

BASTROP
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

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Bastrop Independent School District
Annual Financial Report
For The Year Ended June 30, 2014

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Introductory Section

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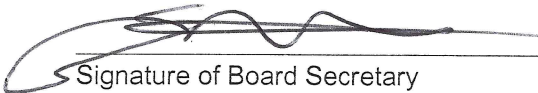
CERTIFICATE OF BOARD

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, 2014, at a meeting of the board of trustees of such school district on the 18th day of November, 2014


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, 2014, 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 auditors' 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, 2014, 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 introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and the other supplementary information 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 the schedule of expenditures of federal awards and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2014 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 17, 2014

Management's Discussion and Analysis

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BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

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, 2014. 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 District, for the twelfth 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 also received the Comptroller's new Platinum Leadership Circle Award for 2014, as well as earning the Gold Leadership Circle Award for the previous four years.
- The District's total net position was \$16.9 million.
- Net position of our business-type activities (employee daycare, community education, STARS after-school program, and PAC Events) changed by \$105,731, resulting in total net position of \$761,505.
- The General Fund ended the year with a fund balance of \$16.08 million, \$564,419 lower than the previous year. Contributing factors were: the District budgeted to use \$1 million in fund balance for 2013-14 for one-time costs associated with technology upgrades, safety and security projects, and a storm water improvement at the discipline alternative and baseball site. The District implemented year two, of a reorganization of the secondary campus curriculum specialist expansion to address academic needs. Full time music and art teachers were reinstated at the elementary campuses, behavior interventionist positions were added, math/science bilingual interventionists were added to address the increasing bilingual population. An administrative review was conducted of class sizes for grades 5-12. An additional attendance officer was added to serve the western campuses. All employees received a pay increase for the 2013-14 fiscal year. Teachers received \$1,000, support and auxiliary staff received a three percent of the midpoint and administrators received a 1.5 percent of midpoint increase. Bilingual stipends were increased to assist in recruitment of bilingual teachers. Pre-K transportation routes were added back into the 2013-14 budget after being reduced the previous year.
- The District had a three percent increase in enrollment and a 2.4 percent increase in average daily attendance. The District continues to have large enrollment increase in the Limited English Proficient population, an increase of 9.5 percent in 2013-14. Property values increased by over six percent. This is very good news after the fires that occurred in September 2011. Commercial properties and businesses continue to find Bastrop a popular choice.
- The District was able to reduce the Debt Service tax rate by two cents in 2013-14 due to increased property values and previous bond refinancing.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2014

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.

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 it. The District's net position (the difference between assets and liabilities) provides 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, 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2014

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.

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, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the District's governmental activities increased from \$12.3 million to \$16.9 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$7.7 million at June 30, 2014.

In 2014, the net position of our business-type activities increased by \$105,731. This increase was due to an increase in the after-school program (STARS) and the Community Education Program.

Table I
Bastrop Independent School District

	NET POSITON in thousands					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	41,301	41,244	827	711	42,128	41,955
Capital assets	185,577	189,701	-	-	185,577	189,701
Total assets	226,878	230,945	827	711	227,705	231,656
Total deferred outflows of resources	4,419	4,692			4,419	4,692
Long-term liabilities	198,803	207,244	-	-	198,803	207,244
Other liabilities	16,363	16,115	66	55	16,429	16,170
Total liabilities	215,166	223,359	66	55	215,232	223,414
Net position:						
Invested in capital assets net of related debt	1,087	388	-	-	1,087	388
Restricted	7,347	6,936	-	-	7,347	6,936
Unrestricted	7,697	4,943	761	656	8,458	5,599
Total net position	16,131	12,267	761	656	16,892	12,923

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2014

Table II
Bastrop Independent School District

CHANGES IN NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	1,744	1,710	884	750	2,158	2,460
Operating grants and contributions	16,612	14,021	40	28	20,141	14,049
General Revenues:						
Maintenance and operations taxes	30,185	28,255	-	-	27,439	28,255
Debt service taxes	12,203	11,962	-	-	12,059	11,962
Grants and Contributions not restricted to specific functions	38,935	37,440	-	-	30,465	37,440
Investment earnings	29	48	-	-	41	48
Miscellaneous	166	239	33	39	1,011	278
Transfers	750	49	-	-	-	-
Total Revenue	<u>100,624</u>	<u>93,724</u>	<u>957</u>	<u>817</u>	<u>93,314</u>	<u>94,492</u>
Expenses:						
Instruction, curriculum and media services	53,288	50,609	-	-	53,288	50,609
Instructional and school leadership	5,679	5,014	-	-	5,679	5,014
Student support services	9,890	8,713	-	-	9,890	8,713
Child nutrition	5,564	5,594	-	-	5,564	5,594
Co-curricular activities	2,877	2,800	-	-	2,877	2,800
General administration	2,218	2,065	-	-	2,218	2,065
Plant maintenance, security and data Processing	9,425	8,944	-	-	9,425	8,944
Community services	1,147	1,246	-	-	1,147	1,246
Debt services	5,214	10,239	-	-	5,214	10,239
Payments related to SSA	51	61	-	-	51	61
Other intergovernmental charges	634	621	-	-	634	621
Other business-type activities	-	-	852	680	852	680
Total Expenses	<u>96,007</u>	<u>96,414</u>	<u>852</u>	<u>680</u>	<u>96,859</u>	<u>97,094</u>
Increase in net position before transfers and special items	3,864	(2,739)	105	136	3,969	(2,602)
Net position – Beginning	12,267	16,736	656	520	12,923	17,256
Prior Period Adjustment	-	(1,730)	-	-	-	(1,730)
Net Position – Beginning as Restated	<u>12,267</u>	<u>15,006</u>	<u>656</u>	<u>520</u>	<u>12,923</u>	<u>15,526</u>
Net Position – Ending	<u>16,131</u>	<u>12,267</u>	<u>761</u>	<u>656</u>	<u>16,892</u>	<u>12,923</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2014

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 \$42.4 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 \$25,160,807, a decrease of \$131,047 due to a decrease of \$564,419 in the general fund, an increase of \$660,461 in the debt service fund, an increase in food service inventories of \$32,094 a decrease in federal and state grant restrictions of 245,316, a decrease in other restrictions of fund balance or 3,543, and a decrease of \$10,324 in capital projects. Approximately 46.8 percent of this total amount (\$11,788,264) 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 (\$211,97);
- Payment of debt service payments (\$6,547,503);
- Federal/State funds grant restrictions (\$374,810);
- Capital projects (\$1,541,683);
- Other restrictions of fund balance (\$450,654);
- 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 \$11,788,264 while the total fund balance was \$16,080,035. 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 16 percent of the total general fund expenditures, while total fund balance represents 21.9 percent of that same amount.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

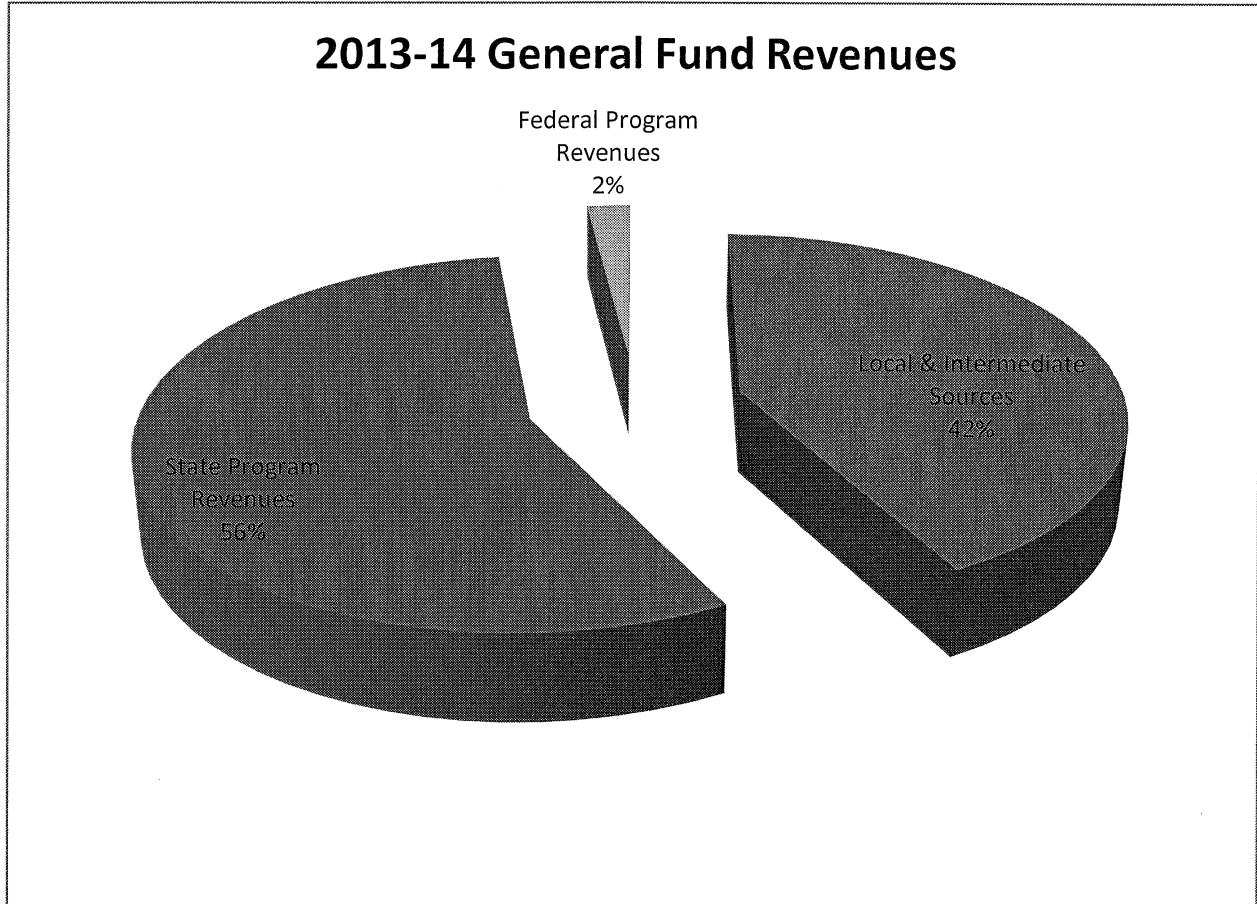
For the Year Ended June 30, 2014

The total fund balance of the District's general fund budget decreased by \$564,419. Key factors to this change are as follows:

- Pay increases given;
- Reorganization of Instructional Secondary Specialists, year 2, and;
- One-time fund balances expenditures in technology, safety and security and maintenance upgrades.

The debt service fund has a total fund balance of \$6,547,503, 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 \$660,461.

The District's total general revenues were \$73.3 million. A portion, \$29.0 million or 42%, of the District's revenues come from taxes, and other local revenue. The majority of the other 56% of revenues is from State Program Revenues and \$1.5 million or 2 percent was Federal Program Revenue.



BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2014

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 costs;
- Amendment for additional testing materials;
- Amendment to increase tax revenue;
- Amendment to decrease state aid;
- Amendment for SHARS settle-up;
- Amendment for additional maintenance costs;
- Amendment for band instruments;
- Amendment to increase utilities;
- Amendment to increase legal costs;
- Amendment to increase fuel costs;
- Amendment for salaries and benefits;
- Amendment for employee daycare costs;
- Amendment for safety and security;
- Amendment to TRS on-behalf costs.

The District made the following major amendments to budgeted revenues:

- \$1,490,000 increase in tax collections;
- \$ 40,620 increase for sale of property;
- \$ 209,055 increase for E-rate award;
- \$1,089,000 increase in state aid;
- \$ 580,000 SHARS settle-up payment;
- \$ 942,650 TRS on-behalf costs (accounting entry only).

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

- \$ 209,055 increase for E-rate expenditures;
- \$ 19,648 increase for band instruments;
- \$ 150,000 increase in fuel costs;
- \$ 70,000 increase for legal costs;
- \$ 350,000 increase for utilities;
- \$ 132,000 increase in employee daycare costs;
- \$2,248,000 increase for payroll costs;
- \$ 75,000 increase in safety and security costs;
- \$ 360,000 increase for additional transportation costs; and
- \$ 844,722 increase for TRS on-behalf costs (accounting entry only).

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2014

CAPITAL ASSETS

At the end of the 2013-14, the District had \$185.6 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 \$171,978,836 million in bonds and notes outstanding versus \$174,676,071 million last year. 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 2014-15 budget and tax rates. One factor is the economy. Three years after the Bastrop complex fires, the District continues to see growth in residential and commercial property values. Bastrop County continues to be a growing area. Texas being the home to the two largest producing oil reserves in the nation has had a positive effect on growth in the central Texas area. The District had a 6.5 percent property value growth from 2013 to 2014. Commercial businesses continue to open enhancing the economy and property values. HEB, the 7th largest employer in the District is adding 27,000 square feet to its current location. Academy Sports & Outdoors is opening a \$2.5 million store in Bastrop ISD in November 2014, expecting to create 125 jobs. Residential housing continues to develop in current subdivisions with new subdivisions planning continues to move forward.

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 new Cedar Creek High School has a current enrollment of over 1,400 students making it our largest campus.

The district estimated a 2.5 percent enrollment growth and a 2.2 percent average daily attendance growth. As of October 2014 there are 9,921 students enrolled, which is a 3.6 percent increase. First six weeks attendance indicates a 3.2 percent increase in average daily attendance. A recent demographic study predicts the District to have an enrollment of over 11,000 by 2019. A six percent growth in property value was used for budget purposes.

The 2014-15 tax rate is \$1.441, with \$1.04 for maintenance and operations and \$0.401 for debt service. The District was able to reduce the debt service tax rate for the 2014-15 year due to continued property growth and savings realized from bond refunding program. This is the second year the District has reduced the debt service tax rate by two cents.

The District is currently undertaking a bond refinancing opportunity of \$8,090,000 for an anticipated savings of \$1.2 million.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2014

These indicators were taken into consideration when adopting the General Fund budget for 2014-15. Amounts available for appropriation in the General Fund budget are \$73.1 million. Budgeted expenditures are expected to be \$73.9 million; this includes a one-time fund balance use for technology, safety and security and capital projects for a wastewater project, one time maintenance projects and an instructional material allotment supplement. Teachers received a three percent pay increase for the 2014-15 budget year. Administrative and auxiliary staff received 1.5 percent and six percent raises respectively. The District expanded the Instructional Specialists initiative to the intermediate and elementary campuses. Nine additional teaching positions were added to accommodate growth as well as four additional positions for the HB 5 requirement and four additional teachers for the new Colorado River Collegiate Academy. The District is very proud to open this early college high school where students will have the opportunity to receive an associate's degree along with their high school diploma. The District hired a new bilingual director position to support the large increase in Limited English Proficient population. Additional assistant principals were added to the intermediate schools which give each intermediate two assistant principals. Additional PEIMS clerks were added at the elementary campuses. Two portable classrooms have been purchased to support growth in the western zone of the District. 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 District's website (www.bisdtx.org).

Basic Financial Statements

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BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2014

Data Control Codes		1	2	3
		Governmental Activities	Business-type Activities	Total
ASSETS:				
1110	Cash and Cash Equivalents	\$ 14,781,337	\$ 824,761	\$ 15,606,098
1120	Current Investments	9,602,898	--	9,602,898
1220	Property Taxes Receivable	5,141,443	--	5,141,443
1230	Allowance for Uncollectible Taxes	(1,569,464)	--	(1,569,464)
1240	Due from Other Governments	12,954,259	--	12,954,259
1260	Due from Agency Funds	3,686	--	3,686
1290	Other Receivables (Net)	174,972	2,500	177,472
1300	Inventories	211,974	--	211,974
	Capital Assets:			
1510	Land	8,715,492	--	8,715,492
1520	Buildings and Improvements, Net	176,377,930	--	176,377,930
1530	Furniture and Equipment, Net	483,516	--	483,516
1000	Total Assets	<u>226,878,043</u>	<u>827,261</u>	<u>227,705,304</u>
DEFERRED OUTFLOWS OF RESOURCES:				
	Deferred Charge on Refunding	4,418,559	--	4,418,559
1700	Total Deferred Outflows of Resources	<u>4,418,559</u>	<u>--</u>	<u>4,418,559</u>
LIABILITIES:				
2110	Accounts Payable	1,526,737	6,260	1,532,997
2140	Interest Payable	3,967,362	--	3,967,362
2165	Accrued Liabilities	7,814,397	59,496	7,873,893
2300	Unearned Revenue	714,601	--	714,601
	Noncurrent Liabilities:			
2501	Due Within One Year	2,339,747	--	2,339,747
2502	Due in More Than One Year	198,802,641	--	198,802,641
2000	Total Liabilities	<u>215,165,485</u>	<u>65,756</u>	<u>215,231,241</u>
NET POSITION				
3200	Net Investment in Capital Assets	1,086,689	--	1,086,689
	Restricted For:			
3820	Federal and State Programs	374,810	--	374,810
3850	Debt Service	6,547,503	--	6,547,503
3870	Campus Activities	424,675	--	424,675
3900	Unrestricted	7,697,440	761,505	8,458,945
3000	Total Net Position	<u>\$ 16,131,117</u>	<u>\$ 761,505</u>	<u>\$ 16,892,622</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

		1	3	4
			Program Revenues	
Data Control Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 51,181,375	\$ 155,594	\$ 6,632,769
12	Instructional Resources and Media Services	820,878	--	33,911
13	Curriculum and Staff Development	1,285,744	--	757,362
21	Instructional Leadership	1,156,008	--	555,090
23	School Leadership	4,522,884	--	193,971
31	Guidance, Counseling, & Evaluation Services	3,688,797	--	997,291
32	Social Work Services	215,725	--	45,925
33	Health Services	701,790	--	30,076
34	Student Transportation	5,283,401	--	241,942
35	Food Service	5,563,753	1,266,352	3,884,857
36	Cocurricular/Extracurricular Activities	2,876,735	322,435	72,499
41	General Administration	2,218,230	--	101,423
51	Facilities Maintenance and Operations	8,273,690	--	378,385
52	Security and Monitoring Services	321,606	--	12,693
53	Data Processing Services	829,252	--	38,182
61	Community Services	1,147,108	--	991,870
72	Interest on Long-term Debt	5,214,334	--	1,641,250
73	Bond Issuance Costs and Fees	20,350	--	--
93	Payments Related to Shared Services Arrangements	50,666	--	2,344
99	Other Intergovernmental Charges	634,803	--	--
TG	Total Governmental Activities	<u>96,007,129</u>	<u>1,744,381</u>	<u>16,611,840</u>
	Business-type Activities:			
01	Performing Arts Center	21,422	--	6,515
04	Community Education	13,326	--	410
06	STARS After School Program	483,736	567,111	15,119
07	Employee Child Care	333,677	317,181	18,064
TB	Total Business-type Activities	<u>852,161</u>	<u>884,292</u>	<u>40,108</u>
TP	Total Primary Government	<u>\$ 96,859,290</u>	<u>\$ 2,628,673</u>	<u>\$ 16,651,948</u>
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
IE	Investment Earnings			
GC	Grants and Contributions Not Restricted to Specific Programs			
MI	Miscellaneous			
FR	Transfers			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (44,393,012)		\$ (44,393,012)
(786,967)		(786,967)
(528,382)		(528,382)
(600,918)		(600,918)
(4,328,913)		(4,328,913)
(2,691,506)		(2,691,506)
(169,800)		(169,800)
(671,714)		(671,714)
(5,041,459)		(5,041,459)
(412,544)		(412,544)
(2,481,801)		(2,481,801)
(2,116,807)		(2,116,807)
(7,895,305)		(7,895,305)
(308,913)		(308,913)
(791,070)		(791,070)
(155,238)		(155,238)
(3,573,084)		(3,573,084)
(20,350)		(20,350)
(48,322)		(48,322)
(634,803)		(634,803)
<u>(77,650,908)</u>		<u>(77,650,908)</u>
--	\$ (14,907)	(14,907)
--	(12,916)	(12,916)
--	98,494	98,494
--	1,568	1,568
<u>--</u>	<u>72,239</u>	<u>72,239</u>
<u>(77,650,908)</u>	<u>72,239</u>	<u>(77,578,669)</u>
30,184,845	--	30,184,845
12,203,404	--	12,203,404
28,599	--	28,599
38,934,600	--	38,934,600
162,508	33,492	196,000
750	--	750
<u>81,514,706</u>	<u>33,492</u>	<u>81,548,198</u>
3,863,798	105,731	3,969,529
12,267,319	655,774	12,923,093
<u>\$ 16,131,117</u>	<u>\$ 761,505</u>	<u>\$ 16,892,622</u>

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

JUNE 30, 2014

Data Control Codes	10 General Fund	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 11,915,052	\$ 68	\$ 1,077,815	\$ 12,992,935
1120 <i>Current Investments</i>	--	6,472,940	1,837,828	8,310,768
1220 <i>Property Taxes Receivable</i>	3,730,499	1,410,944	--	5,141,443
1230 <i>Allowance for Uncollectible Taxes</i>	(1,196,327)	(373,137)	--	(1,569,464)
1240 <i>Due from Other Governments</i>	11,126,299	49,176	1,778,784	12,954,259
1260 <i>Due from Other Funds</i>	846,097	--	--	846,097
1290 <i>Other Receivables</i>	124,257	25,319	25,396	174,972
1300 <i>Inventories</i>	45,852	--	166,122	211,974
1000 <i>Total Assets</i>	<u>26,591,729</u>	<u>7,585,310</u>	<u>4,885,945</u>	<u>39,062,984</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 1,258,063	\$ --	\$ 267,139	\$ 1,525,202
2150 <i>Payroll Deductions & Withholdings</i>	648,138	--	44,702	692,840
2160 <i>Accrued Wages Payable</i>	6,059,914	--	495,230	6,555,144
2170 <i>Due to Other Funds</i>	11,407	--	831,004	842,411
2300 <i>Unearned Revenue</i>	--	--	714,601	714,601
2000 <i>Total Liabilities</i>	<u>7,977,522</u>	<u>--</u>	<u>2,352,676</u>	<u>10,330,198</u>
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue for Property Tax</i>	2,534,172	1,037,807	--	3,571,979
2600 <i>Total Deferred Inflows of Resources</i>	<u>2,534,172</u>	<u>1,037,807</u>	<u>--</u>	<u>3,571,979</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 <i>Inventories</i>	45,852	--	166,122	211,974
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	374,810	374,810
3470 <i>Capital Acquisitions & Contractual Obligations</i>	--	--	1,541,683	1,541,683
3480 <i>Retirement of Long-Term Debt</i>	--	6,547,503	--	6,547,503
3490 <i>Other Restrictions of Fund Balance</i>	--	--	450,654	450,654
Committed Fund Balances:				
3510 <i>Construction</i>	1,810,919	--	--	1,810,919
3520 <i>Claims and Judgments</i>	100,000	--	--	100,000
3530 <i>Capital Expenditures for Equipment</i>	750,000	--	--	750,000
Assigned Fund Balances:				
3590 <i>Other Assigned Fund Balance</i>	1,585,000	--	--	1,585,000
3600 <i>Unassigned</i>	11,788,264	--	--	11,788,264
3000 <i>Total Fund Balances</i>	<u>16,080,035</u>	<u>6,547,503</u>	<u>2,533,269</u>	<u>25,160,807</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 26,591,729</u>	<u>\$ 7,585,310</u>	<u>\$ 4,885,945</u>	<u>\$ 39,062,984</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances - governmental funds balance sheet	\$ 25,160,807
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	185,576,938
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,571,979
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,512,583
Payables for bond principal which are not due in the current period are not reported in the funds.	(196,723,828)
Payables for bond interest which are not due in the current period are not reported in the funds.	<u>(3,967,362)</u>
Net position of governmental activities - Statement of Net Position	\$ <u>16,131,117</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, 2014

Data Control Codes	10 General Fund	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 30,912,894	\$ 12,346,969	\$ 1,491,642	\$ 44,751,505
5800 <i>State Program Revenues</i>	40,882,969	1,641,250	1,159,903	43,684,122
5900 <i>Federal Program Revenues</i>	1,497,829	--	10,364,489	11,862,318
5020 <i>Total Revenues</i>	<u>73,293,692</u>	<u>13,988,219</u>	<u>13,016,034</u>	<u>100,297,945</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	44,064,931	--	4,655,709	48,720,640
0012 <i>Instructional Resources and Media Services</i>	733,015	--	163	733,178
0013 <i>Curriculum and Staff Development</i>	536,436	--	739,685	1,276,121
0021 <i>Instructional Leadership</i>	612,124	--	526,744	1,138,868
0023 <i>School Leadership</i>	4,169,354	--	1,088	4,170,442
0031 <i>Guidance, Counseling, & Evaluation Services</i>	2,661,262	--	874,176	3,535,438
0032 <i>Social Work Services</i>	176,984	--	37,737	214,721
0033 <i>Health Services</i>	649,044	--	50	649,094
0034 <i>Student Transportation</i>	5,229,811	--	--	5,229,811
0035 <i>Food Service</i>	--	--	5,366,860	5,366,860
0036 <i>Cocurricular/Extracurricular Activities</i>	1,866,859	--	17,227	1,884,086
0041 <i>General Administration</i>	2,192,364	--	--	2,192,364
0051 <i>Facilities Maintenance and Operations</i>	8,198,829	--	35,177	8,234,006
0052 <i>Security and Monitoring Services</i>	297,131	--	--	297,131
0053 <i>Data Processing Services</i>	825,332	--	--	825,332
0061 <i>Community Services</i>	148,857	--	988,507	1,137,364
0071 <i>Principal on Long-term Debt</i>	--	2,747,230	--	2,747,230
0072 <i>Interest on Long-term Debt</i>	--	10,874,696	--	10,874,696
0073 <i>Bond Issuance Costs and Fees</i>	--	20,350	--	20,350
0081 <i>Capital Outlay</i>	537,161	--	--	537,161
0093 <i>Payments to Shared Service Arrangements</i>	50,666	--	--	50,666
0099 <i>Other Intergovernmental Charges</i>	634,803	--	--	634,803
6030 <i>Total Expenditures</i>	<u>73,584,963</u>	<u>13,642,276</u>	<u>13,243,123</u>	<u>100,470,362</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	<u>(291,271)</u>	<u>345,943</u>	<u>(227,089)</u>	<u>(172,417)</u>
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	40,620	--	--	40,620
7915 <i>Transfers In</i>	750	314,518	--	315,268
8911 <i>Transfers Out</i>	(314,518)	--	--	(314,518)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>(273,148)</u>	<u>314,518</u>	<u>--</u>	<u>41,370</u>
1200 <i>Net Change in Fund Balances</i>	<u>(564,419)</u>	<u>660,461</u>	<u>(227,089)</u>	<u>(131,047)</u>
0100 <i>Fund Balances - Beginning</i>	16,644,454	5,887,042	2,760,358	25,291,854
3000 <i>Fund Balances - Ending</i>	<u>\$ 16,080,035</u>	<u>\$ 6,547,503</u>	<u>\$ 2,533,269</u>	<u>\$ 25,160,807</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, 2014

Net change in fund balances - total governmental funds	\$ (131,047)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	591,168
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,715,127)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(468,390)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,747,231
(Increase) decrease in accrued interest from beginning of period to end of period.	754,922
The net revenue (expense) of internal service funds is reported with governmental activities.	179,601
Bond premiums are reported in the funds but not in the SOA.	<u>4,905,440</u>
Change in net position of governmental activities - Statement of Activities	\$ <u><u>3,863,798</u></u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2014

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	ASSETS:		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 824,761	\$ 1,788,401
1120	Investments	--	1,292,130
	Receivables:		
1290	Other Receivables (net)	2,500	--
	Total Current Assets	827,261	3,080,531
1000	Total Assets	827,261	3,080,531
	LIABILITIES:		
	Current Liabilities:		
2110	Accounts Payable	\$ 6,260	\$ 1,535
2150	Payroll Deduction & Withholdings	7,596	--
2160	Accrued Wages Payable	51,900	--
2200	Accrued Expenses	--	566,413
	Total Current Liabilities	65,756	567,948
2000	Total Liabilities	65,756	567,948
	NET POSITION:		
3000	Total Net Position	\$ 761,505	\$ 2,512,583

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, 2014

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	OPERATING REVENUES:		
5700	<i>Local and Intermediate Sources</i>	\$ 917,784	\$ 653,355
5800	<i>State Program Revenues</i>	40,108	2,214
5020	Total Revenues	<u>957,892</u>	<u>655,569</u>
	OPERATING EXPENSES:		
6100	<i>Payroll Costs</i>	677,588	35,742
6200	<i>Professional and Contracted Services</i>	64,943	57,353
6300	<i>Supplies and Materials</i>	51,664	51,796
6400	<i>Other Operating Costs</i>	57,966	331,078
6030	Total Expenses	<u>852,161</u>	<u>475,969</u>
1300	Change in Net Position	105,731	179,600
0100	Total Net Position - Beginning	655,774	2,332,983
3300	Total Net Position - Ending	<u>\$ 761,505</u>	<u>\$ 2,512,583</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, 2014**

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
<i>Cash Received from Miscellaneous Sources</i>	\$ 957,892	\$ 654,977
<i>Cash Received from Interest Earnings</i>	--	593
<i>Cash Payments to Employees and Suppliers</i>	(844,290)	(542,319)
Net Cash Provided (Used) by Operating Activities	<u>113,602</u>	<u>113,251</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	113,602	113,251
Cash and Cash Equivalents at Beginning of Year	711,158	2,967,280
Cash and Cash Equivalents at End of Year	<u>824,761</u>	<u>3,080,531</u>
 Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	105,732	179,601
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>	(2,500)	--
<i>Increase (Decrease) in Accounts Payable</i>	7,977	(1,931)
<i>Increase (Decrease) in Accrued Expenses</i>	2,394	(64,419)
Total Adjustments	<u>7,871</u>	<u>(66,350)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 113,602</u>	<u>\$ 113,251</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

Data Control Codes		Private-purpose Trust Fund	Agency Fund
		Private Scholarship Trust	Student Activity
ASSETS:			
1110	Cash and Cash Equivalents	\$ 1,733	\$ 91,535
1120	Current Investments	233,749	127,284
1000	Total Assets	<u>235,482</u>	<u>218,819</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ 34,903
2170	Due to Other Funds	--	3,686
2180	Due to Other Governments	--	10,506
2190	Due to Student Groups	--	169,724
2000	Total Liabilities	<u>--</u>	<u>218,819</u>
NET POSITION:			
3800	Held in Trust	235,482	--
3000	Total Net Position	<u>\$ 235,482</u>	<u>\$ --</u>

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, 2014*

	Private- Scholarship Trust
Additions:	
Investment Income	\$ 90
Total Additions	<u>90</u>
Deductions:	
Scholarship Awards	1,950
Total Deductions	<u>1,950</u>
Other Financing Activities:	
Operating Transfer To Other Funds	(750)
Change in Net Position	(2,610)
Net Position-Beginning of the Year	238,092
Net Position-End of the Year	<u><u>\$ 235,482</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, 2014

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 and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

In addition, the District reports the following fund types:

Enterprise Fund: This fund is a proprietary fund which is accounted for on the accrual basis and are not required to be budgeted or reported to the State of Texas through PEIMS. Generally accepted accounting principles of the private sector are applicable, as financial position, results of operation and cash flows are to be determined.

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.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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.

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

e. Deferred Outflows and 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 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 an 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 position.

h. Use of Estimates

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

i. Data Control Codes

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

4. Revenue and Expenditures/Expenses

a. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in condition with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

2. Deficit Fund Balance or Fund Net 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, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,452,517 and the bank balance was \$3,237,441. The District's cash deposits at June 30, 2014 and during the year ended June 30, 2014, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

2. Investments:

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

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

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

The District's investment at June 30, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool Investment Pool	N/A	\$ 11,888,243
LoneStar Investment Pool	N/A	11,322,532
Total Investments		<u>\$ 23,210,775</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, 2014, 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>
TexPool Investment Pool	Federated Securities Corp	AAA ^m *
LoneStar Investment Pool	First Public, LLC	AAA*

*Rated by Standard & 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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

D. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,715,492	\$ --	\$ --	\$ 8,715,492
Construction in progress	--	--	--	--
Total capital assets not being depreciated	<u>8,715,492</u>	<u>--</u>	<u>--</u>	<u>8,715,492</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	222,996,447	537,161	--	223,533,608
Equipment	3,833,394	54,007	--	3,887,401
Total capital assets being depreciated	<u>226,829,841</u>	<u>591,168</u>	<u>--</u>	<u>227,421,009</u>
Less accumulated depreciation for:				
Buildings and improvements	(42,567,312)	(4,588,365)	--	(47,155,677)
Equipment	(3,277,124)	(126,761)	--	(3,403,885)
Total accumulated depreciation	<u>(45,844,436)</u>	<u>(4,715,126)</u>	<u>--</u>	<u>(50,559,562)</u>
Total capital assets being depreciated, net	<u>180,985,405</u>	<u>(4,123,958)</u>	<u>--</u>	<u>176,861,447</u>
Governmental activities capital assets, net	<u>\$ 189,700,897</u>	<u>\$ (4,123,958)</u>	<u>\$ --</u>	<u>\$ 185,576,939</u>

Depreciation was charged to functions as follows:

Instruction	\$ 2,640,335
Instructional Resources and Media Services	87,700
Curriculum and Staff Development	9,623
Instructional Leadership	17,140
School Leadership	352,442
Guidance, Counseling, & Evaluation Services	153,359
Social Work Services	1,004
Health Services	52,696
Student Transportation	53,590
Food Services	196,893
Extracurricular Activities	1,027,002
General Administration	25,866
Plant Maintenance and Operations	56,819
Security and Monitoring Services	24,475
Data Processing Services	3,920
Community Services	9,744
Facilities Acquisition and Construction	2,519
	<u>\$ 4,715,126</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2014, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Special Revenue Funds	\$ 846,097	Short-term loans
	Total	<u>\$ 846,097</u>	

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2014, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Debt Service Fund	\$ 314,518	Supplement other funds sources
General Fund	Private Purpose Trust	750	Supplement other funds sources
	Total	<u>\$ 315,268</u>	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2014, are as follows:

	Original Issue	Beginning Balance	Net Changes	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bldg & Refunding, Series 1997 \$	32,593,420	\$ 3,904,989	\$ (336,520)	\$ 3,568,469	\$ 268,435
Bldg & Refunding, Series 2002	40,925,404	2,702,952	(460,715)	2,242,237	431,012
Refunding Bond, Series 2005	17,750,000	20,000	(10,000)	10,000	10,000
Refunding Bond, Series 2005A	23,305,000	7,890,000	(385,000)	7,505,000	400,000
Refunding Bond, Series 2005B	711,969	330,000	(115,000)	215,000	110,000
Refunding Bond, Series 2006	21,585,420	20,780,000	(45,000)	20,735,000	45,000
Refunding Bond, Series 2006A	1,840,000	1,435,000	(15,000)	1,420,000	15,000
Bldg Bond, Series 2007	58,690,000	56,980,000	(80,000)	56,900,000	100,000
Bldg Bond, Series 2009	38,350,000	35,610,000	(600,000)	35,010,000	610,000
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	(200,000)	8,470,000	65,000
Refunding Bond, Series 2013B	18,200,000	18,200,000	(230,000)	17,970,000	--
Maintenance Tax Notes, 2000	300,000	860,000	(270,000)	590,000	285,000
	<u>280,544,343</u>	<u>\$ 174,676,071</u>	<u>\$ (2,747,235)</u>	<u>\$ 171,928,836</u>	<u>\$ 2,339,747</u>
Other liabilities:					
Net issuance of premiums					
(discounts)	--	16,188,347	(5,168,417)	11,019,930	--
Accum. Accretion on CAB	--	19,126,942	(933,325)	18,193,617	--
Total governmental activities	<u>\$ 280,544,343</u>	<u>\$ 209,991,360</u>	<u>\$ (8,848,977)</u>	<u>\$ 201,142,383</u>	<u>\$ 2,339,747</u>
Long-term liabilities due in more than one year				<u>\$ 198,802,641</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 \$10,830,178 for the year ended June 30, 2014.

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 \$44,518 for the year ended June 30, 2014.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2014, are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
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	3,099,876	10,614,910	13,714,786
2020-2024	23,386,198	45,580,793	68,966,991
2025-2029	30,275,000	37,619,469	67,894,469
2030-2034	40,840,000	28,533,406	69,373,406
2035-2039	43,294,226	13,989,418	57,283,644
2040-2044	20,645,000	2,168,250	22,813,250
Totals	<u>\$ 171,338,836</u>	<u>\$ 182,606,843</u>	<u>\$ 353,945,679</u>

<u>Year Ending June 30,</u>	Maintenance Tax Notes		
	Principal	Interest	Total
2015	\$ 285,000	\$ 30,680	\$ 315,680
2016	305,000	15,860	320,860
Totals	<u>\$ 590,000</u>	<u>\$ 46,540</u>	<u>\$ 636,540</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, 2014, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

<u>Bond Issue</u>	<u>Amount</u>
Series 2007	\$ 460,000
Series 2005A	13,400,000
Series 2005	17,650,000
Total	<u>\$ 31,510,000</u>

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, 2014, as follows:

<u>Year Ending June 30,</u>	
Rental Expenditures in 2014	<u>\$ 327,621</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 2014, 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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2014, 2013 and 2012, and a state contribution rate of 6.8% for fiscal year 2014, 6.4 % for fiscal year 2013, and 6.0% for fiscal year 2012. 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, 2014, 2013 and 2012 were \$3,320,166, \$3,110,096 and \$3,031,104, respectively. The District paid additional state contributions for the years ending June 30, 2014, 2013 and 2012 in the amount of \$830,985, \$734,953 and \$618,011, respectively, on portion of the employees' salaries that exceeded the statutory minimum.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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 2014, 2013 and 2012. For the years ended June 30, 2014, 2013, and 2012, the State's contributions to TRS-Care were \$35,625, \$24,553, and \$44,013, respectively; the active member contributions were \$337,204, \$315,869, and \$307,847, respectively; and the District's contributions were \$285,327, \$267,274, and \$260,486, 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, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on behalf of the District were \$141,033, \$129,573, and \$121,263, respectively.

K. Employee Health Care Coverage

During the year ended June 30, 2014, 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, 2014, and terms of coverage and premium costs are included in the contractual provisions.

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, 2014.

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Required Supplementary Information

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

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts		Actual	Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 29,297,757	\$ 30,787,757	\$ 30,912,894	\$ 125,137
5800	State Program Revenues	38,742,283	40,899,190	40,882,969	(16,221)
5900	Federal Program Revenues	965,066	1,545,066	1,497,829	(47,237)
5020	Total Revenues	69,005,106	73,232,013	73,293,692	61,679
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	34,909,360	44,210,224	44,064,931	145,293
0012	Instructional Resources and Media Services	718,938	765,622	733,015	32,607
0013	Curriculum and Staff Development	702,776	542,331	536,436	5,895
	Total Instruction & Instr. Related Services	36,331,074	45,518,177	45,334,382	183,795
Instructional and School Leadership:					
0021	Instructional Leadership	508,357	645,556	612,124	33,432
0023	School Leadership	3,383,892	4,235,312	4,169,354	65,958
	Total Instructional & School Leadership	3,892,249	4,880,868	4,781,478	99,390
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	2,021,561	2,726,469	2,661,262	65,207
0032	Social Work Services	174,855	178,443	176,984	1,459
0033	Health Services	558,072	660,490	649,044	11,446
0034	Student (Pupil) Transportation	4,742,924	5,286,988	5,229,811	57,177
0036	Cocurricular/Extracurricular Activities	1,504,663	1,935,087	1,866,859	68,228
	Total Support Services - Student (Pupil)	9,002,075	10,787,477	10,583,960	203,517
Administrative Support Services:					
0041	General Administration	2,134,912	2,247,967	2,192,364	55,603
	Total Administrative Support Services	2,134,912	2,247,967	2,192,364	55,603
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	7,422,298	8,258,850	8,198,829	60,021
0052	Security and Monitoring Services	287,523	299,090	297,131	1,959
0053	Data Processing Services	868,816	832,413	825,332	7,081
	Total Support Services - Nonstudent Based	8,578,637	9,390,353	9,321,292	69,061
Ancillary Services:					
0061	Community Services	50	186,477	148,857	37,620
	Total Ancillary Services	50	186,477	148,857	37,620
Capital Outlay:					
0081	Capital Outlay	--	543,000	537,161	5,839
	Total Capital Outlay	--	543,000	537,161	5,839
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	--	66,753	50,666	16,087
0099	Other Intergovernmental Charges	--	634,804	634,803	1
	Total Intergovernmental Charges	--	701,557	685,469	16,088
6030	Total Expenditures	59,938,997	74,255,876	73,584,963	670,913
1100	Excess (Deficiency) of Revenues Over (Under)				

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Expenditures	<u>9,066,109</u>	<u>(1,023,863)</u>	<u>(291,271)</u>	<u>732,592</u>
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	40,620	40,620	--
7915	Transfers In	--	--	750	750
8911	Transfers Out	--	(314,517)	(314,518)	(1)
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>(273,897)</u>	<u>(273,148)</u>	<u>749</u>
1200	Net Change in Fund Balance	<u>9,066,109</u>	<u>(1,297,760)</u>	<u>(564,419)</u>	<u>733,341</u>
0100	Fund Balance - Beginning	<u>16,497,872</u>	<u>16,497,872</u>	<u>16,644,454</u>	<u>146,582</u>
3000	Fund Balance - Ending	<u>\$ 25,563,981</u>	<u>\$ 15,200,112</u>	<u>\$ 16,080,035</u>	<u>\$ 879,923</u>

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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, 2014

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	\$ 949,270	\$ 102,782	\$ 25,763	\$ 1,077,815
1120	Current Investments	398,927	1,438,901	--	1,837,828
1240	Due from Other Governments	1,778,784	--	--	1,778,784
1290	Other Receivables	25,396	--	--	25,396
1300	Inventories	166,122	--	--	166,122
1000	Total Assets	<u>3,318,499</u>	<u>1,541,683</u>	<u>25,763</u>	<u>4,885,945</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 267,139	\$ --	\$ --	\$ 267,139
2150	Payroll Deductions & Withholdings	44,702	--	--	44,702
2160	Accrued Wages Payable	495,230	--	--	495,230
2170	Due to Other Funds	831,004	--	--	831,004
2300	Unearned Revenue	714,601	--	--	714,601
2000	Total Liabilities	<u>2,352,676</u>	<u>--</u>	<u>--</u>	<u>2,352,676</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	166,122	--	--	166,122
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	374,810	--	--	374,810
3470	Capital Acquisitions & Contractual Obligations	--	1,541,683	--	1,541,683
3490	Other Restrictions of Fund Balance	424,891	--	25,763	450,654
3000	Total Fund Balances	<u>965,823</u>	<u>1,541,683</u>	<u>25,763</u>	<u>2,533,269</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,318,499</u>	<u>\$ 1,541,683</u>	<u>\$ 25,763</u>	<u>\$ 4,885,945</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 1,352,949	\$ 25,353	\$ 113,340	\$ 1,491,642
5800	State Program Revenues	1,159,903	--	--	1,159,903
5900	Federal Program Revenues	10,364,489	--	--	10,364,489
5020	Total Revenues	<u>12,877,341</u>	<u>25,353</u>	<u>113,340</u>	<u>13,016,034</u>
EXPENDITURES:					
Current:					
0011	Instruction	4,553,585	--	102,124	4,655,709
0012	Instructional Resources and Media Services	163	--	--	163
0013	Curriculum and Staff Development	739,685	--	--	739,685
0021	Instructional Leadership	526,744	--	--	526,744
0023	School Leadership	1,088	--	--	1,088
0031	Guidance, Counseling, & Evaluation Services	874,176	--	--	874,176
0032	Social Work Services	37,737	--	--	37,737
0033	Health Services	50	--	--	50
0035	Food Service	5,366,860	--	--	5,366,860
0036	Cocurricular/Extracurricular Activities	16,727	500	--	17,227
0051	Facilities Maintenance and Operations	--	35,177	--	35,177
0061	Community Services	988,507	--	--	988,507
6030	Total Expenditures	<u>13,105,322</u>	<u>35,677</u>	<u>102,124</u>	<u>13,243,123</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(227,981)	(10,324)	11,216	(227,089)
1200	Net Change in Fund Balances	<u>(227,981)</u>	<u>(10,324)</u>	<u>11,216</u>	<u>(227,089)</u>
0100	Fund Balances - Beginning	1,193,804	1,552,007	14,547	2,760,358
3000	Fund Balances - Ending	<u>\$ 965,823</u>	<u>\$ 1,541,683</u>	<u>\$ 25,763</u>	<u>\$ 2,533,269</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

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	--	248,545	12,446	234,218
1290	Other Receivables	2,547	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>2,547</u>	<u>248,545</u>	<u>12,446</u>	<u>234,218</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 9,270	\$ 2,417	\$ 19,733
2150	Payroll Deductions & Withholdings	--	12,850	112	10,512
2160	Accrued Wages Payable	--	154,084	5,757	140,874
2170	Due to Other Funds	2,547	72,341	4,160	63,099
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>2,547</u>	<u>248,545</u>	<u>12,446</u>	<u>234,218</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>\$ 2,547</u>	<u>\$ 248,545</u>	<u>\$ 12,446</u>	<u>\$ 234,218</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
\$ --	\$ 391,865	\$ --	\$ --	\$ --
--	398,927	--	--	--
2,563	--	8,622	35,538	54,364
--	32	--	--	--
--	166,122	--	--	--
<u>2,563</u>	<u>956,946</u>	<u>8,622</u>	<u>35,538</u>	<u>54,364</u>
\$ 65	\$ 163,496	\$ 3,060	\$ 3,300	\$ 4,221
245	4,231	--	--	43
2,045	17,612	--	--	2,200
208	245,007	5,562	32,238	47,900
--	--	--	--	--
<u>2,563</u>	<u>430,346</u>	<u>8,622</u>	<u>35,538</u>	<u>54,364</u>
--	166,122	--	--	--
--	360,478	--	--	--
--	--	--	--	--
<u>--</u>	<u>526,600</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u>2,563</u>	\$ <u>956,946</u>	\$ <u>8,622</u>	\$ <u>35,538</u>	\$ <u>54,364</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

Data Control Codes		265 21st Century Community Learning Centers	289 Texas Literacy Initiative	314 IDEA-B Preschool	386 Regional Day School for the Deaf
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	64,849	260,551	--	260,547
1290	Other Receivables	--	--	--	1,330
1300	Inventories	--	--	--	--
1000	Total Assets	<u>64,849</u>	<u>260,551</u>	<u>--</u>	<u>261,877</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 7,719	\$ 52,741	\$ --	\$ 939
2150	Payroll Deductions & Withholdings	133	7,631	--	7,344
2160	Accrued Wages Payable	7,388	78,331	--	74,028
2170	Due to Other Funds	49,609	121,848	--	179,566
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>64,849</u>	<u>260,551</u>	<u>--</u>	<u>261,877</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>\$ 64,849</u>	<u>\$ 260,551</u>	<u>\$ --</u>	<u>\$ 261,877</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook Fund	426 Ready to Succeed	428 High School Allotment
\$ 2,534	\$ 41,010	\$ 88,646	\$ 69	\$ --
--	--	--	--	--
--	--	596,541	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,534</u>	<u>41,010</u>	<u>685,187</u>	<u>69</u>	<u>--</u>
\$ --	\$ --	\$ 122	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	41,010	673,336	--	--
<u>--</u>	<u>41,010</u>	<u>673,458</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
2,534	--	11,729	69	--
--	--	--	--	--
<u>2,534</u>	<u>--</u>	<u>11,729</u>	<u>69</u>	<u>--</u>
<u>\$ 2,534</u>	<u>\$ 41,010</u>	<u>\$ 685,187</u>	<u>\$ 69</u>	<u>\$ --</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

Data Control Codes		429 State Funded Special Revenue Fund	437 Special Education
ASSETS:			
1110	Cash and Cash Equivalents	\$ 255	\$ --
1120	Current Investments	--	--
1240	Due from Other Governments	--	--
1290	Other Receivables	--	--
1300	Inventories	--	--
1000	Total Assets	<u>255</u>	<u>--</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--
2160	Accrued Wages Payable	--	--
2170	Due to Other Funds	--	--
2300	Unearned Revenue	255	--
2000	Total Liabilities	<u>255</u>	<u>--</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>
4000	Total Liabilities and Fund Balances	\$ 255	\$ --

459 Bastrop County Bootcamp	461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ --	\$ 424,675	\$ 216	\$ 949,270
--	--	--	398,927
--	--	--	1,778,784
21,487	--	--	25,396
--	--	--	166,122
<u>21,487</u>	<u>424,675</u>	<u>216</u>	<u>3,318,499</u>
\$ 56	\$ --	\$ --	\$ 267,139
1,601	--	--	44,702
12,911	--	--	495,230
6,919	--	--	831,004
--	--	--	714,601
<u>21,487</u>	<u>--</u>	<u>--</u>	<u>2,352,676</u>
--	--	--	166,122
--	--	--	374,810
--	424,675	216	424,891
<u>--</u>	<u>424,675</u>	<u>216</u>	<u>965,823</u>
\$ 21,487	\$ 424,675	\$ 216	\$ 3,318,499

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

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	6,631	1,609,968	75,978	1,449,392
5020	Total Revenues	6,631	1,609,968	75,978	1,449,392
EXPENDITURES:					
Current:					
0011	Instruction	6,631	1,186,384	38,188	559,825
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	355,687	--	8,161
0021	Instructional Leadership	--	--	--	909
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	53	873,623
0032	Social Work Services	--	--	37,737	--
0033	Health Services	--	50	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	6,874
0061	Community Services	--	67,847	--	--
6030	Total Expenditures	6,631	1,609,968	75,978	1,449,392
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

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
\$ --	\$ 1,269,369	\$ --	\$ --	\$ --
--	29,522	--	--	--
18,619	3,855,335	86,223	180,951	213,558
<u>18,619</u>	<u>5,154,226</u>	<u>86,223</u>	<u>180,951</u>	<u>213,558</u>
18,044	--	86,223	--	25,887
--	--	--	--	--
75	--	--	180,951	187,671
--	--	--	--	--
--	--	--	--	--
500	--	--	--	--
--	--	--	--	--
--	5,366,860	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>18,619</u>	<u>5,366,860</u>	<u>86,223</u>	<u>180,951</u>	<u>213,558</u>
--	(212,634)	--	--	--
--	<u>(212,634)</u>	--	--	--
--	739,234	--	--	--
\$ <u>--</u>	\$ <u>526,600</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, 2014

Data Control Codes		265 21st Century Community Learning Centers	289 Texas Literacy Initiative	386 Regional Day School for the Deaf	393 Texas Successful Schools
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	522,850	--
5900	Federal Program Revenues	921,275	1,946,559	--	--
5020	Total Revenues	<u>921,275</u>	<u>1,946,559</u>	<u>522,850</u>	<u>--</u>
EXPENDITURES:					
Current:					
0011	Instruction	615	1,419,636	522,850	--
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	--	--	--
0021	Instructional Leadership	--	525,835	--	--
0023	School Leadership	--	1,088	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	--
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0061	Community Services	920,660	--	--	--
6030	Total Expenditures	<u>921,275</u>	<u>1,946,559</u>	<u>522,850</u>	<u>--</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	2,534
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,534</u>

397 Advanced Placement Incentives	410 State Textbook Fund	426 Ready to Succeed	428 High School Allotment	459 Bastrop County Bootcamp
\$ --	\$ --	\$ --	\$ --	\$ 89,074
8,490	530,721	163	62,898	5,259
--	--	--	--	--
<u>8,490</u>	<u>530,721</u>	<u>163</u>	<u>62,898</u>	<u>94,333</u>
1,350	530,721	--	62,898	94,333
--	--	163	--	--
7,140	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>8,490</u>	<u>530,721</u>	<u>163</u>	<u>62,898</u>	<u>94,333</u>
--	--	--	--	--
--	--	--	--	--
--	11,729	69	--	--
\$ --	\$ <u>11,729</u>	\$ <u>69</u>	\$ --	\$ --

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BASTROP INDEPENDENT SCHOOL DISTRICTCOMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes		461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:				
5700	Local and Intermediate Sources	\$ (5,494)	\$ --	\$ 1,352,949
5800	State Program Revenues	--	--	1,159,903
5900	Federal Program Revenues	--	--	10,364,489
5020	Total Revenues	<u>(5,494)</u>	<u>--</u>	<u>12,877,341</u>
EXPENDITURES:				
Current:				
0011	Instruction	--	--	4,553,585
0012	Instructional Resources and Media Services	--	--	163
0013	Curriculum and Staff Development	--	--	739,685
0021	Instructional Leadership	--	--	526,744
0023	School Leadership	--	--	1,088
0031	Guidance, Counseling, & Evaluation Services	--	--	874,176
0032	Social Work Services	--	--	37,737
0033	Health Services	--	--	50
0035	Food Service	--	--	5,366,860
0036	Cocurricular/Extracurricular Activities	9,853	--	16,727
0061	Community Services	--	--	988,507
6030	Total Expenditures	<u>9,853</u>	<u>--</u>	<u>13,105,322</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(15,347)	--	(227,981)
1200	Net Change in Fund Balances	<u>(15,347)</u>	<u>--</u>	<u>(227,981)</u>
0100	Fund Balances - Beginning	440,022	216	1,193,804
3000	Fund Balances - Ending	<u>\$ 424,675</u>	<u>\$ 216</u>	<u>\$ 965,823</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2014

Data Control Codes		Enterprise Fund	Enterprise Fund	Enterprise Fund
		Performing Arts Center	Food Service Catering	High School Bistro
ASSETS:				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 2,389	\$ 75,893	\$ 2,784
Receivables:				
1290	Other Receivables (net)	2,500	--	--
	Total Current Assets	4,889	75,893	2,784
1000	Total Assets	4,889	75,893	2,784
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 250	\$ --	\$ --
2150	Payroll Deduction & Withholdings	4	--	--
2160	Accrued Wages Payable	200	--	--
	Total Current Liabilities	454	--	--
2000	Total Liabilities	454	--	--
NET POSITION:				
3000	Total Net Position	\$ 4,435	\$ 75,893	\$ 2,784

Enterprise Fund Community Education	Enterprise Fund STARS After School Program	Enterprise Fund Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-1)
\$ 93,856	\$ 601,704	\$ 48,135	\$ 824,761
--	--	--	2,500
93,856	601,704	48,135	827,261
93,856	601,704	48,135	827,261
\$ 402	\$ 5,608	\$ --	\$ 6,260
--	204	7,388	7,596
--	12,521	39,179	51,900
402	18,333	46,567	65,756
402	18,333	46,567	65,756
\$ 93,454	\$ 583,371	\$ 1,568	\$ 761,505

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes		Enterprise Fund Performing Arts Center	Enterprise Fund Food Service Catering	Enterprise Fund High School Bistro
	OPERATING REVENUES:			
5700	Local and Intermediate Sources	\$ 13,244	\$ --	\$ --
5800	State Program Revenues	6,515	--	--
5020	Total Revenues	<u>19,759</u>	<u>--</u>	<u>--</u>
	OPERATING EXPENSES:			
6100	Payroll Costs	1,581	--	--
6200	Professional and Contracted Services	13,015	--	--
6300	Supplies and Materials	4,445	--	--
6400	Other Operating Costs	2,381	--	--
6030	Total Expenses	<u>21,422</u>	<u>--</u>	<u>--</u>
1300	Change in Net Position	(1,663)	--	--
0100	Total Net Position - Beginning	6,098	75,893	2,784
3300	Total Net Position - Ending	<u>\$ 4,435</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	
\$ 20,248	\$ 567,111	\$ 317,181	\$ 917,784
410	15,119	18,064	40,108
<u>20,658</u>	<u>582,230</u>	<u>335,245</u>	<u>957,892</u>
827	358,607	316,573	677,588
11,073	32,681	8,174	64,943
425	38,792	8,002	51,664
1,001	53,656	928	57,966
<u>13,326</u>	<u>483,736</u>	<u>333,677</u>	<u>852,161</u>
7,332	98,494	1,568	105,731
86,122	484,877	--	655,774
<u>\$ 93,454</u>	<u>\$ 583,371</u>	<u>\$ 1,568</u>	<u>\$ 761,505</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	744 Performing Arts Center	745 Food Service Catering	746 High School Bistro
Cash Flows from Operating Activities:			
Cash Received from Miscellaneous Sources	\$ 19,759	\$ --	\$ --
Cash Payments to Employees and Suppliers	(23,545)	--	--
Net Cash Provided (Used) by Operating Activities	<u>(3,785)</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,785)	--	--
Cash and Cash Equivalents at Beginning of Year	6,174	75,893	2,784
Cash and Cash Equivalents at End of Year	<u>\$ 2,389</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)	\$ (1,663)	\$ --	\$ --
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Decrease (Increase) in Receivables	(2,500)	--	--
Increase (Decrease) in Interfund Payables	127	--	--
Increase (Decrease) in Accounts Payable	250	--	--
Total Adjustments	<u>--</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,785)</u>	<u>\$ --</u>	<u>\$ --</u>

747 Community Education	748 STARS After School Program	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 20,658	\$ 582,230	\$ 335,246	\$ 957,892
(12,924)	(481,502)	(326,319)	(844,290)
<u>7,734</u>	<u>100,727</u>	<u>8,926</u>	<u>113,602</u>
7,734	100,727	8,926	113,602
86,121	500,977	39,209	711,158
<u>\$ 93,856</u>	<u>\$ 601,704</u>	<u>\$ 48,135</u>	<u>\$ 824,761</u>
\$ 7,332	\$ 98,494	\$ 1,568	\$ 105,732
--	--	--	(2,500)
--	491	7,358	7,977
<u>402</u>	<u>1,742</u>	<u>--</u>	<u>2,394</u>
--	--	--	--
<u>\$ 7,734</u>	<u>\$ 100,727</u>	<u>\$ 8,926</u>	<u>\$ 113,602</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2014

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	\$ 66,786	\$ 1,721,615	\$ 1,788,401
1120	Investments	--	1,292,130	1,292,130
	Total Current Assets	<u>66,786</u>	<u>3,013,745</u>	<u>3,080,531</u>
1000	Total Assets	<u>66,786</u>	<u>3,013,745</u>	<u>3,080,531</u>
	LIABILITIES:			
	Current Liabilities:			
2110	Accounts Payable	\$ 1,535	\$ --	\$ 1,535
2200	Accrued Expenses	--	566,413	566,413
	Total Current Liabilities	<u>1,535</u>	<u>566,413</u>	<u>567,948</u>
2000	Total Liabilities	<u>1,535</u>	<u>566,413</u>	<u>567,948</u>
	NET POSITION:			
3000	Total Net Position	<u>\$ 65,251</u>	<u>\$ 2,447,332</u>	<u>\$ 2,512,583</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, 2014

Data Control Codes		752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:				
5700	Local and Intermediate Sources	\$ 185,837	\$ 467,518	\$ 653,355
5800	State Program Revenues	2,214	--	2,214
5020	Total Revenues	<u>188,051</u>	<u>467,518</u>	<u>655,569</u>
OPERATING EXPENSES:				
6100	Payroll Costs	35,742	--	35,742
6200	Professional and Contracted Services	57,353	--	57,353
6300	Supplies and Materials	51,796	--	51,796
6400	Other Operating Costs	--	331,078	331,078
6030	Total Expenses	<u>144,891</u>	<u>331,078</u>	<u>475,969</u>
1300	Change in Net Position	43,160	136,440	179,600
0100	Total Net Position - Beginning	22,091	2,310,892	2,332,983
3300	Total Net Position - Ending	<u>\$ 65,251</u>	<u>\$ 2,447,332</u>	<u>\$ 2,512,583</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
Cash Flows from Operating Activities:			
Cash Received from Miscellaneous Sources	\$ 188,052	\$ 466,925	\$ 654,977
Cash Received from Interest Earnings	--	593	593
Cash Payments to Employees and Suppliers	(146,822)	(395,497)	(542,319)
Net Cash Provided (Used) by Operating Activities	<u>41,230</u>	<u>72,021</u>	<u>113,251</u>
Net Increase (Decrease) in Cash and Cash Equivalents	41,230	72,021	113,251
Cash and Cash Equivalents at Beginning of Year	25,556	2,941,724	2,967,280
Cash and Cash Equivalents at End of Year	<u>\$ 66,786</u>	<u>\$ 3,013,745</u>	<u>\$ 3,080,531</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 43,160	\$ 136,440	\$ 179,601
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(1,931)	--	(1,931)
Increase (Decrease) in Accrued Expenses	--	(64,419)	(64,419)
Total Adjustments	<u>(1,931)</u>	<u>(64,419)</u>	<u>(66,350)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 41,230</u>	<u>\$ 72,021</u>	<u>\$ 113,251</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 DISTRICTSCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2014

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2005 and Prior Years	\$	Various	\$	Various	\$	Various
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		1.04		.441		2,679,022,564
2014 (School Year Under Audit)		1.04		.421		2,860,125,077

1000 Totals

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

10 Beginning Balance 7/1/13	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/14
\$ 776,330	\$ --	\$ 29,551	\$ 9,121	\$ (131,241)	\$ 606,418
240,765	--	11,181	1,699	(3,965)	223,919
252,386	--	15,181	2,792	(4,528)	229,884
239,285	--	17,031	7,549	(4,767)	209,938
326,803	--	36,172	15,338	(7,084)	268,209
465,934	--	89,708	38,040	(13,309)	324,877
725,272	--	193,907	82,224	(20,393)	428,749
979,817	--	262,450	111,289	2,160	608,238
1,608,790	--	597,245	253,255	(32,748)	725,541
--	41,786,427	28,666,385	11,604,373	--	1,515,669
<u>\$ 5,615,381</u>	<u>\$ 41,786,427</u>	<u>\$ 29,918,810</u>	<u>\$ 12,125,680</u>	<u>\$ (215,875)</u>	<u>\$ 5,141,443</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BASTROP INDEPENDENT SCHOOL DISTRICT

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)

GENERAL FUND

AS OF JUNE 30, 2014

EXHIBIT J-2

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of June 30, 2014 (Exhibit C-1 object 3000 for the General Fund only)	\$ 16,080,035
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	45,852
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)	8,721,423
7	Estimate of two months' average cash disbursements during the fiscal year	13,974,012
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)	26,987,206
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ (10,907,171)

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

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT J-3

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts		Actual	Final Budget
		Original	Final		Positive (Negative)
	REVENUES:				
5700	Local and Intermediate Sources	\$ 129,405,000	\$ 1,490,450	\$ 1,269,369	\$ (221,081)
5800	State Program Revenues	28,000	29,100	29,522	422
5900	Federal Program Revenues	4,001,959	4,254,459	3,855,335	(399,124)
5020	Total Revenues	133,434,959	5,774,009	5,154,226	(619,783)
	EXPENDITURES:				
	Current:				
	Support Services - Student (Pupil):				
0035	Food Services	5,015,009	5,465,009	5,366,860	98,149
	Total Support Services - Student (Pupil)	5,015,009	5,465,009	5,366,860	98,149
6030	Total Expenditures	5,015,009	5,465,009	5,366,860	98,149
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	128,419,950	309,000	(212,634)	(521,634)
1200	Net Change in Fund Balance	128,419,950	309,000	(212,634)	(521,634)
0100	Fund Balance - Beginning	739,234	739,234	739,234	--
3000	Fund Balance - Ending	\$ 129,159,184	\$ 1,048,234	\$ 526,600	\$ (521,634)

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-4

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts			Positive
		Original	Final	Actual	(Negative)
	REVENUES:				
5700	Local and Intermediate Sources	\$ 11,551,889	\$ 12,052,889	\$ 12,346,969	\$ 294,080
5800	State Program Revenues	1,445,577	1,445,577	1,641,250	195,673
5020	Total Revenues	12,997,466	13,498,466	13,988,219	489,753
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	2,747,235	2,747,235	2,747,230	5
0072	Interest on Long-Term Debt	10,390,807	10,880,457	10,874,696	5,761
0073	Bond Issuance Costs and Fees	--	20,350	20,350	--
	Total Debt Service	13,138,042	13,648,042	13,642,276	5,766
6030	Total Expenditures	13,138,042	13,648,042	13,642,276	5,766
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(140,576)	(149,576)	345,943	495,519
	Other Financing Sources (Uses):				
7915	Transfers In	306,020	315,020	314,518	(502)
7080	Total Other Financing Sources and (Uses)	306,020	315,020	314,518	(502)
1200	Net Change in Fund Balance	165,444	165,444	660,461	495,017
0100	Fund Balance - Beginning	5,887,042	5,887,042	5,887,042	--
3000	Fund Balance - Ending	\$ 6,052,486	\$ 6,052,486	\$ 6,547,503	\$ 495,017

Notes to Other Supplementary Information:

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



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, 2014, 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 17, 2014.

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. 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.

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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, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Bellville, Texas
October 17, 2014

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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, 2014. Bastrop Independent School District's major federal programs are identified in the summary of auditors' 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 identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

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,

The signature is written in a stylized, cursive script. The first part of the signature is "BELT", followed by "HARRIS" in a slightly larger, more ornate script, and then "PECHACEK, LLLP" in a smaller, simpler script.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 17, 2014

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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: Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Part A
84.027 and 84.173	IDEA B Cluster
84.287	21st Century Grant

Dollar threshold used to distinguish between type A and type B programs: \$311,068

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, 2014

<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, 2014

EXHIBIT K-1
Page 1 of 2

(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:			
ESEA Title I Part A - Improving Basic Programs *	84.010	14610101011901	\$ 1,609,968
ESEA Title I Part C - Migratory Children	84.011	14615001011901	75,978
IDEA-B Formula *	84.027	146600010119016600	1,449,392
Vocational Education - Basic Grant	84.048	14420006011901	86,223
IDEA-B Preschool *	84.173	136610010119016610	2,235
IDEA-B Preschool *	84.173	146610010119016610	16,383
Total CFDA Number 84.173			<u>18,619</u>
21st Century Community Learning Centers	84.287	126950147110006	68,467
21st Century Community Learning Centers	84.287	136950147110006	635,363
21st Century Community Learning Centers	84.287	136950167110004	16,399
21st Century Community Learning Centers	84.287	146950167110004	201,045
Total CFDA Number 84.287			<u>921,275</u>
English Language Acquisition & Language Enhancement	84.365	13671001011901	42,001
English Language Acquisition & Language Enhancement	84.365	14671001011901	171,557
Total CFDA Number 84.365			<u>213,558</u>
ESEA Title II Part A - Teacher & Principal Training & Recruitment	84.367	13694501011901	41,371
ESEA Title II Part A - Teacher & Principal Training & Recruitment	84.367	14694501011901	139,580
Total CFDA Number 84.367			<u>180,951</u>
Summer School LEP	84.369	69551302	4,452
Texas Literacy Initiative	84.371	126460037110005	873,536
Texas Literacy Initiative	84.371	136460037110005	924,237
Texas Literacy Initiative	84.371	146460037110005	148,785
Total CFDA Number 84.371			<u>1,946,559</u>
Total Passed Through State Department of Education			<u>6,506,976</u>
Passed through Education Service Center - Region XIII			
McKinney Homeless Education Assistance Project	84.196	011-901	2,547
Project Pathways	84.196	507815	4,084
Total CFDA Number 84.196			<u>6,631</u>
Total Passed Through Education Service Center - Region XIII			<u>6,631</u>
Total U. S. Department of Education			<u>6,513,607</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT K-1
Page 2 of 2

(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 AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401101	\$ 679,624
National School Lunch Program *	10.555	71301101	2,915,907
USDA Donated Commodities *	10.565	011-901	259,804
Total Passed Through State Department of Education			<u>3,855,334</u>
Total U. S. Department of Agriculture			<u>3,855,334</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 10,368,941</u>

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

The accompanying notes are an integral part of this schedule.

Federal Revenue per SEFA	\$ 10,368,941
General Fund SHARS & Medicare	1,393,255
Federal Revenue	100,122
	<u>\$ 11,862,318</u>

BASTROP INDEPENDENT SCHOOL DISTRICT**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**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, 2014

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?	\$ 18,193,617