

BASTROP
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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Bastrop Independent School District
Annual Financial Report
For The Year Ended June 30, 2015

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Introductory Section

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CERTIFICATE OF BOARD

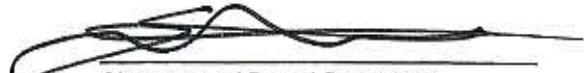
Bastrop Independent School District
Name of School District

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, 2015, at a meeting of the board of trustees of such school district on the 17th day of November, 2015.


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 of the
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 the Bastrop Independent School District (the "District") as of and for the year ended June 30, 2015, 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 from 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.

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, 2015, 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.

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Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2015, Bastrop Independent School District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date -- an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, the schedule of federal awards, and 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, 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 has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015 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 27, 2015

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Management's Discussion and Analysis

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BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

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 12 months ended June 30, 2015. Please read it in conjunction with the independent auditors' report on page 4, and the District's Basic Financial Statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

- The District, for the thirteenth 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 seven out of seven points under the new program used to determine the overall financial health and stability of school districts throughout Texas.
- The District had a 3.7 percent increase in enrollment and a 4.0 percent increase in average daily attendance. The District continues to have large enrollment increase in the English Language Learners population, an increase of 9.0 percent in 2014-15. Property values increased by over 5.0 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 2014-15 due to increased property values and continued bond refinancing opportunities.
- On Tuesday, November 4, 2014, the District successfully sold its Unlimited Tax Refunding Bonds, Series 2014 to refund a portion of its outstanding bonds at a lower interest rate. The District's actual savings on this refunding program were \$1,499,940 (net of all costs).
- As part of the 2014 bond sale process, the District requested Standard & Poor's Rating Services ("S&P") provide a rating on the Series 2-14 Refunding Bonds. After an independent review of the District's financial condition, S&P UPGRADED the District's stand-alone bond rating from "A+" to "AA-". S&P cited the following reasons for the increase in the District's bond rating:
 - Continued demonstration of prudent and conservative financial management
 - Very strong financial position
 - Good financial management policies; and
 - Continued economic expansion and strong wealth levels of residents.
- On Tuesday, March 24, 2015, the District successfully sold its Unlimited Tax Refunding Bonds, Series 2015 to refund a portion of its outstanding bonds at a lower interest rate. The District's actual savings on this refunding program were \$12,229,888 (net of all costs).

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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2015

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.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2015

- 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.

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 2015, 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2015

Table I
Bastrop Independent School District

	NET POSITION					
	in thousands					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	39,044	41,301	809	827	39,853	42,128
Capital assets	181,011	185,577	-	-	181,011	185,577
Total assets	220,055	226,878	809	827	227,705	227,705
Total deferred outflows of resources	11,949	4,419	-	-	11,949	4,419
Long-term liabilities	201,873	198,803	-	-	201,873	198,803
Other liabilities	15,536	16,363	74	66	15,610	16,429
Total liabilities	217,409	215,166	74	66	215,232	215,232
Net Position:						
Invested in capital assets net of related debt	(2,386)	1,087	-	-	(2,386)	1,087
Restricted	4,507	7,347	-	-	4,507	7,347
Unrestricted	-	7,697	736	761	736	8,458
Total net position	2,549	16,131	736	761	3,285	16,892

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2015

Table II
Bastrop Independent School District

CHANGES IN NET POSITION
in thousands

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	1,450	1,744	1,039	884	2,489	2,628
Operating grants and contributions	18,735	16,612	51	40	18,786	16,652
General revenues:						
Maintenance and operations taxes	31,993	30,185	-	-	31,993	30,185
Debt service taxes	12,293	12,203	-	-	12,293	12,203
Grants and contributions not restricted to specific functions	40,073	38,935	-	-	40,073	38,935
Investment earnings	30	29	-	-	30	29
Miscellaneous	3,836	166	106	33	3,942	199
Transfers	75	750	(75)	-	-	750
Total revenue	<u>108,485</u>	<u>100,624</u>	<u>1,121</u>	<u>957</u>	<u>109,606</u>	<u>101,581</u>
Expenses:						
Instruction, curriculum and media services	60,118	53,288	-	-	60,118	53,288
Instructional and school leadership	6,306	5,679	-	-	6,306	5,679
Student support services	10,440	9,890	-	-	10,440	9,890
Child nutrition	5,800	5,564	-	-	5,800	5,564
Co-curricular activities	3,260	2,877	-	-	3,260	2,877
General administration	2,311	2,218	-	-	2,311	2,218
Plant maintenance, security and data processing	10,313	9,425	-	-	10,313	9,425
Community services	667	1,147	-	-	667	1,147
Debt services	10,187	5,214	-	-	10,187	5,214
Bond issuance cost	672	20	-	-	672	20
Payments related to SSA	56	51	-	-	56	51
Other Intergovernmental charges	672	634	-	-	672	634
Other business-type activities	-	-	1,147	852	1,147	852
Total Expenses	<u>110,802</u>	<u>96,007</u>	<u>1,147</u>	<u>852</u>	<u>111,949</u>	<u>96,859</u>
Increase in net assets before transfers and special items	(2,315)	3,864	(25)	105	(2,340)	3,969
Net position – beginning	16,131	12,267	761	656	16,893	12,923
Prior period adjustment	(11,267)	-	-	-	(11,267)	-
Net position – beginning as restated	4,864	12,267	-	656	4,864	12,923
Net position – ending	<u>2,550</u>	<u>16,131</u>	<u>736</u>	<u>761</u>	<u>3,286</u>	<u>16,892</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2015

The cost of all governmental activities this year was \$112.0 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 \$44.3 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 \$23,507,477, a decrease of \$1,653,330 due to a decrease of \$1,375,881 in the general fund, a decrease of \$371,340 in the debt service fund, a decrease in Food Service inventories of \$30,215, an increase in federal and state grant restrictions of \$53,573, an increase in other restrictions of fund balance of 78,525, and a decrease of \$7,992 in capital projects. Approximately 44.3 percent of this total amount (\$10,414,494) 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 (\$179,648);
- Payment of debt service payments (\$6,176,163);
- Federal/State funds grant restrictions (\$428,383);
- Capital projects (\$1,533,691);
- Other restrictions of fund balance (\$529,179);
- 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 \$10,414,494, while the total fund balance was \$14,704,154. 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 13 percent of the total general fund expenditures, while total fund balance represents 19 percent of that same amount.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

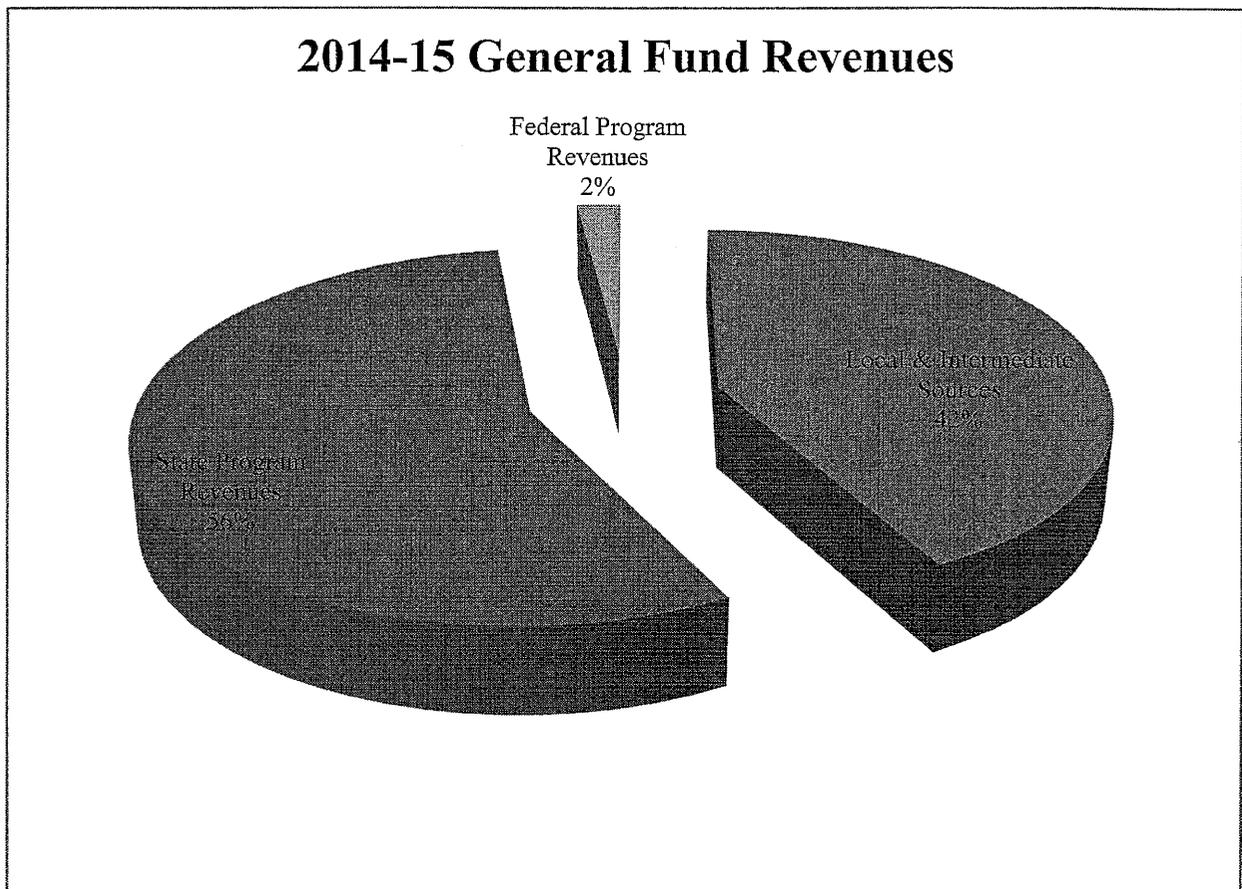
For the Year Ended June 30, 2015

The total fund balance of the District's general fund budget decreased by \$1,375,881. Key factors to this change are as follows:

- One-time fund balances expenditures in technology, safety and security and maintenance upgrades.

The debt service fund has a total fund balance of \$6,176,163, all of which is reserved for the payment of debt service. The net decrease in fund balance during the period in the debt service fund was \$371,340.

The District's total general revenues were \$77.3 million. A portion, \$29.0 million or 42 percent, of the District's revenues come from taxes, and other local revenue. The majority of the other 56 percent of revenues is from State Program Revenues and \$1.5 million, or two percent, was Federal Program Revenue.



BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2015

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 teaching materials;
- Amendment to increase tax revenue;
- Amendment to increase state aid;
- Amendment for SHARS settle-up;
- Amendment to increase substitute costs;
- Amendment for additional maintenance costs;
- Amendment for professional service providers;
- Amendment to increase utilities;
- Amendment for additional costs for CRCA renovation and portables;
- Amendment for sale of land;
- 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:

- \$ 550,000 increase in tax collections;
- \$ 574,000 increase for sale of property;
- \$ 223,987 increase for E-rate award;
- \$2,400,000 increase in state aid;
- \$ 125,000 SHARS settle-up payment;
- \$ 887,800 TRS on-behalf (accounting entry only).

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

- \$ 223,987 increase for E-rate expenditures;
- \$ 50,000 increase for professional service providers;
- \$ 224,000 increase in fuel costs;
- \$ 126,000 increase for legal costs;
- \$ 400,000 increase for utilities;
- \$ 150,000 increase in employee daycare costs;
- \$ 750,000 increase for payroll costs;
- \$ 75,000 increase in safety and security costs;
- \$ 53,485 increase for appraisal district costs; and
- \$1,828,189 increase for TRS on-behalf (accounting entry only).

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2015

CAPITAL ASSETS

At the end of the 2014-15, the District had \$181 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 \$167,699,095 in bonds and notes outstanding versus \$171,928,836 million last year. The District's credit ratings are as follows; Moody's Investors Service underlying credit rating for Bastrop ISD is "A2", while Standard and Poor's upgraded the underlying rating for to "AA-" during 2014-15.

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 2015-16 budget and tax rates. One factor is the economy. Four 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 five percent property value growth from 2015 to 2016. Commercial businesses continue to open, enhancing the economy and property values. The Burselson Crossing Shopping Center continues to bring new businesses to Bastrop. Hobby Lobby and Ulta, among others, have opened in the past year. Residential housing continues to develop in current subdivisions with new subdivisions planning continues to move forward.

The new Colorado River Collegiate Academy opened in 2014-15 and added the incoming next class in 2015-16. Students will graduate from the Colorado River Collegiate Academy with a high school diploma and an associate's degree from Austin Community College.

The District estimated a 3.5 percent enrollment growth and a 2.0 percent average daily attendance growth. As of October 2015, there are 10,277 students enrolled, which is right on target for the 2015-16 budget. First six weeks attendance indicates a 2.2 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 2015-16 tax rate is \$1.441, with \$1.04 for maintenance and operations and \$0.401 for debt service. The District was able to maintain the debt service tax rate for the 2015-16 year due to continued property growth and savings realized from bond refunding program.

The District is currently undertaking a bond refinancing opportunity of \$20.7 million for an anticipated savings of \$6 million.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

For the Year Ended June 30, 2015

These indicators were taken into consideration when adopting the General Fund budget for 2015-16. Amounts available for appropriation in the General Fund budget are \$80.6 million. Budgeted expenditures are expected to be \$81.2 million; this includes a one-time fund balance use for technology, safety and security, and capital projects for a new athletic track. Teachers received a three percent pay increase for the 2015-16 budget year. Administrative and auxiliary staff both received three percent and three percent of the mid-point raise. The District continued the Instructional Specialists initiative to the intermediate and elementary campuses. Nine additional teaching positions were added to accommodate growth, as well as eight additional positions for the instructional program requirements and four additional teachers for the new Colorado River Collegiate Academy. The District hired additional positions to support the large increase in Limited English Proficient population. Additional Assistant Principals were added to the larger elementary schools. 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 implemented on-line enrollment for 2015-16.

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, 2015

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110	\$ 6,100,641	\$ 812,367	\$ 6,913,008
1120	14,868,701	--	14,868,701
1220	4,846,935	--	4,846,935
1230	(1,485,028)	--	(1,485,028)
1240	14,031,557	--	14,031,557
1260	2,828	(2,828)	--
1260	400	--	400
1290	498,360	--	498,360
1300	179,648	--	179,648
Capital Assets:			
1510	8,715,491	--	8,715,491
1520	171,937,861	--	171,937,861
1530	358,068	--	358,068
1000	<u>220,055,461</u>	<u>809,539</u>	<u>220,865,000</u>
DEFERRED OUTFLOWS OF RESOURCES:			
1700	9,515,200	--	9,515,200
1705	2,433,518	--	2,433,518
1700	<u>11,948,718</u>	<u>--</u>	<u>11,948,718</u>
LIABILITIES:			
2110	1,290,414	9,949	1,300,363
2140	3,417,180	--	3,417,180
2165	8,302,370	63,999	8,366,369
2180	57,320	--	57,320
2190	3,328	--	3,328
2300	13,452	--	13,452
Noncurrent Liabilities:			
2501	2,451,526	--	2,451,526
2502	200,930,337	--	200,930,337
2540	9,942,302	--	9,942,302
2000	<u>226,408,229</u>	<u>73,948</u>	<u>226,482,177</u>
DEFERRED INFLOWS OF RESOURCES:			
2605	3,046,346	--	3,046,346
2600	<u>3,046,346</u>	<u>--</u>	<u>3,046,346</u>
NET POSITION:			
3200	(2,386,019)	--	(2,386,019)
Restricted For:			
3820	428,383	--	428,383
3850	4,123,542	--	4,123,542
3870	383,698	--	383,698
3900	--	735,591	735,591
3000	<u>\$ 2,549,604</u>	<u>\$ 735,591</u>	<u>\$ 3,285,195</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues	
			Charges for Services	4 Operating Grants and Contributions
	Governmental Activities:			
11	<i>Instruction</i>	\$ 57,606,371	\$ 258,137	\$ 8,670,731
12	<i>Instructional Resources and Media Services</i>	886,642	--	50,426
13	<i>Curriculum and Staff Development</i>	1,624,812	--	913,125
21	<i>Instructional Leadership</i>	1,101,481	--	569,184
23	<i>School Leadership</i>	5,204,764	--	304,753
31	<i>Guidance, Counseling, & Evaluation Services</i>	4,225,828	--	1,129,097
32	<i>Social Work Services</i>	253,082	--	77,992
33	<i>Health Services</i>	784,256	--	45,839
34	<i>Student Transportation</i>	5,177,142	--	321,880
35	<i>Food Service</i>	5,799,865	1,353,982	4,111,713
36	<i>Cocurricular/Extracurricular Activities</i>	3,260,138	(162,424)	119,656
41	<i>General Administration</i>	2,310,867	--	143,561
51	<i>Facilities Maintenance and Operations</i>	9,029,151	--	563,164
52	<i>Security and Monitoring Services</i>	409,131	--	23,204
53	<i>Data Processing Services</i>	874,467	--	54,906
61	<i>Community Services</i>	667,424	--	425,361
72	<i>Interest on Long-term Debt</i>	10,186,603	--	1,206,973
73	<i>Bond Issuance Costs and Fees</i>	671,902	--	--
93	<i>Payments Related to Shared Service Arrangements</i>	56,141	--	3,526
99	<i>Other Intergovernmental Charges</i>	671,558	--	--
TG	Total Governmental Activities	<u>110,801,625</u>	<u>1,449,695</u>	<u>18,735,091</u>
	Business-type Activities:			
01	<i>Performing Arts Center</i>	26,499	--	45
04	<i>Community Education</i>	69,611	--	1,446
06	<i>STARS After School Program</i>	646,761	656,805	28,057
07	<i>Employee Child Care</i>	403,745	381,904	21,841
TB	Total Business-type Activities	<u>1,146,616</u>	<u>1,038,709</u>	<u>51,389</u>
TP	Total Primary Government	<u>\$ 111,948,241</u>	<u>\$ 2,488,404</u>	<u>\$ 18,786,480</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
IE	<i>Investment Earnings</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
MI	<i>Miscellaneous</i>			
FR	<i>Transfers</i>			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	Prior Period Adjustment			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (48,677,503)	\$ --	\$ (48,677,503)
(836,216)	--	(836,216)
(711,687)	--	(711,687)
(532,297)	--	(532,297)
(4,900,011)	--	(4,900,011)
(3,096,731)	--	(3,096,731)
(175,090)	--	(175,090)
(738,417)	--	(738,417)
(4,855,262)	--	(4,855,262)
(334,170)	--	(334,170)
(3,302,906)	--	(3,302,906)
(2,167,306)	--	(2,167,306)
(8,465,987)	--	(8,465,987)
(385,927)	--	(385,927)
(819,561)	--	(819,561)
(242,063)	--	(242,063)
(8,979,630)	--	(8,979,630)
(671,902)	--	(671,902)
(52,615)	--	(52,615)
(671,558)	--	(671,558)
<u>(90,616,839)</u>	<u>--</u>	<u>(90,616,839)</u>
--	(26,454)	(26,454)
--	(68,165)	(68,165)
--	38,101	38,101
--	--	--
--	<u>(56,518)</u>	<u>(56,518)</u>
<u>(90,616,839)</u>	<u>(56,518)</u>	<u>(90,673,357)</u>
31,993,432	--	31,993,432
12,293,002	--	12,293,002
29,924	--	29,924
40,073,185	--	40,073,185
3,836,718	106,497	3,943,215
75,893	(75,893)	--
<u>88,302,154</u>	<u>30,604</u>	<u>88,332,758</u>
(2,314,685)	(25,914)	(2,340,599)
16,131,117	761,505	16,892,622
(11,266,828)	--	(11,266,828)
4,864,289	--	5,625,794
<u>\$ 2,549,604</u>	<u>\$ 735,591</u>	<u>\$ 3,285,195</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

Data Control Codes	10 General Fund	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110	\$ 3,135,558	\$ 68	\$ 1,132,639	\$ 4,268,265
1120	6,070,242	5,873,854	1,631,848	13,575,944
1220	3,485,897	1,361,038	--	4,846,935
1230	(1,085,712)	(399,316)	--	(1,485,028)
1240	12,165,420	271,706	1,594,431	14,031,557
1260	1,643,257	11,401,372	8,429	13,053,058
1290	317,978	23,163	157,219	498,360
1300	43,741	--	135,907	179,648
1000	<u>25,776,381</u>	<u>18,531,885</u>	<u>4,660,473</u>	<u>48,968,739</u>
LIABILITIES:				
Current Liabilities:				
2110	\$ 1,027,371	\$ --	\$ 261,743	\$ 1,289,114
2150	629,351	--	44,888	674,239
2160	6,504,660	--	507,410	7,012,070
2170	510,659	11,394,000	1,145,172	13,049,831
2180	--	--	57,320	57,320
2190	--	--	3,328	3,328
2300	--	--	13,452	13,452
2000	<u>8,672,041</u>	<u>11,394,000</u>	<u>2,033,313</u>	<u>22,099,354</u>
DEFERRED INFLOWS OF RESOURCES:				
2600	<u>2,400,186</u>	<u>961,722</u>	<u>--</u>	<u>3,361,908</u>
2600	<u>2,400,186</u>	<u>961,722</u>	<u>--</u>	<u>3,361,908</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	43,741	--	135,907	179,648
Restricted Fund Balances:				
3450	--	--	428,383	428,383
3470	--	--	1,533,691	1,533,691
3480	--	6,176,163	--	6,176,163
3490	--	--	529,179	529,179
Committed Fund Balances:				
3510	1,810,919	--	--	1,810,919
3520	100,000	--	--	100,000
3530	750,000	--	--	750,000
Assigned Fund Balances:				
3590	1,585,000	--	--	1,585,000
3600	10,414,494	--	--	10,414,494
3000	<u>14,704,154</u>	<u>6,176,163</u>	<u>2,627,160</u>	<u>23,507,477</u>
4000	<u>\$ 25,776,381</u>	<u>\$ 18,531,885</u>	<u>\$ 4,660,473</u>	<u>\$ 48,968,739</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION*
 JUNE 30, 2015

Total fund balances - governmental funds balance sheet	\$ 23,507,477
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	181,011,421
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,361,908
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,507,772
Payables for bond principal which are not due in the current period are not reported in the funds.	(193,866,662)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,417,180)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(11,266,827)
Deferred resource inflows related to Teacher Retirement System of Texas (TRS) are not reported in the funds.	(3,046,346)
Deferred resource outflows related to TRS are not reported in the funds.	<u>3,758,043</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 2,549,604</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, 2015

Data Control Codes	10 General Fund	50 Debt Service	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 32,555,273	\$ 12,371,855	\$ 1,721,459	\$ 46,648,587
5800 State Program Revenues	43,624,480	1,206,973	1,581,062	46,412,515
5900 Federal Program Revenues	1,128,051	--	11,267,710	12,395,761
5020 Total Revenues	<u>77,307,804</u>	<u>13,578,828</u>	<u>14,570,231</u>	<u>105,456,863</u>
EXPENDITURES:				
Current:				
0011 Instruction	47,529,332	--	6,149,752	53,679,084
0012 Instructional Resources and Media Services	784,672	--	54	784,726
0013 Curriculum and Staff Development	677,544	--	868,927	1,546,471
0021 Instructional Leadership	532,389	--	534,302	1,066,691
0023 School Leadership	4,735,558	--	--	4,735,558
0031 Guidance, Counseling, & Evaluation Services	3,000,693	--	931,782	3,932,475
0032 Social Work Services	177,646	--	66,404	244,050
0033 Health Services	717,448	--	--	717,448
0034 Student Transportation	5,122,030	--	--	5,122,030
0035 Food Service	--	--	5,514,809	5,514,809
0036 Cocurricular/Extracurricular Activities	2,123,321	--	74,176	2,197,497
0041 General Administration	2,240,060	--	--	2,240,060
0051 Facilities Maintenance and Operations	8,963,387	--	--	8,963,387
0052 Security and Monitoring Services	382,605	--	--	382,605
0053 Data Processing Services	857,397	--	--	857,397
0061 Community Services	204,885	--	409,787	614,672
0071 Principal on Long-term Debt	--	2,529,742	--	2,529,742
0072 Interest on Long-term Debt	--	11,008,015	--	11,008,015
0073 Bond Issuance Costs and Fees	--	4,636,902	--	4,636,902
0081 Capital Outlay	165,317	--	2,240	167,557
0093 Payments to Shared Service Arrangements	56,141	--	--	56,141
0099 Other Intergovernmental Charges	671,558	--	--	671,558
6030 Total Expenditures	<u>78,941,983</u>	<u>18,174,659</u>	<u>14,552,233</u>	<u>111,668,875</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(1,634,179)</u>	<u>(4,595,831)</u>	<u>17,998</u>	<u>(6,212,012)</u>
Other Financing Sources and (Uses):				
7911 Capital-Related Debt Issued (Regular Bonds)	--	62,695,000	--	62,695,000
7912 Sale of Real or Personal Property	574,731	--	--	574,731
7915 Transfers In	--	315,680	75,893	391,573
7916 Premium or Discount on Issuance of Bonds	--	7,201,932	--	7,201,932
8911 Transfers Out	(315,680)	--	--	(315,680)
8949 Other Uses	--	(65,988,121)	--	(65,988,121)
7080 Total Other Financing Sources and (Uses)	<u>259,051</u>	<u>4,224,491</u>	<u>75,893</u>	<u>4,559,435</u>
1200 Net Change in Fund Balances	<u>(1,375,128)</u>	<u>(371,340)</u>	<u>93,891</u>	<u>(1,652,577)</u>
0100 Fund Balances - Beginning	16,079,282	6,547,503	2,533,269	25,160,054
3000 Fund Balances - Ending	<u>\$ 14,704,154</u>	<u>\$ 6,176,163</u>	<u>\$ 2,627,160</u>	<u>\$ 23,507,477</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, 2015*

Net change in fund balances - total governmental funds	\$ (1,652,577)
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	175,245
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,740,763)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(210,820)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(7,201,932)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,529,742
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(198,504)
(Increase) decrease in accrued interest from beginning of period to end of period.	293,066
The net revenue (expense) of internal service funds is reported with governmental activities.	(4,811)
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	69,953,121
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(62,695,000)
Bond premiums are reported in the funds but not in the SOA.	726,849
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred outflow of resources.	2,590,273
The District's share of the unrecognized deferred inflows and outflows for TRS had to be amortized.	<u>(1,878,574)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (2,314,685)</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
ASSETS:			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 812,367	\$ 1,832,376
1120	Investments	--	1,292,757
	Total Current Assets	<u>812,367</u>	<u>3,125,133</u>
1000	Total Assets	<u>812,367</u>	<u>3,125,133</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ 9,949	\$ 1,300
2150	Payroll Deduction & Withholdings	7,286	5
2160	Accrued Wages Payable	56,713	--
2170	Due to Other Funds	2,828	--
2200	Accrued Expenses	--	616,056
	Total Current Liabilities	<u>76,776</u>	<u>617,361</u>
2000	Total Liabilities	<u>76,776</u>	<u>617,361</u>
NET POSITION:			
3000	Total Net Position	<u>\$ 735,591</u>	<u>\$ 2,507,772</u>

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, 2015

Data Control Codes	Nonmajor Enterprise Funds	Internal Service Funds
OPERATING REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 1,145,206	\$ 379,987
5800 <i>State Program Revenues</i>	51,389	1,718
5020 <i>Total Revenues</i>	<u>1,196,595</u>	<u>381,705</u>
OPERATING EXPENSES:		
6100 <i>Payroll Costs</i>	883,019	38,345
6200 <i>Professional and Contracted Services</i>	102,910	48,945
6300 <i>Supplies and Materials</i>	86,721	43,930
6400 <i>Other Operating Costs</i>	73,966	255,296
6030 <i>Total Expenses</i>	<u>1,146,616</u>	<u>386,516</u>
Income (Loss) before Contributions and Transfers	49,979	(4,811)
8911 <i>Transfers Out</i>	<u>(75,893)</u>	--
1300 <i>Change in Net Position</i>	(25,914)	(4,811)
0100 <i>Total Net Position - Beginning</i>	761,505	2,512,583
3300 <i>Total Net Position - Ending</i>	<u>\$ 735,591</u>	<u>\$ 2,507,772</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, 2015

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
<i>Cash Received from Miscellaneous Sources</i>	\$ 1,199,096	\$ 381,080
<i>Cash Received from Interest Earnings</i>	--	626
<i>Cash Payments to Employees and Suppliers</i>	(1,135,596)	(337,103)
Net Cash Provided (Used) by Operating Activities	<u>63,500</u>	<u>44,603</u>
Net Increase (Decrease) in Cash and Cash Equivalents	63,500	44,603
Cash and Cash Equivalents at Beginning of Year	<u>824,761</u>	<u>3,080,531</u>
Cash and Cash Equivalents at End of Year	<u><u>888,261</u></u>	<u><u>3,125,134</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 49,979	\$ (4,811)
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	(235)
<i>Increase (Decrease) in Accounts Payable</i>	7,333	5
<i>Increase (Decrease) in Accrued Expenses</i>	3,687	49,643
Total Adjustments	<u>13,520</u>	<u>49,413</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 63,500</u></u>	<u><u>\$ 44,603</u></u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2015

Data Control Codes	Private-purpose Trust Fund	Agency Fund
	Private Scholarship Trust	Student Activity
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,738	\$ 61,598
1120 <i>Current Investments</i>	232,744	127,337
1000 Total Assets	<u>234,482</u>	<u>188,935</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ 12,158
2170 <i>Due to Other Funds</i>	--	400
2190 <i>Due to Student Groups</i>	--	176,377
2000 Total Liabilities	<u>--</u>	<u>188,935</u>
NET POSITION:		
3800 <i>Held in Trust</i>	234,482	--
3000 Total Net Position	<u>\$ 234,482</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, 2015

	Private- Scholarship Trust
Additions:	
Investment Income	\$ 100
Total Additions	<u>100</u>
Deductions:	
Scholarship Awards	<u>1,100</u>
Total Deductions	<u>1,100</u>
Change in Net Position	(1,000)
Net Position-Beginning of the Year	235,482
Net Position-End of the Year	<u>\$ 234,482</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, 2015

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 (the "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, 2015

Debt Service Fund: This fund is used to account for tax revenues and for the payment of principal, interest, and other related costs on long-term debt for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds are used to account for revenues and expenditures related to grant awards and entitlements from federal, state, and local agencies. These funds are primarily on a reimbursement basis. Nearly all of these funds cannot carry a fund balance and, other than the food service fund, none of these funds are legally required to have an adopted budget.

Capital Projects Fund: This fund is used to account for revenues and expenditures related to projects financed by the proceeds of bond issues or for capital projects otherwise mandated to be accounted for in this fund. This fund is not required to be budgeted on an annual basis.

Enterprise Funds: These funds are proprietary funds which are 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 and 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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

c. Inventories and Prepaid Items

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

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

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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, *deferred outflows of resources*, represents a consumption of net position that applies to one or more future periods and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then. The District has four items that qualify for reporting in this category on the government-wide statement of net position. A deferred charge on refunding results from results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and for the changes in actuarial assumptions related to the District's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to one or more future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category in the government-wide statement of net position. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. Another deferral is recognized for the changes in proportion and difference between the employer's contributions and the proportionate share of contributions related to the District's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the District only has 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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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.

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 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 conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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.

m. 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 a 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.

n. 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 connection 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.

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015 the District reported the following:

Net Pension Asset	\$	--
Net Pension Liability	\$	9,958,539

5. New Accounting Standards Adopted

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Governmental Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

a. Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (pension trusts) in which:

- 1) Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- 2) Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- 3) Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

b. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

- c. Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operation. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 69.

- d. Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 70.

- e. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's final year end, the effects from the District's reported contributions to the plan subsequent to the respective measurement date of the plan was an increase in deferred outflow of resources and a decrease in net position.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,948,483 and the bank balance was \$2,529,754. The District's cash deposits at June 30, 2015, and during the year ended June 30, 2015, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "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 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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The District's investments at June 30, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool Investment Fund	N/A	\$ 12,504,745
Lone Star Investment Fund	N/A	7,749,479
Total Investments		<u>\$ 20,254,224</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, 2015, 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 Fund	Federated Securities Corp	AAA ^m *
Lone Star Investment Fund	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.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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.

Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated 'AAA' by Standard and Poor's and operated in a manner consistent with the the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net asset value of 50 cents.

BASTROP INDEPENDENT SCHOOL DISTRICT
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TexPool

The District invests in the Texas Local Government Investment Pool ("TexPool"), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated 'AAAm' by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

D. Capital Assets

Capital asset activity for the year ended June 30, 2015 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
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	223,533,608	150,584	--	223,684,192
Furniture and equipment	3,887,401	24,660	--	3,912,061
Total capital assets being depreciated	<u>227,421,009</u>	<u>175,244</u>	<u>--</u>	<u>227,596,253</u>
Less accumulated depreciation for:				
Buildings and improvements	(47,155,677)	(4,590,654)	--	(51,746,331)
Furniture and Equipment	(3,403,885)	(150,108)	--	(3,553,993)
Total accumulated depreciation	<u>(50,559,562)</u>	<u>(4,740,762)</u>	<u>--</u>	<u>(55,300,324)</u>
Total capital assets being depreciated, net	<u>176,861,447</u>	<u>(4,565,518)</u>	<u>--</u>	<u>172,295,929</u>
Governmental activities capital assets, net	<u>\$ 185,576,939</u>	<u>\$ (4,565,518)</u>	<u>\$ --</u>	<u>\$ 181,011,421</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
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Depreciation was charged to functions as follows:

Instruction	\$ 2,654,573
Instructional Resources and Media Services	87,723
Curriculum and Staff Development	9,623
Instructional Leadership	17,140
School Leadership	352,442
Guidance, Counseling, & Evaluation Services	153,408
Social Work Services	1,004
Health Services	52,697
Student Transportation	54,584
Food Services	196,919
Extracurricular Activities	1,030,745
General Administration	25,866
Plant Maintenance and Operations	63,381
Security and Monitoring Services	24,475
Data Processing Services	3,920
Community Services	9,744
Facilities Acquisition and Construction	2,519
	<u>\$ 4,740,762</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2015 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Funds	\$ 1,142,900	Short-term loans
Debt Service Fund	General Fund	7,372	Short-term loans
Food Service Fund	Enterprise Fund	2,828	Short-term loans
	Total	<u>\$ 1,153,100</u>	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2015 consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Debt Service Fund	\$ 315,680	Supplement other funds sources
Enterprise Fund	Food Service Fund	75,893	Supplement other funds sources
	Total	<u>\$ 391,573</u>	

BASTROP INDEPENDENT SCHOOL DISTRICT
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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, 2015 are as follows:

	Original Issue	Beginning Balance	Net Changes	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bldg & Rfdng, Series 1997	\$ 32,593,420	\$ 3,568,469	\$ (268,435)	\$ 3,300,034	\$ 193,693
Bldg & Rfdng, Series 2002	40,925,404	2,242,237	(431,306)	1,810,930	402,830
Refunding, Series 2005	17,750,000	10,000	(10,000)	--	--
Refunding, Series 2005A	23,305,000	7,505,000	(7,085,000)	420,000	--
Refunding, Series 2005B	711,969	215,000	(110,000)	105,000	105,000
Refunding, Series 2006	21,585,420	20,735,000	(45,000)	20,690,000	45,000
Refunding, Series 2006A	1,840,000	1,420,000	(1,420,000)	--	--
Bldg Bonds, Series 2007	58,690,000	56,900,000	(56,405,000)	495,000	165,000
Bldg Bond, Series 2009	38,350,000	35,010,000	(610,000)	34,400,000	630,000
Refunding, Series 2011	8,829,226	8,634,226	--	8,634,226	105,000
Refunding, Series 2012	8,793,904	8,658,904	--	8,658,904	--
Refunding, Series 2013A	8,670,000	8,470,000	(65,000)	8,405,000	65,000
Refunding, Series 2013B	18,200,000	17,970,000	--	17,970,000	--
Refunding, Series 2014	7,990,000	--	7,800,000	7,800,000	435,000
Refunding, Series 2015	54,705,000	--	54,705,000	54,705,000	--
Maintenance Tax Note, 2000	300,000	590,000	(285,000)	305,000	305,000
Total bonds and notes	<u>\$ 343,239,343</u>	<u>\$ 171,928,836</u>	<u>\$ (4,229,741)</u>	<u>\$ 167,699,095</u>	<u>\$ 2,451,524</u>
<u>Other liabilities:</u>					
Net issuance of premiums (discounts)	\$ --	\$ 11,019,930	\$ 6,212,106	\$ 17,232,036	--
Accum. Accretion on CAB	--	18,193,617	257,114	18,450,731	--
Total governmental activities	<u>\$ 343,239,343</u>	<u>\$ 201,142,383</u>	<u>\$ 2,239,478</u>	<u>\$ 203,381,861</u>	<u>\$ 2,451,524</u>
			Long-term liabilities due in more than one year	<u>\$ 200,930,338</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 0.35 percent to 6.11 percent. Interest expense was \$10,977,335 for the year ended June 30, 2015.

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 \$30,680 for the year ended June 30, 2015.

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2014, dated November 5, 2014, in the amount of \$7,990,000 of general obligation refunding bonds for an advanced refunding of \$8,090,000 of portions of various outstanding long-term debt issues, including \$6,685,000 in general obligation bonds, series 2005-A, and \$1,405,000 in general obligation bonds, series 2006-A. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$380,852. This amount netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$1,058,362 and a reduction of \$1,499,940.

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The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2015, dated March 25, 2015, in the amount of \$54,705,000 of general obligation refunding bonds for an advanced refunding of \$56,305,000 for general obligation bonds, series 2007. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$5,177,269. This amount netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$7,694,443 and a reduction of \$12,229,888.

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2016	\$ 2,146,524	\$ 10,171,771	\$ 12,318,294
2017	2,723,077	10,475,058	13,198,135
2018	2,964,193	10,271,017	13,235,210
2019	3,119,876	10,111,903	13,231,779
2020	2,834,592	10,417,168	13,251,760
2021-2025	27,891,606	38,397,575	66,289,181
2026-2030	29,910,000	37,347,706	67,257,706
2031-2035	45,760,000	21,169,944	66,929,944
2036-2040	38,084,226	10,297,449	48,381,675
2041-2045	13,365,000	882,500	14,247,500
Totals	\$ 168,799,094	\$ 159,542,091	\$ 328,341,185

<u>Year Ending June 30,</u>	Maintenance Tax Note		
	Principal	Interest	Total
2016	\$ 305,000	\$ 15,860	\$ 320,860
Totals	\$ 305,000	\$ 15,860	\$ 320,860

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, 2015, 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	\$ 56,665,000
Series 2005A	7,435,000
Series 2005	17,670,000
Total	\$ 81,770,000

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, 2015 are as follows:

<u>Year Ending June 30,</u>	
Rental Expenditures in 2015	\$ <u>251,015</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
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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 2015, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS' defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The TRS pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detailed information about the TRS' fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.state.tx.us/about/documents/cafr.pdf#CAFR; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature, as noted in the plan description description in (1.).

4. Contributions

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

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Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2014 Employer Contributions	\$ 945,201	
District's 2014 Member Contributions	\$ 878,992	
NECE 2014 On-Behalf Contributions to District	\$ 2,653,696	

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the TRS pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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5. Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial evaluation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8%
Long-term Expected Rate of Return*	8%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.5%

* Includes inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011, they contained significant margin for possible future mortality improvements. As of the date of the valuation, there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards Practice No. 35.

6. Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2014 are summarized below:

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Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	-	4.0%	-
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	-
Real Return			
Global Inflat. Linked Bonds	3%	3.1%	-
Real Assets	16%	7.3%	1.5%
Energy & Natural Resources	3%	8.8%	0.3%
Commodities	-	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	-	-	1.0%
Total	100%	8.7%	8.7%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was one percentage point less and one percentage point greater than the discount rate that was used (8%) in measuring the 2014 net pension liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportionate share of the net pension liability	\$ 17,795,304	\$ 9,958,539	\$ 4,098,098
Plan net pension liability (in millions from TRS CAFR)	\$ 47,737	\$ 26,717	\$ 10,998

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

At June 30, 2015, the District reported a liability of \$9,958,539 for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

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District's proportionate share of the collective net pension liability	\$ 9,958,539
State's proportionate share of the net pension liability associated with the District	<u>28,018,665</u>
Total	<u>\$ 37,977,204</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's measurement date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resulting change in the employer's proportion cannot be determined at this time.

For the year ended June 30, 2015, the District recognized pension expense of \$2,590,273 and revenue of \$2,590,273 for support provided by the State.

At June 30, 2015, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual economic experience	\$ 154,012	\$ --
Changes in actuarial assumptions	647,316	--
Difference between projected and actual investment earnings	--	3,043,736
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	--	2,610
District contributions paid to TRS subsequent to the measurement date	<u>1,632,190</u>	<u>--</u>
Total	<u>\$ 2,433,518</u>	<u>\$ 3,046,346</u>

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

Year Ended June 30		
2016	\$	(626,191)
2017	\$	(626,191)
2018	\$	(626,191)
2019	\$	(626,191)
2020	\$	134,743
Thereafter	\$	125,003

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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 website at www.trstate.tx.us under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701; or by calling the TRS Communications Department at 1-800-223-8778.

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1.0% for fiscal year 2015, 1.0% for fiscal year 2014, and 0.5% for fiscal year 2013, and the active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014, and 2013. For the years ended June 30, 2015, 2014, and 2013, the State's contributions to TRS-Care were \$40,185, \$35,625, and \$24,553, respectively; the active member contributions were \$338,672, \$337,204, and \$315,869, respectively; and the District's contributions were \$286,569, \$285,327, and \$267,274, 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, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on behalf of the District were \$152,838, \$140,656, and \$129,573, respectively.

K. Employee Health Care Coverage

During the year ended June 30, 2015, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$325 per pay period 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 July 1, 2015, and terms of coverage and premium costs are included in the contractual provisions.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015.

M. Subsequent Events

The District issued the Bastrop Independent School District Unlimited Refunding Bonds, Series 2015 - A, dated October 2015, in the amount of \$21,178,961. Proceeds from the sale of the bonds will be used to refund the 2005-A. Unlimited Tax School Building Bonds and Series 2006, Unlimited Tax Refunding Bonds of the District's outstanding bonds and to pay for costs of issuing the bonds.

N. Prior Period Adjustment

Beginning net position for the governmental activities was restated to recognize pension liability per GASB 68.

	Governmental Activities
Beginning net position - as reported	\$ 16,131,117
Change in the net pension liability and contributions	(11,266,828)
Beginning net position - as restated	<u>\$ 4,864,289</u>

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, 2015

EXHIBIT G-1

Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
REVENUES:					
5700	<i>Local and Intermediate Sources</i>	\$ 31,852,501	\$ 32,493,095	\$ 32,555,273	\$ 62,178
5800	<i>State Program Revenues</i>	40,295,574	43,807,361	43,624,480	(182,881)
5900	<i>Federal Program Revenues</i>	965,066	1,090,066	1,128,051	37,985
5020	Total Revenues	<u>73,113,141</u>	<u>77,390,522</u>	<u>77,307,804</u>	<u>(82,718)</u>
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	<i>Instruction</i>	45,788,360	47,534,284	47,529,332	4,952
0012	<i>Instructional Resources and Media Services</i>	785,058	785,058	784,672	386
0013	<i>Curriculum and Staff Development</i>	628,375	693,997	677,544	16,453
	Total Instruction & Instr. Related Services	<u>47,201,793</u>	<u>49,013,339</u>	<u>48,991,548</u>	<u>21,791</u>
Instructional and School Leadership:					
0021	<i>Instructional Leadership</i>	681,079	602,879	532,389	70,490
0023	<i>School Leadership</i>	4,169,227	4,763,929	4,735,558	28,371
	Total Instructional & School Leadership	<u>4,850,306</u>	<u>5,366,808</u>	<u>5,267,947</u>	<u>98,861</u>
Support Services - Student (Pupil):					
0031	<i>Guidance, Counseling and Evaluation Services</i>	2,881,283	3,013,633	3,000,693	12,940
0032	<i>Social Work Services</i>	178,432	182,632	177,646	4,986
0033	<i>Health Services</i>	701,768	743,498	717,448	26,050
0034	<i>Student (Pupil) Transportation</i>	4,898,572	5,122,572	5,122,030	542
0036	<i>Cocurricular/Extracurricular Activities</i>	1,717,117	2,124,397	2,123,321	1,076
	Total Support Services - Student (Pupil)	<u>10,377,172</u>	<u>11,186,732</u>	<u>11,141,138</u>	<u>45,594</u>
Administrative Support Services:					
0041	<i>General Administration</i>	2,063,388	2,240,388	2,240,060	328
	Total Administrative Support Services	<u>2,063,388</u>	<u>2,240,388</u>	<u>2,240,060</u>	<u>328</u>
Support Services - Nonstudent Based:					
0051	<i>Plant Maintenance and Operations</i>	8,148,261	8,965,393	8,963,387	2,006
0052	<i>Security and Monitoring Services</i>	375,965	384,665	382,605	2,060
0053	<i>Data Processing Services</i>	853,039	858,639	857,397	1,242
	Total Support Services - Nonstudent Based	<u>9,377,265</u>	<u>10,208,697</u>	<u>10,203,389</u>	<u>5,308</u>
Ancillary Services:					
0061	<i>Community Services</i>	82,159	232,159	204,885	27,274
	Total Ancillary Services	<u>82,159</u>	<u>232,159</u>	<u>204,885</u>	<u>27,274</u>
Capital Outlay:					
0081	<i>Capital Outlay</i>	30,000	200,000	165,317	34,683
	Total Capital Outlay	<u>30,000</u>	<u>200,000</u>	<u>165,317</u>	<u>34,683</u>
Intergovernmental Charges:					
0093	<i>Payments to Fiscal Agent/Member Dist.-SSA</i>	66,753	66,753	56,141	10,612
0099	<i>Other Intergovernmental Charges</i>	618,074	671,559	671,558	1
	Total Intergovernmental Charges	<u>684,827</u>	<u>738,312</u>	<u>727,699</u>	<u>10,613</u>
6030	Total Expenditures	<u>74,666,910</u>	<u>79,186,435</u>	<u>78,941,983</u>	<u>244,452</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
1100 Excess (Deficiency) of Revenues Over (Under)					
1100 Expenditures	<u>(1,553,769)</u>	<u>(1,795,913)</u>	<u>(1,634,179)</u>		<u>161,734</u>
Other Financing Sources (Uses):					
7912 Sale of Real or Personal Property	--	574,000	574,731		731
8911 Transfers Out	<u>(315,680)</u>	<u>(315,680)</u>	<u>(315,680)</u>		--
7080 Total Other Financing Sources and (Uses)	<u>(315,680)</u>	<u>258,320</u>	<u>259,051</u>		<u>731</u>
1200 Net Change in Fund Balance	<u>(1,869,449)</u>	<u>(1,537,593)</u>	<u>(1,375,128)</u>		<u>162,465</u>
0100 Fund Balance - Beginning	<u>16,914,282</u>	<u>16,914,282</u>	<u>16,079,282</u>		<u>(835,000)</u>
3000 Fund Balance - Ending	<u>\$ 15,044,833</u>	<u>\$ 15,376,689</u>	<u>\$ 14,704,154</u>		<u>\$ (672,535)</u>

Notes to Required Supplementary Information:

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

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BASTROP INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
FOR THE YEAR ENDED JUNE 30, 2015*

	<u>Fiscal Year</u> <u>2015*</u>
District's proportion of the net pension liability (asset)	3.728%
District's proportionate share of the net pension liability (asset)	\$ 9,958,539
State's proportionate share of the net pension liability (asset) associated with the District	28,018,665
Total	<u>\$ 37,977,204</u>
District's covered employee payroll**	\$ 51,877,575
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	19.20%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

* Only one year's worth of information is currently available.

** As of the measurement date.

BASTROP INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**LAST TEN FISCAL YEARS*

	Fiscal Year				
	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,632,190	\$ 945,201	\$ 801,168	\$ 663,332	\$ 815,670
Contributions in relation to the contractually required contribution	1,632,190	945,201	801,168	663,332	815,670
Contribution deficiency (excess)	<u>\$ --</u>				
District's covered employee payroll	\$ 52,103,386	\$ 51,877,575	\$ 48,595,253	\$ 47,361,035	\$ 49,657,645
Contributions as a percentage of covered employee payroll	3.13%	1.82%	1.65%	1.40%	1.64%

Fiscal Year				
2010	2009	2008	2007	2006
\$ 768,754	\$ 759,376	\$ 599,535	\$ 515,400	\$ 488,493
768,754	759,376	599,535	515,400	488,493
<u>\$ --</u>				
\$ 49,188,059	\$ 46,176,207	\$ 43,496,216	\$ 40,471,592	\$ 36,140,170
1.56%	1.64%	1.38%	1.27%	1.35%

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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, 2015

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	\$ 875,348	\$ 102,782	\$ 154,509	\$ 1,132,639
1120	Current Investments	200,939	1,430,909	--	1,631,848
1240	Due from Other Governments	1,594,431	--	--	1,594,431
1260	Due from Other Funds	8,429	--	--	8,429
1290	Other Receivables	157,219	--	--	157,219
1300	Inventories	135,907	--	--	135,907
1000	Total Assets	<u>2,972,273</u>	<u>1,533,691</u>	<u>154,509</u>	<u>4,660,473</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 254,572	\$ --	\$ 7,171	\$ 261,743
2150	Payroll Deductions & Withholdings	44,888	--	--	44,888
2160	Accrued Wages Payable	507,410	--	--	507,410
2170	Due to Other Funds	1,145,172	--	--	1,145,172
2180	Due to Other Governments	57,320	--	--	57,320
2190	Due to Student Groups	3,328	--	--	3,328
2300	Deferred Revenue	13,452	--	--	13,452
2000	Total Liabilities	<u>2,026,142</u>	<u>--</u>	<u>7,171</u>	<u>2,033,313</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	135,907	--	--	135,907
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	428,383	--	--	428,383
3470	Capital Acquisitions & Contractual Obligations	--	1,533,691	--	1,533,691
3490	Other Restrictions of Fund Balance	381,841	--	147,338	529,179
3000	Total Fund Balances	<u>946,131</u>	<u>1,533,691</u>	<u>147,338</u>	<u>2,627,160</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,972,273</u>	<u>\$ 1,533,691</u>	<u>\$ 154,509</u>	<u>\$ 4,660,473</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

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 <i>Local and Intermediate Sources</i>	\$ 1,449,258	\$ 624	\$ 271,577	\$ 1,721,459
5800 <i>State Program Revenues</i>	1,581,062	--	--	1,581,062
5900 <i>Federal Program Revenues</i>	11,267,710	--	--	11,267,710
5020 <i>Total Revenues</i>	<u>14,298,030</u>	<u>624</u>	<u>271,577</u>	<u>14,570,231</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	5,999,751	--	150,001	6,149,752
0012 <i>Instructional Resources and Media Services</i>	54	--	--	54
0013 <i>Curriculum and Staff Development</i>	868,927	--	--	868,927
0021 <i>Instructional Leadership</i>	534,302	--	--	534,302
0031 <i>Guidance, Counseling, & Evaluation Services</i>	931,782	--	--	931,782
0032 <i>Social Work Services</i>	66,404	--	--	66,404
0035 <i>Food Service</i>	5,514,809	--	--	5,514,809
0036 <i>Cocurricular/Extracurricular Activities</i>	67,799	6,377	--	74,176
0061 <i>Community Services</i>	409,787	--	--	409,787
0081 <i>Capital Outlay</i>	--	2,240	--	2,240
6030 <i>Total Expenditures</i>	<u>14,393,615</u>	<u>8,617</u>	<u>150,001</u>	<u>14,552,233</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	<u>(95,585)</u>	<u>(7,993)</u>	<u>121,576</u>	<u>17,998</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	<u>75,893</u>	<u>--</u>	<u>--</u>	<u>75,893</u>
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>75,893</u>	<u>--</u>	<u>--</u>	<u>75,893</u>
1200 <i>Net Change in Fund Balances</i>	<u>(19,692)</u>	<u>(7,993)</u>	<u>121,576</u>	<u>93,891</u>
0100 <i>Fund Balances - Beginning</i>	<u>965,823</u>	<u>1,541,684</u>	<u>25,762</u>	<u>2,533,269</u>
3000 <i>Fund Balances - Ending</i>	<u>\$ 946,131</u>	<u>\$ 1,533,691</u>	<u>\$ 147,338</u>	<u>\$ 2,627,160</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2015

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	\$ --	\$ --	\$ --	\$ 18,022
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	316,016	14,092	141,409
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>--</u>	<u>316,016</u>	<u>14,092</u>	<u>159,431</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 18,093	\$ 1,218	\$ 6,852
2150	Payroll Deductions & Withholdings	--	13,797	227	12,955
2160	Accrued Wages Payable	--	179,252	8,043	139,624
2170	Due to Other Funds	--	104,874	4,604	--
2180	Due to Other Governments	--	--	--	--
2190	Due to Student Groups	--	--	--	--
2300	Deferred Revenue	--	--	--	--
2000	Total Liabilities	<u>--</u>	<u>316,016</u>	<u>14,092</u>	<u>159,431</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>\$ --</u>	<u>\$ 316,016</u>	<u>\$ 14,092</u>	<u>\$ 159,431</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II Teacher & Principal Training & Recruitment
\$ --	\$ --	\$ 366,931	\$ --	\$ --
--	--	200,939	--	--
4,685	94,432	145,859	3,592	72,859
--	--	8,429	--	--
--	--	--	--	--
--	--	135,907	--	--
<u>4,685</u>	<u>94,432</u>	<u>858,065</u>	<u>3,592</u>	<u>72,859</u>
\$ 105	\$ --	\$ 147,642	\$ --	\$ 9,749
76	--	1,465	--	1,420
2,392	--	--	--	23,492
2,112	94,432	159,000	3,592	38,198
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>4,685</u>	<u>94,432</u>	<u>308,107</u>	<u>3,592</u>	<u>72,859</u>
--	--	135,907	--	--
--	--	414,051	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>549,958</u>	<u>--</u>	<u>--</u>
<u>\$ 4,685</u>	<u>\$ 94,432</u>	<u>\$ 858,065</u>	<u>\$ 3,592</u>	<u>\$ 72,859</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2015

Data Control Codes	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	289 Texas Literacy Initiative	386 Regional Day School for the Deaf
ASSETS:				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--
1240	Due from Other Governments	14,960	21,544	386,400
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	--	117,555
1300	Inventories	--	--	--
1000	Total Assets	<u>14,960</u>	<u>21,544</u>	<u>386,400</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 6,592	\$ 4,527	\$ 31,810
2150	Payroll Deductions & Withholdings	157	284	6,502
2160	Accrued Wages Payable	3,328	2,678	79,940
2170	Due to Other Funds	4,883	14,055	268,148
2180	Due to Other Governments	--	--	--
2190	Due to Student Groups	--	--	--
2300	Deferred Revenue	--	--	--
2000	Total Liabilities	<u>14,960</u>	<u>21,544</u>	<u>386,400</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>
4000	Total Liabilities and Fund Balances	<u>\$ 14,960</u>	<u>\$ 21,544</u>	<u>\$ 386,400</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook Fund	411 Texas High Technology Allotment	414 Reading, Math and Science Initiative
\$ 2,534	\$ 14,802	\$ 88,876	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,534</u>	<u>14,802</u>	<u>88,876</u>	<u>--</u>	<u>--</u>
\$ --	\$ 1,350	\$ 19,827	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	57,320	--	--
--	--	--	--	--
--	13,452	--	--	--
<u>--</u>	<u>14,802</u>	<u>77,147</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
2,534	--	11,729	--	--
--	--	--	--	--
<u>2,534</u>	<u>--</u>	<u>11,729</u>	<u>--</u>	<u>--</u>
\$ <u>2,534</u>	\$ <u>14,802</u>	\$ <u>88,876</u>	\$ <u>--</u>	\$ <u>--</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015

Data Control Codes	426 Texas Educator Excellence Award Program	428 Parallel Pathways to Success	429 State Funded Special Revenue
ASSETS:			
1110	Cash and Cash Equivalents	\$ 69	\$ --
1120	Current Investments	--	--
1240	Due from Other Governments	--	16,602
1260	Due from Other Funds	--	--
1290	Other Receivables	--	--
1300	Inventories	--	--
1000	Total Assets	<u>69</u>	<u>--</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--
2160	Accrued Wages Payable	--	--
2170	Due to Other Funds	--	16,602
2180	Due to Other Governments	--	--
2190	Due to Student Groups	--	--
2300	Deferred Revenue	--	--
2000	Total Liabilities	<u>--</u>	<u>--</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410	Inventories	--	--
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	69	--
3490	Other Restrictions of Fund Balance	--	--
3000	Total Fund Balances	<u>69</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 69</u>	<u>\$ 16,602</u>

459 Bastrop County Bootcamp	461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ --	\$ 383,898	\$ 216	\$ 875,348
--	--	--	200,939
--	--	--	1,594,431
--	--	--	8,429
39,664	--	--	157,219
--	--	--	135,907
<u>39,664</u>	<u>383,898</u>	<u>216</u>	<u>2,972,273</u>
\$ 166	\$ --	\$ --	\$ 254,572
1,595	--	--	44,888
11,610	--	--	507,410
22,965	2,273	--	1,145,172
--	--	--	57,320
3,328	--	--	3,328
--	--	--	13,452
<u>39,664</u>	<u>2,273</u>	<u>--</u>	<u>2,026,142</u>
--	--	--	135,907
--	--	--	428,383
--	381,625	216	381,841
<u>--</u>	<u>381,625</u>	<u>216</u>	<u>946,131</u>
<u>\$ 39,664</u>	<u>\$ 383,898</u>	<u>\$ 216</u>	<u>\$ 2,972,273</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, 2015

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	5,459	1,668,979	93,032	1,516,391
5020 Total Revenues	<u>5,459</u>	<u>1,668,979</u>	<u>93,032</u>	<u>1,516,391</u>
EXPENDITURES:				
Current:				
0011 Instruction	5,459	1,168,123	26,572	571,785
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	429,759	--	573
0021 Instructional Leadership	--	--	--	294
0031 Guidance, Counseling, & Evaluation Services	--	--	56	930,602
0032 Social Work Services	--	--	66,404	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	13,137
0061 Community Services	--	71,097	--	--
6030 Total Expenditures	<u>5,459</u>	<u>1,668,979</u>	<u>93,032</u>	<u>1,516,391</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II Teacher & Principal Training & Recruitment
\$ --	\$ --	\$ 1,356,102	\$ --	\$ --
--	--	29,578	--	--
21,199	94,432	4,076,594	96,766	304,593
<u>21,199</u>	<u>94,432</u>	<u>5,462,274</u>	<u>96,766</u>	<u>304,593</u>
21,028	94,432	--	96,766	--
--	--	--	--	--
120	--	--	--	304,593
--	--	--	--	--
51	--	--	--	--
--	--	5,514,809	--	--
--	--	--	--	--
--	--	--	--	--
<u>21,199</u>	<u>94,432</u>	<u>5,514,809</u>	<u>96,766</u>	<u>304,593</u>
--	--	(52,535)	--	--
--	--	75,893	--	--
--	--	75,893	--	--
--	--	23,358	--	--
--	--	526,600	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 549,958</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, 2015

Data Control Codes	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	289 Texas Literacy Initiative	386 Regional Day School for the Deaf
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	487,470
5900 Federal Program Revenues	178,395	338,690	2,873,180	--
5020 Total Revenues	<u>178,395</u>	<u>338,690</u>	<u>2,873,180</u>	<u>487,470</u>
EXPENDITURES:				
Current:				
0011 Instruction	48,130	--	2,339,172	483,853
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	130,265	--	--	3,617
0021 Instructional Leadership	--	--	534,008	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0061 Community Services	--	338,690	--	--
6030 Total Expenditures	<u>178,395</u>	<u>338,690</u>	<u>2,873,180</u>	<u>487,470</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook Fund	414 Reading, Math and Science Initiative	426 Texas Educator Excellence Award Program
\$ --	\$ --	\$ --	\$ --	\$ --
--	35,658	1,000,028	1,073	54
--	--	--	--	--
<u>--</u>	<u>35,658</u>	<u>1,000,028</u>	<u>1,073</u>	<u>54</u>
--	35,658	1,000,028	--	--
--	--	--	--	54
--	--	--	--	--
--	--	--	1,073	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>35,658</u>	<u>1,000,028</u>	<u>1,073</u>	<u>54</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,534	--	11,729	--	69
<u>\$ 2,534</u>	<u>\$ --</u>	<u>\$ 11,729</u>	<u>\$ --</u>	<u>\$ 69</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, 2015

Data Control Codes	428 Parallel Pathways to Success	429 State Funded Special Revenue
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --
5800 <i>State Program Revenues</i>	22,102	255
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>22,102</u>	<u>255</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	22,102	255
0012 <i>Instructional Resources and Media Services</i>	--	--
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--
0032 <i>Social Work Services</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--
0061 <i>Community Services</i>	--	--
6030 Total Expenditures	<u>22,102</u>	<u>255</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	--	--
Other Financing Sources and (Uses):		
7915 <i>Transfers In</i>	--	--
7080 Total Other Financing Sources and (Uses)	--	--
1200 Net Change in Fund Balances	--	--
0100 Fund Balances - Beginning	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

459 Bastrop County Bootcamp	461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 81,544	\$ 11,612	\$ --	\$ 1,449,258
4,844	--	--	1,581,062
--	--	--	11,267,710
<u>86,388</u>	<u>11,612</u>	<u>--</u>	<u>14,298,030</u>
86,388	--	--	5,999,751
--	--	--	54
--	--	--	868,927
--	--	--	534,302
--	--	--	931,782
--	--	--	66,404
--	--	--	5,514,809
--	54,662	--	67,799
--	--	--	409,787
<u>86,388</u>	<u>54,662</u>	<u>--</u>	<u>14,393,615</u>
--	(43,050)	--	(95,585)
--	--	--	75,893
--	--	--	75,893
--	(43,050)	--	(19,692)
--	424,675	216	965,823
<u>\$ --</u>	<u>\$ 381,625</u>	<u>\$ 216</u>	<u>\$ 946,131</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2015

Data Control Codes	Enterprise Fund <u>Performing Arts Center</u>	Enterprise Fund <u>Food Service Catering</u>	Enterprise Fund <u>High School Bistro</u>
ASSETS:			
Current Assets:			
1110	\$ 11,958	\$ --	\$ 2,784
	<u>11,958</u>	<u>--</u>	<u>2,784</u>
1000	<u>11,958</u>	<u>--</u>	<u>2,784</u>
LIABILITIES:			
Current Liabilities:			
2110	\$ 160	\$ --	\$ --
2150	--	--	--
2160	--	--	--
2170	--	--	--
	<u>160</u>	<u>--</u>	<u>--</u>
2000	<u>160</u>	<u>--</u>	<u>--</u>
NET POSITION:			
3000	<u>\$ 11,798</u>	<u>\$ --</u>	<u>\$ 2,784</u>

Enterprise Fund	Enterprise Fund STARS After School Program	Enterprise Fund Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-1)
Community Education			
\$ 95,738	\$ 645,471	\$ 56,416	\$ 812,367
<u>95,738</u>	<u>645,471</u>	<u>56,416</u>	<u>812,367</u>
<u>95,738</u>	<u>645,471</u>	<u>56,416</u>	<u>812,367</u>
\$ 95	\$ 9,181	\$ 513	\$ 9,949
47	193	7,046	7,286
2,142	7,282	47,289	56,713
--	2,828	--	2,828
<u>2,284</u>	<u>19,484</u>	<u>54,848</u>	<u>76,776</u>
<u>2,284</u>	<u>19,484</u>	<u>54,848</u>	<u>76,776</u>
<u>\$ 93,454</u>	<u>\$ 625,987</u>	<u>\$ 1,568</u>	<u>\$ 735,591</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Enterprise Fund <u>Performing Arts Center</u>	Enterprise Fund <u>Food Service Catering</u>	Enterprise Fund <u>High School Bistro</u>
OPERATING REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 33,817	\$ --	\$ --
5800 <i>State Program Revenues</i>	45	--	--
5020 <i>Total Revenues</i>	<u>33,862</u>	<u>--</u>	<u>--</u>
OPERATING EXPENSES:			
6100 <i>Payroll Costs</i>	553	--	--
6200 <i>Professional and Contracted Services</i>	14,800	--	--
6300 <i>Supplies and Materials</i>	9,403	--	--
6400 <i>Other Operating Costs</i>	1,743	--	--
6030 <i>Total Expenses</i>	<u>26,499</u>	<u>--</u>	<u>--</u>
Income (Loss) before Contributions and Transfers	7,363	--	--
8911 <i>Transfers Out</i>	--	(75,893)	--
1300 <i>Change in Net Position</i>	<u>7,363</u>	<u>(75,893)</u>	<u>--</u>
0100 <i>Total Net Position - Beginning</i>	4,435	75,893	2,784
3300 <i>Total Net Position - Ending</i>	<u>\$ 11,798</u>	<u>\$ --</u>	<u>\$ 2,784</u>

Enterprise Fund <u>Community Education</u>	Enterprise Fund <u>STARS After School Program</u>	Enterprise Fund <u>Employee Child Care</u>	Total Nonmajor Enterprise Funds (See Exhibit D-2)
\$ 68,165	\$ 661,320	\$ 381,904	\$ 1,145,206
1,446	28,057	21,841	51,389
<u>69,611</u>	<u>689,377</u>	<u>403,745</u>	<u>1,196,595</u>
19,462	501,204	361,800	883,019
26,623	33,792	27,695	102,910
20,534	44,197	12,587	86,721
2,992	67,568	1,663	73,966
<u>69,611</u>	<u>646,761</u>	<u>403,745</u>	<u>1,146,616</u>
--	42,616	--	49,979
--	--	--	(75,893)
<u>--</u>	<u>42,616</u>	<u>--</u>	<u>(25,914)</u>
93,454	583,371	1,568	761,505
<u>\$ 93,454</u>	<u>\$ 625,987</u>	<u>\$ 1,568</u>	<u>\$ 735,591</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	744 Performing Arts Center	745 Food Service Catering	746 High School Bistro
Cash Flows from Operating Activities:			
Cash Received from Miscellaneous Sources	\$ 36,363	\$ --	\$ --
Cash Payments to Employees and Suppliers	(26,793)	--	--
Net Cash Provided (Used) by Operating Activities	<u>9,570</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,570	--	--
Cash and Cash Equivalents at Beginning of Year	2,388	75,893	2,784
Cash and Cash Equivalents at End of Year	<u>\$ 11,959</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)	\$ 7,363	\$ --	\$ --
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	(203)	--	--
Increase (Decrease) in Accounts Payable	(90)	--	--
Total Adjustments	<u>9,570</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,570</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)
\$ 69,611	\$ 689,377	\$ 403,745	\$ 1,199,096
<u>(67,729)</u>	<u>(645,610)</u>	<u>(395,464)</u>	<u>(1,135,596)</u>
<u>1,882</u>	<u>43,767</u>	<u>8,281</u>	<u>63,500</u>
1,882	43,767	8,281	63,500
93,856	601,704	48,135	824,761
<u>\$ 95,739</u>	<u>\$ 645,471</u>	<u>\$ 56,416</u>	<u>\$ 888,261</u>
\$ --	\$ 42,616	\$ --	\$ 49,979
--	--	--	2,500
2,190	(2,421)	7,768	7,333
<u>(308)</u>	<u>3,572</u>	<u>512</u>	<u>3,687</u>
<u>1,882</u>	<u>43,767</u>	<u>8,281</u>	<u>63,500</u>
<u>\$ 1,882</u>	<u>\$ 43,767</u>	<u>\$ 8,281</u>	<u>\$ 63,500</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2015

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	\$ 73,112	\$ 1,759,264	\$ 1,832,376
1120	Investments	--	1,292,757	1,292,757
	Total Current Assets	<u>73,112</u>	<u>3,052,021</u>	<u>3,125,133</u>
1000	Total Assets	<u>73,112</u>	<u>3,052,021</u>	<u>3,125,133</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 1,300	\$ --	\$ 1,300
2150	Payroll Deduction & Withholdings	5	--	5
2200	Accrued Expenses	--	616,056	616,056
	Total Current Liabilities	<u>1,305</u>	<u>616,056</u>	<u>617,361</u>
2000	Total Liabilities	<u>1,305</u>	<u>616,056</u>	<u>617,361</u>
NET POSITION:				
3000	Total Net Position	<u>\$ 71,807</u>	<u>\$ 2,435,965</u>	<u>\$ 2,507,772</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, 2015

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 136,058	\$ 243,929	\$ 379,987
5800 <i>State Program Revenues</i>	1,718	--	1,718
5020 <i>Total Revenues</i>	<u>137,776</u>	<u>243,929</u>	<u>381,705</u>
OPERATING EXPENSES:			
6100 <i>Payroll Costs</i>	38,345	--	38,345
6200 <i>Professional and Contracted Services</i>	48,945	--	48,945
6300 <i>Supplies and Materials</i>	43,930	--	43,930
6400 <i>Other Operating Costs</i>	--	255,296	255,296
6030 <i>Total Expenses</i>	<u>131,220</u>	<u>255,296</u>	<u>386,516</u>
1300 <i>Change in Net Position</i>	6,556	(11,367)	(4,811)
0100 <i>Total Net Position - Beginning</i>	65,251	2,447,332	2,512,583
3300 <i>Total Net Position - Ending</i>	<u>\$ 71,807</u>	<u>\$ 2,435,965</u>	<u>\$ 2,507,772</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	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	\$ 137,776	\$ 243,304	\$ 381,080
Cash Received from Interest Earnings	--	626	626
Cash Payments to Employees and Suppliers	(131,450)	(205,653)	(337,103)
Net Cash Provided (Used) by Operating Activities	<u>6,326</u>	<u>38,276</u>	<u>44,603</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,326	38,276	44,603
Cash and Cash Equivalents at Beginning of Year	66,786	3,013,745	3,080,531
Cash and Cash Equivalents at End of Year	<u>\$ 73,112</u>	<u>\$ 3,052,021</u>	<u>\$ 3,125,134</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 6,556	\$ (11,367)	\$ (4,811)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(235)	--	(235)
Increase (Decrease) in Interfund Payables	5	--	5
Increase (Decrease) in Accrued Expenses	--	49,643	49,643
Total Adjustments	<u>(230)</u>	<u>49,643</u>	<u>49,413</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,326</u>	<u>\$ 38,276</u>	<u>\$ 44,603</u>

Other Supplementary Information

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

BASTROP INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2015*

Year Ended June 30	1		2	3
	Tax Rates		Debt Service	Assessed/Appraised Value For School Tax Purposes
	Maintenance			
2006 and Prior Years	Various	Various		Various
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	\$ 1.04	\$.421		\$ 2,860,125,077
2015 (School Year Under Audit)	\$ 1.04	\$.401		\$ 3,024,433,431

1000 Totals

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

10 Beginning Balance 7/1/14	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/15
\$ 830,337	\$ --	\$ 51,793	\$ 18,966	\$ (146,169)	\$ 613,409
229,884	--	18,821	3,462	(5,179)	202,422
209,938	--	19,147	8,487	(5,499)	176,805
268,209	--	27,506	11,663	(8,626)	220,414
324,877	--	41,678	17,673	(9,293)	256,233
428,749	--	80,018	33,931	(609)	314,191
608,238	--	161,362	68,424	2,097	380,550
725,541	--	187,184	79,373	(799)	458,186
1,515,669	--	572,357	231,695	(20,239)	691,378
--	43,582,086	30,326,490	11,693,195	--	1,562,401
<u>\$ 5,141,443</u>	<u>\$ 43,582,086</u>	<u>\$ 31,486,356</u>	<u>\$ 12,166,868</u>	<u>\$ (194,316)</u>	<u>\$ 4,875,988</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BASTROP INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT J-2

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 1,294,050	\$ 1,409,050	\$ 1,356,102	\$ (52,948)		
5800	State Program Revenues	28,000	28,000	29,578	1,578		
5900	Federal Program Revenues	4,010,898	4,246,898	4,076,594	(170,304)		
5020	Total Revenues	<u>5,332,948</u>	<u>5,683,948</u>	<u>5,462,274</u>	<u>(221,674)</u>		
EXPENDITURES:							
Current:							
Support Services - Student (Pupil):							
0035	Food Services	<u>5,123,948</u>	<u>5,550,841</u>	<u>5,514,809</u>	<u>36,032</u>		
	Total Support Services - Student (Pupil)	<u>5,123,948</u>	<u>5,550,841</u>	<u>5,514,809</u>	<u>36,032</u>		
6030	Total Expenditures	<u>5,123,948</u>	<u>5,550,841</u>	<u>5,514,809</u>	<u>36,032</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	<u>209,000</u>	<u>133,107</u>	<u>(52,535)</u>	<u>(185,642)</u>		
Other Financing Sources (Uses):							
7915	Transfers In	<u>--</u>	<u>75,893</u>	<u>75,893</u>	<u>--</u>		
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>75,893</u>	<u>75,893</u>	<u>--</u>		
1200	Net Change in Fund Balance	<u>209,000</u>	<u>209,000</u>	<u>23,358</u>	<u>(185,642)</u>		
0100	Fund Balance - Beginning	<u>526,600</u>	<u>526,600</u>	<u>526,600</u>	<u>--</u>		
3000	Fund Balance - Ending	<u>\$ 735,600</u>	<u>\$ 735,600</u>	<u>\$ 549,958</u>	<u>\$ (185,642)</u>		

Note 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-3

*DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015*

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
REVENUES:					
5700	<i>Local and Intermediate Sources</i>	\$ 12,347,930	\$ 12,527,930	\$ 12,371,855	\$ (156,075)
5800	<i>State Program Revenues</i>	1,006,884	1,006,884	1,206,973	200,089
5020	Total Revenues	<u>13,354,814</u>	<u>13,534,814</u>	<u>13,578,828</u>	<u>44,014</u>
EXPENDITURES:					
Debt Service:					
0071	<i>Principal on Long-Term Debt</i>	2,054,742	2,529,742	2,529,742	--
0072	<i>Interest on Long-Term Debt</i>	11,114,401	11,010,081	11,008,015	2,066
0073	<i>Bond Issuance Costs and Fees</i>	30,000	674,705	671,902	2,803
	Total Debt Service	<u>13,199,143</u>	<u>14,214,528</u>	<u>14,209,659</u>	<u>4,869</u>
6030	Total Expenditures	<u>13,199,143</u>	<u>14,214,528</u>	<u>18,174,659</u>	<u>(3,960,131)</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>155,671</u>	<u>(679,714)</u>	<u>(4,595,831)</u>	<u>(3,916,117)</u>
Other Financing Sources (Uses):					
7911	<i>Capital-Related Debt Issued (Regular Bonds)</i>	--	62,695,000	62,695,000	--
7915	<i>Transfers In</i>	315,680	315,680	315,680	--
7916	<i>Premium or Discount on Issuance of Bonds</i>	--	7,201,932	7,201,932	--
8949	<i>Other Uses</i>	--	(69,953,121)	(65,988,121)	3,965,000
7080	Total Other Financing Sources and (Uses)	<u>315,680</u>	<u>259,491</u>	<u>4,224,491</u>	<u>3,965,000</u>
1200	Net Change in Fund Balance	<u>471,351</u>	<u>(420,223)</u>	<u>(371,340)</u>	<u>48,883</u>
0100	Fund Balance - Beginning	<u>6,547,503</u>	<u>6,547,503</u>	<u>6,547,503</u>	--
3000	Fund Balance - Ending	<u>\$ 7,018,854</u>	<u>\$ 6,127,280</u>	<u>\$ 6,176,163</u>	<u>\$ 48,883</u>

Note to Other Supplementary Information:

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

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

To the Board of Trustees of the
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, 2015, 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 27, 2015.

Internal Control Over Financial Reporting

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

Purpose of this Report

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

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 27, 2015



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

To the Board of Trustees of the
Bastrop Independent School District:

Report on Compliance for Each Major Federal Program

We have audited the 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 the Bastrop Independent School District's major federal programs for the year ended June 30, 2015. 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 the 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 the Bastrop Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2015.

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Report on Internal Control Over Compliance

Management of the 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 the 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 the Bastrop Independent School District's internal control over compliance.

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

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

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

Respectfully submitted,

 BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Bellville, Texas
October 27, 2015

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

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 No

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

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes 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 No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.011	Title I, Part C - Migrant
84.365	Title III, Part A - LEP
84.371	Texas Literacy Initiative (STR RDRS)

Dollar threshold used to distinguish between type A and type B programs: \$338,131

Auditee qualified as low-risk auditee? 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, 2015

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

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	14610101011901	\$ 246,236
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	15610101011901	1,361,369
<i>Title I 1003 (A) Priority & Focus School Grant</i>	84.010	14610112011901103	10,000
<i>Title I 1003 (A) Priority & Focus School Grant</i>	84.010	15610112011901103	22,988
<i>Title I 1003 (A) Priority & Focus School Grant</i>	84.010	14610112011901107	10,000
<i>Title I 1003 (A) Priority & Focus School Grant</i>	84.010	15610112011901107	18,387
Total CFDA Number 84.010			<u>1,668,979</u>
<i>ESEA Title I Part C - Migratory Children</i>	84.011	14615001011901	20,952
<i>ESEA Title I Part C - Migratory Children</i>	84.011	15615001011901	72,080
Total CFDA Number 84.011			<u>93,032</u>
<i>IDEA-B Formula *</i>	84.027	146600010119016600	152,447
<i>IDEA-B Formula *</i>	84.027	156600010119016600	1,363,943
<i>IDEA-B Discretionary *</i>	84.027	156600060119016680	94,432
Total CFDA Number 84.027			<u>1,610,823</u>
<i>Vocational Education - Basic Grant</i>	84.048	15420006011901	96,766
<i>IDEA-B Preschool *</i>	84.173	146610010119016610	2,819
<i>IDEA-B Preschool *</i>	84.173	156610110119016610	18,380
Total CFDA Number 84.173			<u>21,199</u>
<i>21st Century Community Learning Centers</i>	84.287	136950147110006	26,153
<i>21st Century Community Learning Centers</i>	84.287	146950167110004	28,559
<i>21st Century Community Learning Centers</i>	84.287	156950167110004	26,153
Total CFDA Number 84.287			<u>338,690</u>
<i>Title III Part A English Language Acquisition & Language Enhancement</i>	84.365	15671001011901	178,396
<i>ESEA Title II Part A - Teacher & Principal Training & Recruitment</i>	84.367	14694501011901	60,772
<i>ESEA Title II Part A - Teacher & Principal Training & Recruitment</i>	84.367	15694501011901	243,820
Total CFDA Number 84.367			<u>304,593</u>
Summer School LEP	84.369	69551402	3,320
<i>Texas Literacy Initiative</i>	84.371	136460037110005	794,501
<i>Texas Literacy Initiative</i>	84.371	146460037110005	1,898,990
<i>Texas Literacy Initiative</i>	84.371	156460037110005	179,690
Total CFDA Number 84.371			<u>2,873,180</u>
Total Passed Through State Department of Education			<u>7,188,978</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed through Education Service Center - Region XIII			
<i>McKinney Homeless Education Assistance Project</i>	84.196	011-901	2,635
<i>Project Pathways</i>	84.196	507815	<u>2,824</u>
Total CFDA Number 84.196			<u>5,459</u>
Total Passed Through Education Service Center - Region XIII			<u>5,459</u>
Total U.S. Department of Education			<u>7,194,437</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401401	758,197
National School Lunch Program *	10.555	71301501	3,057,186
USDA Donated Commodities *	10.565	011-901	<u>261,211</u>
Total Passed Through State Department of Education			<u>4,076,594</u>
Total U. S. Department of Agriculture			<u>4,076,594</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,271,031</u>

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

Federal Revenue Per SEFA	\$ 11,271,031
General Fund SHARS & Medicare	999,696
Federal Revenue - Indirect Costs	125,034
Total Federal Revenue	<u>\$ 12,395,761</u>

The accompanying notes are an integral part of this schedule.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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 basic financial statements.

BASTROP INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2015*

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 17,936,503
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ (9,958,539)
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ 2,590,273