	--
TG	Total Governmental Activities	1,710,225	14,021,025
	Business-type Activities:		
01	Performing Arts Center	--	29
03	High School Bistro	23,639	809
04	Community Education	--	493
06	STARS After School Program	521,261	11,689
07	Employee Child Care	204,924	15,165
TB	Total Business-type Activities	749,824	28,185
TP	Total Primary Government	\$ 2,460,049	\$ 14,049,210
	General Revenues:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
IE	Investment Earnings		
GC	Grants and Contributions Not Restricted to Specific Programs		
MI	Miscellaneous		
FR	Transfers		
TR	Total General Revenues and Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Prior Period Adjustment		
	Net Position - Beginning, as Restated		
NE	Net Position - Ending		

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (42,851,560)	--	\$ (42,851,560)
(776,619)	--	(776,619)
(576,286)	--	(576,286)
(562,418)	--	(562,418)
(4,245,200)	--	(4,245,200)
(2,570,683)	--	(2,570,683)
(119,326)	--	(119,326)
(640,151)	--	(640,151)
(4,611,969)	--	(4,611,969)
(329,312)	--	(329,312)
(2,527,080)	--	(2,527,080)
(1,972,377)	--	(1,972,377)
(7,460,995)	--	(7,460,995)
(285,961)	--	(285,961)
(801,336)	--	(801,336)
(96,705)	--	(96,705)
(9,067,638)	--	(9,067,638)
(507,753)	--	(507,753)
(58,269)	--	(58,269)
(620,911)	--	(620,911)
<u>(80,682,549)</u>	<u>--</u>	<u>(80,682,549)</u>
--	\$ (18,523)	(18,523)
--	2,784	2,784
--	(13,686)	(13,686)
--	127,074	127,074
--	--	--
--	97,649	97,649
<u>(80,682,549)</u>	<u>97,649</u>	<u>(80,584,900)</u>
28,255,391	--	28,255,391
11,961,895	--	11,961,895
48,030	--	48,030
37,439,963	--	37,439,963
238,553	38,525	277,078
49	--	49
<u>77,943,881</u>	<u>38,525</u>	<u>77,982,406</u>
(2,738,668)	136,174	(2,602,494)
16,736,360	519,600	17,255,960
(1,730,373)	--	(1,730,373)
15,005,987	519,600	15,525,587
<u>\$ 12,267,319</u>	<u>\$ 655,774</u>	<u>\$ 12,923,093</u>

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

JUNE 30, 2013

Data Control Codes	10 General	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 15,258,775	\$ 63	\$ 952,040	\$ 16,210,878
1120 Current Investments	--	5,992,852	1,928,521	7,921,373
1220 Property Taxes Receivable	4,102,013	1,513,367	--	5,615,380
1230 Allowance for Uncollectible Taxes	(1,240,946)	(334,069)	--	(1,575,015)
1240 Due from Other Governments	8,635,885	--	937,843	9,573,728
1260 Due from Other Funds	626,999	--	--	626,999
1290 Other Receivables	161,560	34,473	128,492	324,525
1300 Inventories	71,863	--	134,028	205,891
1490 Other Current Assets	45	--	--	45
1000 Total Assets	<u>27,616,194</u>	<u>7,206,686</u>	<u>4,080,924</u>	<u>38,903,804</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 1,801,950	\$ --	\$ 175,453	\$ 1,977,403
2150 Payroll Deductions & Withholdings	740,965	--	44,038	785,003
2160 Accrued Wages Payable	5,559,354	--	482,270	6,041,624
2170 Due to Other Funds	8,304	--	618,696	627,000
2180 Due to Other Governments	--	140,345	109	140,454
2190 Due to Student Groups	100	--	--	100
2000 Total Liabilities	<u>8,110,673</u>	<u>140,345</u>	<u>1,320,566</u>	<u>9,571,584</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows for Property Taxes	2,861,067	1,179,299	--	4,040,366
2600 Total Deferred Inflows of Resources	<u>2,861,067</u>	<u>1,179,299</u>	<u>--</u>	<u>4,040,366</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	71,864	--	134,028	205,892
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	620,126	620,126
3470 Capital Acquisitions & Contractual Obligations	--	--	1,552,007	1,552,007
3480 Retirement of Long-Term Debt	--	5,887,042	--	5,887,042
3490 Other Restrictions of Fund Balance	--	--	454,197	454,197
Committed Fund Balances:				
3510 Construction	1,810,919	--	--	1,810,919
3520 Claims and Judgments	100,000	--	--	100,000
3530 Capital Expenditures for Equipment	750,000	--	--	750,000
Assigned Fund Balances:				
3590 Other Assigned Fund Balance	1,585,000	--	--	1,585,000
3600 Unassigned	12,326,671	--	--	12,326,671
3000 Total Fund Balances	<u>16,644,454</u>	<u>5,887,042</u>	<u>2,760,358</u>	<u>25,291,854</u>
4000 Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,616,194</u>	<u>\$ 7,206,686</u>	<u>\$ 4,080,924</u>	<u>\$ 38,903,804</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2013*

Total fund balances - governmental funds balance sheet	\$ 25,291,854
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	189,700,896
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	4,040,366
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,332,983
Payables for bond principal which are not due in the current period are not reported in the funds.	(205,309,823)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,788,959)
Net position of governmental activities - Statement of Net Position	<u>\$ 12,267,319</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes	10 General	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 28,975,386	\$ 12,035,393	\$ 1,526,841	\$ 42,537,620
5800 <i>State Program Revenues</i>	36,208,705	1,171,438	1,552,697	38,932,840
5900 <i>Federal Program Revenues</i>	1,637,329	--	10,890,819	12,528,148
5020 Total Revenues	<u>66,821,420</u>	<u>13,206,831</u>	<u>13,970,357</u>	<u>93,998,608</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	39,679,500	--	6,476,396	46,155,896
0012 <i>Instructional Resources and Media Services</i>	722,164	--	29	722,193
0013 <i>Curriculum and Staff Development</i>	593,632	--	633,810	1,227,442
0021 <i>Instructional Leadership</i>	497,044	--	71,495	568,539
0023 <i>School Leadership</i>	4,049,044	--	33,857	4,082,901
0031 <i>Guidance, Counseling, & Evaluation Services</i>	2,533,032	--	366,150	2,899,182
0032 <i>Social Work Services</i>	123,953	--	37,626	161,579
0033 <i>Health Services</i>	615,787	--	1,184	616,971
0034 <i>Student Transportation</i>	4,774,752	--	--	4,774,752
0035 <i>Food Service</i>	--	--	5,398,356	5,398,356
0036 <i>Cocurricular/Extracurricular Activities</i>	1,747,601	--	37,713	1,785,314
0041 <i>General Administration</i>	2,039,152	--	--	2,039,152
0051 <i>Plant Maintenance and Operations</i>	7,736,385	--	105,999	7,842,384
0052 <i>Security and Monitoring Services</i>	272,362	--	--	272,362
0053 <i>Data Processing Services</i>	835,368	--	--	835,368
0061 <i>Community Services</i>	91,269	--	1,144,564	1,235,833
0071 <i>Principal on Long-term Debt</i>	--	2,967,519	--	2,967,519
0072 <i>Interest on Long-term Debt</i>	--	10,111,394	--	10,111,394
0073 <i>Bond Issuance Costs and Fees</i>	--	507,967	--	507,967
0081 <i>Capital Outlay</i>	--	--	39,579	39,579
0093 <i>Payments to Shared Service Arrangements</i>	61,042	--	--	61,042
0099 <i>Other Intergovernmental Charges</i>	620,911	--	--	620,911
6030 Total Expenditures	<u>66,992,998</u>	<u>13,586,880</u>	<u>14,346,758</u>	<u>94,926,636</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(171,578)</u>	<u>(380,049)</u>	<u>(376,401)</u>	<u>(928,028)</u>
Other Financing Sources and (Uses):				
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	35,663,904	--	35,663,904
7915 <i>Transfers In</i>	--	312,523	49	312,572
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	4,712,356	--	4,712,356
8911 <i>Transfers Out</i>	(312,523)	--	--	(312,523)
8949 <i>Other Uses</i>	--	(39,876,775)	--	(39,876,775)
7080 Total Other Financing Sources and (Uses)	<u>(312,523)</u>	<u>812,008</u>	<u>49</u>	<u>499,534</u>
1200 Net Change in Fund Balances	<u>(484,101)</u>	<u>431,959</u>	<u>(376,352)</u>	<u>(428,494)</u>
0100 Fund Balances - Beginning	<u>17,128,555</u>	<u>5,455,083</u>	<u>3,136,710</u>	<u>25,720,348</u>
3000 Fund Balances - Ending	<u>\$ 16,644,454</u>	<u>\$ 5,887,042</u>	<u>\$ 2,760,358</u>	<u>\$ 25,291,854</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013*

Net change in fund balances - total governmental funds \$ (428,494)

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

Capital outlays are not reported as expenses in the SOA.	159,417
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,693,456)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(323,528)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(4,712,356)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,967,734
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	429,574
(Increase) decrease in accrued interest from beginning of period to end of period.	(429,008)
The net revenue (expense) of internal service funds is reported with governmental activities.	206,823
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	39,876,775
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(35,663,904)
Bond premiums are reported in the funds but not in the SOA.	(128,247)

Change in net position of governmental activities - Statement of Activities \$ (2,738,668)

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION****PROPRIETARY FUNDS**

JUNE 30, 2013

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	ASSETS:		
	Current Assets:		
1110	<i>Cash and Cash Equivalents</i>	\$ 711,159	\$ 1,367,242
1120	<i>Investments</i>	--	1,600,039
	Total Current Assets	711,159	2,967,281
1000	Total Assets	711,159	2,967,281
	LIABILITIES:		
	Current Liabilities:		
2110	<i>Accounts Payable</i>	\$ 3,867	\$ 3,466
2150	<i>Payroll Deduction & Withholdings</i>	6,155	--
2160	<i>Accrued Wages Payable</i>	45,363	--
2200	<i>Accrued Expenditures/Expenses</i>	--	630,832
	Total Current Liabilities	55,385	634,298
2000	Total Liabilities	55,385	634,298
	NET POSITION:		
3000	Total Net Position	\$ 655,774	\$ 2,332,983

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
OPERATING REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 788,349	\$ 612,938
5800	<i>State Program Revenues</i>	28,185	1,104
5020	Total Revenues	<u>816,534</u>	<u>614,042</u>
OPERATING EXPENSES:			
6100	<i>Payroll Costs</i>	539,532	34,154
6200	<i>Professional and Contracted Services</i>	42,381	60,604
6300	<i>Supplies and Materials</i>	59,067	38,456
6400	<i>Other Operating Costs</i>	39,380	274,005
6030	Total Expenses	<u>680,360</u>	<u>407,219</u>
1300	Change in Net Position	136,174	206,823
0100	Total Net Position - Beginning	519,600	2,126,160
3300	Total Net Position - Ending	<u>\$ 655,774</u>	<u>\$ 2,332,983</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
<i>Cash Received from Miscellaneous Sources</i>	\$ 816,534	\$ 611,994
<i>Cash Received from Interest Earnings</i>	--	2,047
<i>Cash Payments to Employees and Suppliers</i>	(691,777)	(479,048)
Net Cash Provided (Used) by Operating Activities	<u>124,757</u>	<u>134,994</u>
Net Increase (Decrease) in Cash and Cash Equivalents	124,757	134,994
Cash and Cash Equivalents at Beginning of Year	<u>586,403</u>	<u>2,832,286</u>
Cash and Cash Equivalents at End of Year	<u><u>711,161</u></u>	<u><u>2,967,280</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	136,173	206,823
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities	--	--
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Receivables</i>	--	--
<i>Increase (Decrease) in Interfund Payables</i>	--	--
<i>Increase (Decrease) in Accrued Expenses</i>	(11,417)	(71,829)
Total Adjustments	<u>(11,417)</u>	<u>(71,829)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 124,757</u></u>	<u><u>\$ 134,994</u></u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2013

JUNE 30, 2013		Private-purpose Trust Fund	Agency Fund
Data Control Codes		Private Scholarship Trust	Student Activity
ASSETS:			
1110	Cash and Cash Equivalents	\$ 3,228	\$ 67,804
1120	Current Investments	234,864	127,237
1000	Total Assets	238,092	195,041
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ 19,824
2190	Due to Student Groups	--	175,217
2000	Total Liabilities	--	195,041
NET POSITION:			
3800	Held in Trust	238,092	--
3000	Total Net Position	\$ 238,092	\$ --

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**FIDUCIARY FUNDS**FOR THE YEAR ENDED JUNE 30, 2013*

	Private- Scholarship Trust
Additions:	
Investment Income	\$ 288
Gifts and Bequests	500
Total Additions	<u>788</u>
Deductions:	
Scholarship Awards	<u>3,600</u>
Total Deductions	<u>3,600</u>
Other Financing Activities:	
Operating Transfer To Other Funds	(49)
Change in Net Position	(2,861)
Net Position-Beginning of the Year	240,953
Net Position-End of the Year	<u><u>\$ 238,092</u></u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

A. Summary of Significant Accounting Policies

The basic financial statements of Bastrop 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," as revised by GASB Statement No.39, 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 position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The District reports the following major governmental funds:

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

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

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

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

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

b. Measurement Focus, Basis of Accounting

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

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

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

BASTROP INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2013

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

c. Inventories and Prepaid Items

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.

d. Capital Assets

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

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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	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred inflows of resources* represents an acquisition of net position that applies to a future period and so will *not* be recognized as inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

f. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

i. Data Control Codes

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

j. Net Position Flow Assumptions

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

k. Fund Balance Flow Assumptions

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

l. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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FOR THE YEAR ENDED JUNE 30, 2013

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

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>
Expenditures in excess of appropriations in the debt service fund for function 71.	The District will amend the budget during the year in anticipation of final expenditures.

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

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

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

C. Deposits and Investments

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

1. Cash Deposits:

At June 30, 2013, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,857,539 and the bank balance was \$2,210,907. The District's cash deposits at June 30, 2013 and during the year ended June 30, 2013, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
TexPool Investment Pool	N/A	AAAm	\$ 12,089,103
Lone Star Investment Pool	N/A	AAA	14,297,177
Total Investments			<u>\$ 26,386,280</u>

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2013, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment or Investment Type</u>	<u>Administrator</u>	<u>Rating</u>
Tex Pool Investment Pool	Federated Securities Corp	AAAm*
Lone Star Investment Pool	First Public, LLC	AAA*

*Rated by Standard and Poor's Investor Services

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 was not exposed to concentration of credit risk.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

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

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,692,598	\$ 22,894	\$ --	\$ 8,715,492
Total capital assets not being depreciated	<u>8,692,598</u>	<u>22,894</u>	<u>--</u>	<u>8,715,492</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	222,996,447	--	--	222,996,447
Furniture and equipment	3,696,871	136,523	--	3,833,394
Total capital assets being depreciated	<u>226,693,318</u>	<u>136,523</u>	<u>--</u>	<u>226,829,841</u>
Less accumulated depreciation for:				
Buildings and improvements	(38,005,806)	(4,561,507)	--	(42,567,312)
Furniture and equipment	(3,145,177)	(131,948)	--	(3,277,124)
Total accumulated depreciation	<u>(41,150,982)</u>	<u>(4,693,454)</u>	<u>--</u>	<u>(45,844,436)</u>
Total capital assets being depreciated, net	<u>185,542,336</u>	<u>(4,556,931)</u>	<u>--</u>	<u>180,985,405</u>
Governmental activities capital assets, net	<u>\$ 194,234,934</u>	<u>\$ (4,534,037)</u>	<u>\$ --</u>	<u>\$ 189,700,897</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Depreciation was charged to functions as follows:

Instruction	\$ 2,634,175
Instructional Resources and Media Services	87,264
Curriculum and Staff Development	9,623
Instructional Leadership	17,140
School Leadership	351,052
Guidance, Counseling, & Evaluation Services	152,729
Social Work Services	1,004
Health Services	52,340
Student Transportation	54,139
Food Services	195,424
Extracurricular Activities	1,014,427
General Administration	25,866
Plant Maintenance and Operations	60,155
Security and Monitoring Services	24,454
Data Processing Services	3,920
Community Services	9,744
	<u>\$ 4,693,454</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

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

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Funds	\$ 633,202	Short-term loans
	Total	<u>\$ 633,202</u>	

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

2. Transfers To and From Other Funds

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Debt service fund	\$ 312,523	Supplement other fund sources
Other Governmental Funds	Special revenue funds	49	Supplement other fund sources
	Total	<u>\$ 312,571</u>	

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

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2013, are as follows:

	Original Issue	Beginning Balance	Net Changes	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Refunding Bond, Series 1994 \$	12,204,980	\$ 155,000	\$ (155,000)	\$ --	\$ --
Bldg & Refunding, Series 1997	32,593,420	4,362,072	(457,083)	3,904,989	336,520
Bldg & Refunding, Series 2002	40,925,404	6,322,647	(3,619,695)	2,702,952	460,715
Refunding Bond, Series 2005	17,750,000	17,700,000	(17,680,000)	20,000	10,000
Refunding Bond, Series 2005A	23,305,000	22,415,000	(14,525,000)	7,890,000	385,000
Refunding Bond, Series 2005B	711,969	450,000	(120,000)	330,000	115,000
Refunding Bond, Series 2006	21,585,420	20,830,000	(50,000)	20,780,000	45,000
Refunding Bond, Series 2006A	1,840,000	1,730,000	(295,000)	1,435,000	15,000
Bldg Bond, Series 2007	58,690,000	56,980,000	--	56,980,000	80,000
Bldg Bond, Series 2009	38,350,000	36,990,000	(1,380,000)	35,610,000	600,000
Refunding Bond, Series 2011	8,829,226	8,634,226	--	8,634,226	--
Refunding Bond, Series 2012	8,793,904	--	8,658,904	8,658,904	--
Refunding Bond, Series 2013A	8,670,000	--	8,670,000	8,670,000	200,000
Refunding Bond, Series 2013B	18,200,000	--	18,200,000	18,200,000	230,000
Maintenance Tax Notes, 2000	3,000,000	1,115,000	(255,000)	860,000	270,000
	<u>295,449,323</u>	<u>177,683,945</u>	<u>(3,007,874)</u>	<u>174,676,071</u>	<u>2,747,235</u>
<u>Other liabilities:</u>					
Net issuance of premiums (discounts)	--	12,040,293	4,148,054	16,188,347	--
Accum. Accretion on CAB	--	18,868,890	258,052	19,126,942	--
Total governmental activities	<u>\$ 295,449,323</u>	<u>\$ 208,593,128</u>	<u>\$ 1,398,232</u>	<u>\$ 209,991,360</u>	<u>\$ 2,747,235</u>
Long-term liabilities due in more than one year				<u>\$ 207,244,125</u>	

Bonded indebtedness of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. These bonds were issued as school building bonds and refunding bonds and the interest rates on the bonds ranged from .35 percent to 6.11 percent. Interest expense was \$10,053,872 for the year ended June 30, 2013.

Notes payable of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. The District approved the notes payable at an interest rate ranging from 5.00 percent to 5.20 percent. Interest expense was \$57,523 for the year ended June 30, 2013.

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2012, dated July 1, 2012, in the amount of \$8,793,904 of general obligation refunding bonds for an advanced refunding of \$8,793,910 of portions of various outstanding long-term debt issues, including \$3,043,910 in general obligation bonds, series 2002 and \$5,750,000 in general obligation bonds, series 2005A. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$1,056,427. This amount netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$1,585,959 and a reduction of \$1,884,839 in future debt service payments.

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FOR THE YEAR ENDED JUNE 30, 2013

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2013A, dated March 15, 2013, in the amount of \$8,670,000 of general obligation refunding bonds for an advanced refunding of \$8,670,135 of portions of various outstanding long-term debt issues, including \$555,135 for series 2002 and \$8,115,000 for series 2005A. The refunding was undertaken to reduce total future debt service payments. The reacquisition priced exceeded the net carrying amount of the old debt by \$1,192,584. This amount netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$1,570,586 and a reduction of \$2,052,210 in future debt service payments.

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2013B, dated March 15, 2013, in the amount of \$18,200,000 of general obligation refunding bonds for an advanced refunding of \$17,960,000 of portions of various outstanding long-term debt issues, including \$17,670,000 for series 2005 and \$290,000 for series 2005A. The refunding was undertaken to reduce total future debt service payments. The reacquisition priced exceeded the net carrying amount of the old debt by \$1,923,719. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$1,933,265 and a reduction of \$2,328,479 in future debt service payments.

2. Debt Service Requirements

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

Year Ending June 30.	Governmental Activities		
	Principal	Interest	Total
2014	\$ 2,477,235	\$ 10,830,178	\$ 13,307,413
2015	2,054,742	11,114,401	13,169,143
2016	2,116,524	11,177,531	13,294,055
2017	2,708,077	11,013,478	13,721,555
2018	2,919,193	10,795,187	13,714,380
2019-2023	20,081,075	48,735,353	68,816,428
2024-2028	31,290,000	36,676,475	67,966,475
2029-2033	35,950,000	33,284,238	69,234,238
2034-2038	47,324,226	16,253,580	63,577,806
2039-2043	26,895,000	3,556,600	30,451,600
Totals	<u>\$ 173,816,071</u>	<u>\$ 193,437,021</u>	<u>\$ 367,253,092</u>

Year Ending June 30.	Maintenance Tax Notes		
	Principal	Interest	Total
2014	\$ 270,000	\$ 44,518	\$ 314,518
2015	285,000	30,680	315,680
2016	305,000	15,860	320,860
Totals	<u>\$ 860,000</u>	<u>\$ 91,058</u>	<u>\$ 951,058</u>

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2013, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

Bond Issue	\$ Amount
Series 2007	540,000
Series 2005A	13,785,000
Series 2005	17,660,000
Total	<u>\$ 31,985,000</u>

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

G. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2013, as follows:

<u>Year Ending June 30.</u>	
Rental Expenditures in 2013	\$ <u>304,826</u>

H. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2013, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, www.trrs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2012, 2011 and 2010, and a state contribution rate of 6.0% for fiscal year 2012 and 6.644% for fiscal years 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's contribution. State contributions to TRS made on behalf of the District's employees for the years ending June 30, 2013, 2012 and 2011 were \$3,110,096, \$3,031,104 and \$2,980,042, respectively. The District paid additional state contributions for the years ending June 30, 2013, 2012 and 2011 in the amount of \$734,953, \$618,011 and \$753,450, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

J. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

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

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2012 and 2011. For the years ended June 30, 2013, 2012, and 2011, the State's contributions to TRS-Care were \$24,553, \$44,013, and \$392,596, respectively, the active member contributions were \$315,869, \$307,847, and \$255,187, respectively, and the District's contributions were \$267,274, \$260,486, and \$215,928, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2013, 2012, and 2011, the subsidy payments received by TRS-Care on behalf of the District were \$186,069, \$121,263, and \$113,067, respectively.

K. Employee Health Care Coverage

During the year ended June 30, 2013, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$325 per month per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, 2013, and terms of coverage and premium costs are included in the contractual provisions.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

L. Commitments and Contingencies

1. Contingencies

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

2. Litigation

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

M. Prior Period Adjustment

During the fiscal year 2013, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 reclassified costs associated with bond issuance as an expense of the current period. Consequently, the District is restating net position for fiscal year 2012 to reflect the write-off of unamortized bond issuance costs. The beginning balance of net position was restated from \$16,736,359 to \$15,005,987.

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.

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BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 28,683,958	\$ 29,144,427	\$ 28,975,386	\$ (169,041)
5800	State Program Revenues	33,824,796	35,975,346	36,208,705	233,359
5900	Federal Program Revenues	903,397	1,690,963	1,637,329	(53,634)
5020	Total Revenues	63,412,151	66,810,736	66,821,420	10,684
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	Instruction	30,104,990	39,929,139	39,679,500	249,639
0012	Instructional Resources and Media Services	746,074	747,732	722,164	25,568
0013	Curriculum and Staff Development	501,954	599,037	593,632	5,405
	Total Instruction & Instr. Related Services	31,353,018	41,275,908	40,995,296	280,612
	Instructional and School Leadership:				
0021	Instructional Leadership	370,236	554,732	497,044	57,688
0023	School Leadership	3,581,872	4,060,164	4,049,044	11,120
	Total Instructional & School Leadership	3,952,108	4,614,896	4,546,088	68,808
	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	1,842,241	2,571,323	2,533,032	38,291
0032	Social Work Services	117,174	125,168	123,953	1,215
0033	Health Services	425,758	616,256	615,787	469
0034	Student (Pupil) Transportation	4,450,183	4,856,988	4,774,752	82,236
0036	Cocurricular/Extracurricular Activities	1,656,663	1,770,906	1,747,601	23,305
	Total Support Services - Student (Pupil)	8,492,019	9,940,641	9,795,125	145,516
	Administrative Support Services:				
0041	General Administration	1,931,008	2,056,008	2,039,152	16,856
	Total Administrative Support Services	1,931,008	2,056,008	2,039,152	16,856
	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	6,778,046	7,826,330	7,736,385	89,945
0052	Security and Monitoring Services	209,813	277,590	272,362	5,228
0053	Data Processing Services	816,620	835,552	835,368	184
	Total Support Services - Nonstudent Based	7,804,479	8,939,472	8,844,115	95,357
	Ancillary Services:				
0061	Community Services	54,527	92,477	91,269	1,208
	Total Ancillary Services	54,527	92,477	91,269	1,208
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	66,753	66,753	61,042	5,711
0099	Other Intergovernmental Charges	618,074	620,974	620,911	63
	Total Intergovernmental Charges	684,827	687,727	681,953	5,774
6030	Total Expenditures	54,271,986	67,607,129	66,992,998	614,131
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	9,140,165	(796,393)	(171,578)	624,815

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Other Financing Sources (Uses):				
7915	Transfers In	2,098,465	--	--	--
8911	Transfers Out	(312,522)	(312,522)	(312,523)	(1)
7080	Total Other Financing Sources and (Uses)	<u>1,785,943</u>	<u>(312,522)</u>	<u>(312,523)</u>	<u>(1)</u>
1200	Net Change in Fund Balance	<u>10,926,108</u>	<u>(1,108,915)</u>	<u>(484,101)</u>	<u>624,814</u>
0100	Fund Balance - Beginning	17,128,555	17,128,555	17,128,555	--
3000	Fund Balance - Ending	<u>\$ 28,054,663</u>	<u>\$ 16,019,640</u>	<u>\$ 16,644,454</u>	<u>\$ 624,814</u>

Note to the Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Combining Statements 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

Data Control Codes		Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:					
1110	Cash and Cash Equivalents	\$ 859,509	\$ 77,984	\$ 14,547	\$ 952,040
1120	Current Investments	453,848	1,474,673	--	1,928,521
1240	Due from Other Governments	937,843	--	--	937,843
1290	Other Receivables	128,492	--	--	128,492
1300	Inventories	134,028	--	--	134,028
1000	Total Assets	<u>2,513,720</u>	<u>1,552,657</u>	<u>14,547</u>	<u>4,080,924</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 174,803	\$ 650	\$ --	\$ 175,453
2150	Payroll Deductions & Withholdings	44,038	--	--	44,038
2160	Accrued Wages Payable	482,270	--	--	482,270
2170	Due to Other Funds	618,696	--	--	618,696
2180	Due to Other Governments	109	--	--	109
2000	Total Liabilities	<u>1,319,916</u>	<u>650</u>	<u>--</u>	<u>1,320,566</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	134,028	--	--	134,028
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	619,538	--	--	619,538
3470	Capital Acquisitions & Contractual Obligations	--	1,552,007	--	1,552,007
3490	Other Restrictions of Fund Balance	440,238	--	14,547	454,785
3000	Total Fund Balances	<u>1,193,804</u>	<u>1,552,007</u>	<u>14,547</u>	<u>2,760,358</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,513,720</u>	<u>\$ 1,552,657</u>	<u>\$ 14,547</u>	<u>\$ 4,080,924</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,525,048	\$ 1,793	\$ --	\$ 1,526,841
5800	State Program Revenues	1,552,697	--	--	1,552,697
5900	Federal Program Revenues	10,890,819	--	--	10,890,819
5020	Total Revenues	<u>13,968,564</u>	<u>1,793</u>	<u>--</u>	<u>13,970,357</u>
EXPENDITURES:					
Current:					
0011	Instruction	6,312,244	--	164,152	6,476,396
0012	Instructional Resources and Media Services	29	--	--	29
0013	Curriculum and Staff Development	633,810	--	--	633,810
0021	Instructional Leadership	71,495	--	--	71,495
0023	School Leadership	33,857	--	--	33,857
0031	Guidance, Counseling, & Evaluation Services	366,150	--	--	366,150
0032	Social Work Services	37,626	--	--	37,626
0033	Health Services	1,184	--	--	1,184
0035	Food Service	5,398,356	--	--	5,398,356
0036	Cocurricular/Extracurricular Activities	37,713	--	--	37,713
0051	Plant Maintenance and Operations	--	105,999	--	105,999
0061	Community Services	1,144,564	--	--	1,144,564
0081	Capital Outlay	--	39,579	--	39,579
6030	Total Expenditures	<u>14,037,028</u>	<u>145,578</u>	<u>164,152</u>	<u>14,346,758</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(68,464)</u>	<u>(143,785)</u>	<u>(164,152)</u>	<u>(376,401)</u>
Other Financing Sources and (Uses):					
7915	Transfers In	49	--	--	49
7080	Total Other Financing Sources and (Uses)	<u>49</u>	<u>--</u>	<u>--</u>	<u>49</u>
1200	Net Change in Fund Balances	<u>(68,415)</u>	<u>(143,785)</u>	<u>(164,152)</u>	<u>(376,352)</u>
0100	Fund Balances - Beginning	1,262,219	1,695,792	178,699	3,136,710
3000	Fund Balances - Ending	<u>\$ 1,193,804</u>	<u>\$ 1,552,007</u>	<u>\$ 14,547</u>	<u>\$ 2,760,358</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

Data Control Codes	206 Homeless Education Project	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	3,116	206,977	17,458	303,627
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>3,116</u>	<u>206,977</u>	<u>17,458</u>	<u>303,627</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 149	\$ 6,524	\$ 2,902	\$ 10,253
2150 Payroll Deductions & Withholdings	10	11,106	159	16,032
2160 Accrued Wages Payable	453	115,565	8,345	207,443
2170 Due to Other Funds	2,504	73,782	6,052	69,899
2180 Due to Other Governments	--	--	--	--
2000 Total Liabilities	<u>3,116</u>	<u>206,977</u>	<u>17,458</u>	<u>303,627</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
3490 Other Restrictions of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 3,116</u>	<u>\$ 206,977</u>	<u>\$ 17,458</u>	<u>\$ 303,627</u>

225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Teacher & Principal Training & Recruitment	263 English Language Acquisition and Enhancement
\$ --	\$ 400,871	\$ --	\$ 1,393	\$ --
--	453,848	--	--	--
2,460	110,205	10,229	5,202	12,804
--	65	--	--	--
--	134,028	--	--	--
<u>2,460</u>	<u>1,099,017</u>	<u>10,229</u>	<u>6,595</u>	<u>12,804</u>
\$ 63	\$ 123,479	\$ 708	\$ 6,595	\$ 966
46	7,155	--	--	42
1,831	29,149	--	--	2,200
520	200,000	9,521	--	9,596
--	--	--	--	--
<u>2,460</u>	<u>359,783</u>	<u>10,229</u>	<u>6,595</u>	<u>12,804</u>
--	134,028	--	--	--
--	605,206	--	--	--
--	--	--	--	--
<u>--</u>	<u>739,234</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u>2,460</u>	\$ <u>1,099,017</u>	\$ <u>10,229</u>	\$ <u>6,595</u>	\$ <u>12,804</u>

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BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

Data Control Codes	265 21st Century Community Learning Centers	289 Texas Literacy	386 Regional Day School for the Deaf	393 Texas Successful Schools
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ --	\$ 2,534
1120 <i>Current Investments</i>	--	--	--	--
1240 <i>Due from Other Governments</i>	85,118	40,914	107,267	--
1290 <i>Other Receivables</i>	--	--	117,055	--
1300 <i>Inventories</i>	--	--	--	--
1000 <i>Total Assets</i>	<u>85,118</u>	<u>40,914</u>	<u>224,322</u>	<u>2,534</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 5,321	\$ 17,056	\$ 628	\$ --
2150 <i>Payroll Deductions & Withholdings</i>	569	817	6,465	--
2160 <i>Accrued Wages Payable</i>	30,993	7,781	64,015	--
2170 <i>Due to Other Funds</i>	48,235	15,260	153,214	--
2180 <i>Due to Other Governments</i>	--	--	--	--
2000 <i>Total Liabilities</i>	<u>85,118</u>	<u>40,914</u>	<u>224,322</u>	<u>--</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 <i>Inventories</i>	--	--	--	--
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--	2,534
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--	--
3000 <i>Total Fund Balances</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,534</u>
4000 <i>Total Liabilities and Fund Balances</i>	<u>\$ 85,118</u>	<u>\$ 40,914</u>	<u>\$ 224,322</u>	<u>\$ 2,534</u>

404 Student Success Initiative	410 State Textbook Fund	426 Texas Educator Excellence Award Program	459 Bastrop County Bootcamp	461 Campus Activity Funds
\$ --	\$ --	\$ 178	\$ 14,295	\$ 440,022
--	--	--	--	--
5,532	26,934	--	--	--
11,372	--	--	--	--
--	--	--	--	--
<u>16,904</u>	<u>26,934</u>	<u>178</u>	<u>14,295</u>	<u>440,022</u>
\$ --	\$ 113	\$ --	\$ 46	\$ --
3	33	--	1,601	--
210	1,637	--	12,648	--
16,691	13,422	--	--	--
--	--	109	--	--
<u>16,904</u>	<u>15,205</u>	<u>109</u>	<u>14,295</u>	<u>--</u>
--	--	--	--	--
--	11,729	69	--	--
--	--	--	--	440,022
<u>--</u>	<u>11,729</u>	<u>69</u>	<u>--</u>	<u>440,022</u>
\$ <u>16,904</u>	\$ <u>26,934</u>	\$ <u>178</u>	\$ <u>14,295</u>	\$ <u>440,022</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

EXHIBIT H-3

Page 3 of 3

Data Control Codes	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 216	\$ 859,509
1120 <i>Current Investments</i>	--	453,848
1240 <i>Due from Other Governments</i>	--	937,843
1290 <i>Other Receivables</i>	--	128,492
1300 <i>Inventories</i>	--	134,028
1000 <i>Total Assets</i>	<u>216</u>	<u>2,513,720</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ 174,803
2150 <i>Payroll Deductions & Withholdings</i>	--	44,038
2160 <i>Accrued Wages Payable</i>	--	482,270
2170 <i>Due to Other Funds</i>	--	618,696
2180 <i>Due to Other Governments</i>	--	109
2000 <i>Total Liabilities</i>	<u>--</u>	<u>1,319,916</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410 <i>Inventories</i>	--	134,028
Restricted Fund Balances:		
3450 <i>Federal/State Funds Grant Restrictions</i>	--	619,538
3490 <i>Other Restrictions of Fund Balance</i>	216	440,238
3000 <i>Total Fund Balances</i>	<u>216</u>	<u>1,193,804</u>
4000 <i>Total Liabilities and Fund Balances</i>	<u>\$ 216</u>	<u>\$ 2,513,720</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		206 Homeless Education Project	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	4,185	1,332,234	63,992	1,790,943
5020	Total Revenues	<u>4,185</u>	<u>1,332,234</u>	<u>63,992</u>	<u>1,790,943</u>
EXPENDITURES:					
Current:					
0011	Instruction	4,185	946,824	26,053	1,414,437
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	318,444	--	5,439
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	263	365,887
0032	Social Work Services	--	--	37,626	--
0033	Health Services	--	1,134	50	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	5,180
0061	Community Services	--	65,832	--	--
6030	Total Expenditures	<u>4,185</u>	<u>1,332,234</u>	<u>63,992</u>	<u>1,790,943</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):					
7915	Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200	Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100	Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Teacher & Principal Training & Recruitment	263 English Language Acquisition and Enhancement
\$ --	\$ 1,356,567	\$ --	\$ --	\$ --
--	29,056	--	--	--
11,866	3,886,281	102,292	178,600	173,936
<u>11,866</u>	<u>5,271,904</u>	<u>102,292</u>	<u>178,600</u>	<u>173,936</u>
11,866	--	102,292	344	41,585
--	--	--	--	--
--	--	--	177,576	132,351
--	--	--	680	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	5,398,356	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>11,866</u>	<u>5,398,356</u>	<u>102,292</u>	<u>178,600</u>	<u>173,936</u>
--	(126,452)	--	--	--
--	--	--	--	--
--	--	--	--	--
--	(126,452)	--	--	--
--	865,686	--	--	--
<u>\$ --</u>	<u>\$ 739,234</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		265 21st Century Community Learning Centers	289 Texas Literacy	386 Regional Day School for the Deaf	393 Texas Successful Schools
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	530,186	--
5900	Federal Program Revenues	1,150,051	2,196,439	--	--
5020	Total Revenues	<u>1,150,051</u>	<u>2,196,439</u>	<u>530,186</u>	<u>--</u>
EXPENDITURES:					
Current:					
0011	Instruction	71,319	2,091,767	530,186	--
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	--	--	--
0021	Instructional Leadership	--	70,815	--	--
0023	School Leadership	--	33,857	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	--
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0061	Community Services	1,078,732	--	--	--
6030	Total Expenditures	<u>1,150,051</u>	<u>2,196,439</u>	<u>530,186</u>	<u>--</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):					
7915	Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200	Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100	Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,534</u>
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,534</u>

397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook Fund	426 Texas Educator Excellence Award Program	459 Bastrop County Bootcamp
\$ --	\$ --	\$ --	\$ --	\$ 89,101
--	36,662	956,764	29	--
--	--	--	--	--
--	36,662	956,764	29	89,101
588	36,662	945,035	--	89,101
--	--	--	29	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
588	36,662	945,035	29	89,101
(588)	--	11,729	--	--
--	--	--	--	--
--	--	--	--	--
(588)	--	11,729	--	--
588	--	--	69	--
\$ --	\$ --	\$ 11,729	\$ 69	\$ --

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BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes	461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 79,380	\$ --	\$ 1,525,048
5800 <i>State Program Revenues</i>	--	--	1,552,697
5900 <i>Federal Program Revenues</i>	--	--	10,890,819
5020 Total Revenues	<u>79,380</u>	<u>--</u>	<u>13,968,564</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	--	--	6,312,244
0012 <i>Instructional Resources and Media Services</i>	--	--	29
0013 <i>Curriculum and Staff Development</i>	--	--	633,810
0021 <i>Instructional Leadership</i>	--	--	71,495
0023 <i>School Leadership</i>	--	--	33,857
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	366,150
0032 <i>Social Work Services</i>	--	--	37,626
0033 <i>Health Services</i>	--	--	1,184
0035 <i>Food Service</i>	--	--	5,398,356
0036 <i>Cocurricular/Extracurricular Activities</i>	32,533	--	37,713
0061 <i>Community Services</i>	--	--	1,144,564
6030 Total Expenditures	<u>32,533</u>	<u>--</u>	<u>14,037,028</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>46,847</u>	<u>--</u>	<u>(68,464)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	49	--	49
7080 Total Other Financing Sources and (Uses)	<u>49</u>	<u>--</u>	<u>49</u>
1200 Net Change in Fund Balances	<u>46,896</u>	<u>--</u>	<u>(68,415)</u>
0100 Fund Balances - Beginning	393,126	216	1,262,219
3000 Fund Balances - Ending	<u>\$ 440,022</u>	<u>\$ 216</u>	<u>\$ 1,193,804</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2013

Data Control Codes		Enterprise Fund Performing Arts Center	Enterprise Fund Food Service Catering	Enterprise Fund High School Bistro
ASSETS:				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 6,174	\$ 75,893	\$ 2,784
	Total Current Assets	6,174	75,893	2,784
1000	Total Assets	6,174	75,893	2,784
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ --
2150	Payroll Deduction & Withholdings	1	--	--
2160	Accrued Wages Payable	75	--	--
	Total Current Liabilities	76	--	--
2000	Total Liabilities	76	--	--
NET POSITION:				
3000	Total Net Position	\$ 6,098	\$ 75,893	\$ 2,784

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-1)
Community Education	STARS After School Program	Employee Child Care	
\$ 86,122	\$ 500,977	\$ 39,209	\$ 711,159
86,122	500,977	39,209	711,159
86,122	500,977	39,209	711,159
\$ --	\$ 3,867	\$ --	\$ 3,867
--	183	5,971	6,155
--	12,050	33,238	45,363
--	16,100	39,209	55,385
--	16,100	39,209	55,385
\$ 86,122	\$ 484,877	\$ --	\$ 655,774

BASTROP INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		Enterprise Fund Performing Arts Center	Enterprise Fund Food Service Catering	Enterprise Fund High School Bistro
	OPERATING REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 18,523	\$ --	\$ 23,639
5800	<i>State Program Revenues</i>	29	--	809
5020	Total Revenues	<u>18,552</u>	<u>--</u>	<u>24,448</u>
	OPERATING EXPENSES:			
6100	<i>Payroll Costs</i>	426	--	7,664
6200	<i>Professional and Contracted Services</i>	10,745	--	--
6300	<i>Supplies and Materials</i>	5,769	--	14,000
6400	<i>Other Operating Costs</i>	1,612	--	--
6030	Total Expenses	<u>18,552</u>	<u>--</u>	<u>21,664</u>
1300	Change in Net Position	--	--	2,784
0100	Total Net Position - Beginning	6,098	75,893	--
3300	Total Net Position - Ending	<u>\$ 6,098</u>	<u>\$ 75,893</u>	<u>\$ 2,784</u>

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-2)
Community Education	STARS After School Program	Employee Child Care	
\$ 20,002	\$ 521,261	\$ 204,924	\$ 788,349
493	11,689	15,165	28,185
<u>20,495</u>	<u>532,950</u>	<u>220,089</u>	<u>816,534</u>
7,249	307,876	216,317	539,532
805	30,831	--	42,381
6,125	30,567	2,606	59,067
--	36,602	1,166	39,380
<u>14,179</u>	<u>405,876</u>	<u>220,089</u>	<u>680,360</u>
6,316	127,074	--	136,174
79,806	357,803	--	519,600
<u>\$ 86,122</u>	<u>\$ 484,877</u>	<u>\$ --</u>	<u>\$ 655,774</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	744 Performing Arts Center	745 Food Service Catering	746 High School Bistro
Cash Flows from Operating Activities:			
<i>Cash Received from Miscellaneous Sources</i>	\$ 18,552	\$ --	\$ 24,448
<i>Cash Payments to Employees and Suppliers</i>	(18,689)	--	(29,402)
Net Cash Provided (Used) by Operating Activities	<u>(137)</u>	<u>--</u>	<u>(4,954)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(137)	--	(4,954)
Cash and Cash Equivalents at Beginning of Year	6,311	75,893	7,738
Cash and Cash Equivalents at End of Year	<u>\$ 6,174</u>	<u>\$ 75,893</u>	<u>\$ 2,784</u>
Reconciliation of Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ --	\$ --	\$ 2,784
Adjustments to Reconcile Operating Income (Loss) to Net			
Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Decrease (Increase) in Receivables	--	--	--
Increase (Decrease) in Interfund Payables	--	--	--
Increase (Decrease) in Accounts Payable	(137)	--	(7,738)
Total Adjustments	<u>--</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (137)</u>	<u>\$ --</u>	<u>\$ (4,954)</u>

747 Community Education	748 Cedar Creek Elementary Day Care	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 20,495	\$ 532,950	\$ 220,089	\$ 816,534
(14,179)	(410,033)	(219,475)	(691,778)
<u>6,316</u>	<u>122,918</u>	<u>614</u>	<u>124,757</u>
6,316	122,918	614	124,756
79,806	378,059	38,595	586,403
<u>\$ 86,123</u>	<u>\$ 500,977</u>	<u>\$ 39,209</u>	<u>\$ 711,161</u>
\$ 6,316	\$ 127,074	\$ --	\$ 136,173
--	--	--	--
--	--	--	--
--	(4,156)	614	(11,417)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 6,316</u>	<u>\$ 122,918</u>	<u>\$ 614</u>	<u>\$ 124,757</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2013

Data Control Codes		752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
ASSETS:				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 25,557	\$ 1,341,685	\$ 1,367,242
1120	Investments	--	1,600,039	1,600,039
	Total Current Assets	<u>25,557</u>	<u>2,941,724</u>	<u>2,967,281</u>
1000	Total Assets	<u>25,557</u>	<u>2,941,724</u>	<u>2,967,281</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 3,466	\$ --	\$ 3,466
2200	Accrued Expenses	--	630,832	630,832
	Total Current Liabilities	<u>3,466</u>	<u>630,832</u>	<u>634,298</u>
2000	Total Liabilities	<u>3,466</u>	<u>630,832</u>	<u>634,298</u>
NET POSITION:				
3000	Total Net Position	<u>\$ 22,091</u>	<u>\$ 2,310,892</u>	<u>\$ 2,332,983</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 138,000	\$ 474,938	\$ 612,938
5800 <i>State Program Revenues</i>	1,104	--	1,104
5020 <i>Total Revenues</i>	<u>139,104</u>	<u>474,938</u>	<u>614,042</u>
OPERATING EXPENSES:			
6100 <i>Payroll Costs</i>	34,154	--	34,154
6200 <i>Professional and Contracted Services</i>	60,604	--	60,604
6300 <i>Supplies and Materials</i>	38,456	--	38,456
6400 <i>Other Operating Costs</i>	--	274,005	274,005
6030 <i>Total Expenses</i>	<u>133,214</u>	<u>274,005</u>	<u>407,219</u>
1300 <i>Change in Net Position</i>	5,890	200,933	206,823
0100 <i>Total Net Position - Beginning</i>	16,201	2,109,959	2,126,160
3300 <i>Total Net Position - Ending</i>	<u>\$ 22,091</u>	<u>\$ 2,310,892</u>	<u>\$ 2,332,983</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
Cash Flows from Operating Activities:			
<i>Cash Received from Miscellaneous Sources</i>	\$ 139,104	\$ 472,891	\$ 611,994
<i>Cash Received from Interest Earnings</i>	--	2,047	2,047
<i>Cash Payments to Employees and Suppliers</i>	(133,214)	(345,834)	(479,048)
Net Cash Provided (Used) by Operating Activities	<u>5,890</u>	<u>129,104</u>	<u>134,994</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,890	129,104	134,994
Cash and Cash Equivalents at Beginning of Year	19,666	2,812,620	2,832,286
Cash and Cash Equivalents at End of Year	<u>\$ 25,556</u>	<u>\$ 2,941,724</u>	<u>\$ 2,967,280</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 5,890	\$ 200,933	\$ 206,823
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
<i>Decrease (Increase) in Receivables</i>	--	--	--
<i>Increase (Decrease) in Accrued Expenses</i>	--	(71,829)	(71,829)
Total Adjustments	--	(71,829)	(71,829)
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,890</u>	<u>\$ 129,104</u>	<u>\$ 134,994</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.

BASTROP INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF DELINQUENT TAXES RECEIVABLE**FOR THE YEAR ENDED JUNE 30, 2013*

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised	
	Maintenance		Debt Service		Value For School Tax Purposes	
2004 and Prior Years	\$	Various	\$	Various	\$	Various
2005		1.50		.242		1,874,834,961
2006		1.50		.228		1,976,038,192
2007		1.37		.252		2,077,860,237
2008		1.04		.461		2,274,831,179
2009		1.04		.441		2,450,924,781
2010		1.04		.441		2,575,906,955
2011		1.04		.441		2,531,191,897
2012		1.04		.441		2,733,873,100
2013 (School Year Under Audit)		1.04		.441		2,679,022,564

1000 Totals

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

10 Beginning Balance 7/1/12	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/13
\$ 825,563	\$ --	\$ 20,476	\$ 5,448	\$ (263,141)	\$ 536,498
282,425	--	9,177	1,481	(31,935)	239,832
287,657	--	13,108	1,992	(31,793)	240,765
313,948	--	26,097	4,800	(30,665)	252,386
307,327	--	29,579	13,111	(25,352)	239,285
436,328	--	68,283	28,955	(12,288)	326,803
717,247	--	181,499	76,962	7,147	465,934
1,074,274	--	272,303	115,467	38,769	725,272
1,833,163	--	536,590	227,535	(89,222)	979,817
--	39,676,324	26,732,097	11,335,437	--	1,608,790
<u>\$ 6,077,933</u>	<u>\$ 39,676,324</u>	<u>\$ 27,889,209</u>	<u>\$ 11,811,189</u>	<u>\$ (438,478)</u>	<u>\$ 5,615,381</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

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

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

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 302,942	\$ 1,249,715	\$ --	\$ --	\$ 1,552,657
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	--	--	90,855	--	--	--	90,855
6212	Audit Services	--	--	--	22,995	--	--	22,995
6213	Tax Appraisal and Collection	--	695,721	--	--	--	--	695,721
621X	Other Prof. Services	--	--	9,365	70,619	--	--	79,984
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	--	--	--	--
6240	Contr. Maint. and Repair	--	--	--	--	--	--	--
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	1,059	4,236	--	--	5,295
6290	Miscellaneous Contr.	--	--	469	1,876	--	--	2,345
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	--	--	--	--	--
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	--	--	6,168	90,224	--	--	96,392
6410	Travel, Subsistence, Stipends	3,807	--	7,562	7,852	--	--	19,221
6420	Ins. and Bonding Costs	--	--	3,711	14,844	--	--	18,555
6430	Election Costs	15,530	--	--	--	--	--	15,530
6490	Miscellaneous Operating	--	--	3,079	57,434	--	--	60,513
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 19,337 \$ 695,721 \$ 425,210 \$ 1,519,795 \$ -- \$ -- \$ 2,660,063

Total Expenditures for General and Special Revenue Funds (9) \$ 81,030,026

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 1,558,360
Total Debt & Lease (6500)	(11)	\$ --
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 7,642,026
Food (Function 35, 6341 and 6499)	(13)	\$ --
Stipends (6413)	(14)	\$ 2,319
Column 4 (above) - Total Indirect Cost		\$ 1,519,795

Subtotal 10,722,500

Net Allowed Direct Cost \$ 70,307,526

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 222,996,447
Historical Cost of Buildings over 50 years old	(16)	--
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	3,833,394
Historical Cost of Furniture & Equipment over 16 years old	(19)	263,603
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 209,229

(8) Note A - No Function 53 expenditures and \$620,911 in Function 99 expenditures are included in this report on administrative costs.

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)

GENERAL FUND

AS OF JUNE 30, 2013

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of June 30, 2013 (Exhibit C-1 object 3000 for the General Fund only)	\$ 16,644,454
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	71,864
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	2,660,919
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	1,585,000
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	7,967,265
7	Estimate of two months' average cash disbursements during the fiscal year	13,094,745
8	Estimate of delayed payments from state sources (58XX)	--
9	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	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	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)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	25,379,793
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ (8,735,339)

If Item 13 is a Positive Number

Explanation of need for and/or projected use of net positive
Unassigned General Fund Fund Balance:

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 1,287,602	\$ 1,583,917	\$ 1,356,567	\$ (227,350)
5800	State Program Revenues	28,000	29,100	29,056	(44)
5900	Federal Program Revenues	3,421,185	3,879,021	3,886,281	7,260
5020	Total Revenues	<u>4,736,787</u>	<u>5,492,038</u>	<u>5,271,904</u>	<u>(220,134)</u>
	EXPENDITURES:				
	Current:				
	Support Services - Student (Pupil):				
0035	Food Services	<u>300,891</u>	<u>5,428,941</u>	<u>5,398,356</u>	<u>30,585</u>
	Total Support Services - Student (Pupil)	<u>300,891</u>	<u>5,428,941</u>	<u>5,398,356</u>	<u>30,585</u>
6030	Total Expenditures	<u>300,891</u>	<u>5,428,941</u>	<u>5,398,356</u>	<u>30,585</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>4,435,896</u>	<u>63,097</u>	<u>(126,452)</u>	<u>(189,549)</u>
1200	Net Change in Fund Balance	<u>4,435,896</u>	<u>63,097</u>	<u>(126,452)</u>	<u>(189,549)</u>
0100	Fund Balance - Beginning	<u>865,686</u>	<u>865,686</u>	<u>865,686</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 5,301,582</u>	<u>\$ 928,783</u>	<u>\$ 739,234</u>	<u>\$ (189,549)</u>

Notes to Other Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 12,000,163	\$ 11,726,201	\$ 12,035,393	\$ 309,192
5800	State Program Revenues	1,002,384	1,178,377	1,171,438	(6,939)
5020	Total Revenues	<u>13,002,547</u>	<u>12,904,578</u>	<u>13,206,831</u>	<u>302,253</u>
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	--	3,193,519	2,967,519	226,000
0072	Interest on Long-Term Debt	--	9,976,472	10,111,394	* (134,922)
0073	Bond Issuance Costs and Fees	--	45,500	507,967	* (462,467)
	Total Debt Service	<u>--</u>	<u>13,215,491</u>	<u>13,586,880</u>	<u>(371,389)</u>
6030	Total Expenditures	<u>--</u>	<u>13,215,491</u>	<u>13,586,880</u>	<u>(371,389)</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>13,002,547</u>	<u>(310,913)</u>	<u>(380,049)</u>	<u>(69,136)</u>
	Other Financing Sources (Uses):				
7911	Capital-Related Debt Issued (Regular Bonds)	--	--	35,663,904	35,663,904
7915	Transfers In	306,020	312,523	312,523	--
7916	Premium or Discount on Issuance of Bonds	--	61,000	4,712,356	4,651,356
8949	Other Uses	--	--	(39,876,775)	(39,876,775)
7080	Total Other Financing Sources and (Uses)	<u>306,020</u>	<u>373,523</u>	<u>812,008</u>	<u>438,485</u>
1200	Net Change in Fund Balance	<u>13,308,567</u>	<u>62,610</u>	<u>431,959</u>	<u>369,349</u>
0100	Fund Balance - Beginning	3,765,137	3,765,137	5,455,083	1,689,946
3000	Fund Balance - Ending	<u>\$ 17,073,704</u>	<u>\$ 3,827,747</u>	<u>\$ 5,887,042</u>	<u>\$ 2,059,295</u>

Notes to Other Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

*2. Expenditures exceeded appropriations at the legal level of control.

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

Board of Trustees
Bastrop Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bastrop Independent School District's basic financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control Over Financial Reporting

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

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

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

Partners

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Stephanie E. Harris, CPA
Nathan Krupke, CPA

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Governmental
Audit Quality Center

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 15, 2013



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

Board of Trustees
Bastrop Independent School District:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Bastrop Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Partners

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Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 15, 2013

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

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.011	Title I Part C Migrant Children
10.553, 10.555	Child Nutrition Cluster
84.048	Carl Perkins Basic Grant
84.367	Title II, Part A Teacher & Principal Training
84.371	Texas Literacy

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

BASTROP INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
NONE		

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	12610101011901	\$ 1,327,914
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	13610101011901	4,320
Total CFDA Number 84.010			<u>1,332,234</u>
<i>ESEA Title I Part C - Migratory Children</i>	84.011	13615001011901	63,992
<i>IDEA-B Formula *</i>	84.027	136600010119016600	1,790,943
<i>Vocational Education - Basic Grant</i>	84.048	13420006011901	102,292
<i>IDEA-B Preschool *</i>	84.173	136610010119016610	11,866
<i>ESEA Title X Part C - Education for Homeless Children and Youth *</i>	84.196	011901	4,185
<i>21st Century Community Learning Centers</i>	84.287	116950167110003	3,413
<i>Title IV Part B 21st Century Community Learning Centers</i>	84.287	136950167110004	1,146,638
Total CFDA Number 84.287			<u>1,150,051</u>
<i>English Language Acquisition and Language Enhancement</i>	84.365	13671001011901	173,936
<i>ESEA Title II Part A - Teacher & Principal Training & Recruitment</i>	84.367	13694501011901	178,600
Summer School LEP	84.369	69551102	4,461
<i>Texas Literacy Initiative</i>	84.371	126460037110005	2,196,439
Total Passed Through State Department of Education			<u>7,008,999</u>
Total U. S. Department of Education			<u>7,008,999</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401101	726,094
National School Lunch Program *	10.555	71301101	2,865,620
USDA Donated Commodities	10.565	011-901	294,567
Total Passed Through State Department of Education			<u>3,886,281</u>
Total U. S. Department of Agriculture			<u>3,886,281</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 10,895,280</u>

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

Federal Revenue per SEFA	\$ 10,895,280
General Fund SHARS & Medicare	1,509,622
Federal revenue	123,246
	<u>\$ 12,528,148</u>

The accompanying notes are an integral part of this schedule.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bastrop 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 19,126,942