

**BASTROP
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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Bastrop Independent School District
Annual Financial Report
For The Year Ended June 30, 2018

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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, 2018, at a meeting of the board of trustees of such school district on the 13 day of November, 2018.



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)

Financial Section

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Independent Auditors' Report

To the Board of Trustees of
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, 2018, 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 the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2018, the District adopted accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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, schedules of the District's proportionate share of the net pension and OPEB liability, and schedules of District 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 District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of required responses to selected school first indicators 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures 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 and the schedule of required responses to selected school first indicators have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

Respectfully submitted,

The logo features the names 'BELT HARRIS PECHACEK, LLLP' in a serif font. The letters 'B', 'H', and 'P' are significantly larger and more ornate, with decorative flourishes extending from them. The remaining letters are smaller and more standard.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
October 19, 2018

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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, 2018

In this section of the Annual Financial Report, we, the managers of Bastrop Independent School District (the "District"), discuss and analyze the District's financial performance for the twelve months ended June 30, 2018. 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 fourteenth consecutive year, earned a rating of Superior Achievement by the Texas Education Agency (TEA) under its Financial Integrity Rating System of Texas (FIRST). The District has not received the 2017-18 rating, as the final FIRST rating notification has not been received.
- The District had a 3.4% increase in enrollment and a 2.7% increase in average daily attendance. The District continues to have large enrollment increase in the English Language Learners population, an increase of 7.3% in 2017-18. Property values increased by over 7%. Commercial investors and businesses continue to find Bastrop a popular choice.
- The District was able to maintain the Debt Service tax rate of 0.401 cents in 2017-18 due to increased property values.
- The General Fund ended the year with a \$15,603,066 fund balance, \$1,952,117 more than the previous year.

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 17 and 18. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements, starting on page 20, 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 29 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 17. 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).

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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 are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities – Most of the District's basic services are reported here including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities – The District charges a fee to "customers" to help it cover all or most of the cost of services it provides in the child care programs, the Performing Arts Center, and Community Education.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 20 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

Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2018. Within Table 2, the prior year revenues and expenses have been updated to remove fund level on-behalf revenues and expenses (excluding Medicare Part D) for Teacher Retirement System of Texas (TRS) contributions for comparative purposes, as a result of current year recognition changes. This change has no impact on the change in net position. The District reported a decrease in net position from the prior year. Assets increased by \$2.0 million due to an increase in the general fund balance. Capital assets decreased slightly due to depreciation of capital assets. Long-term liabilities increased due to the increase in the net other post employment benefits (OPEB) liability of \$30 million. Revenues decreased significantly in operating grants and contributions due to the decrease in on-behalf revenues related to the increase in the pension and OPEB liabilities. State foundation revenue increased due to receiving more State funding. Property tax revenues increased due to increased property values and a large delinquent account being paid in 2017-18.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

In 2018, the net position of our business-type activities decreased by \$57,840. This decrease was due in part to a decrease in the after-school program (STARS) and the community education program.

Table I
Bastrop Independent School District
NET POSITION
(in thousands)

Description	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 46,772	\$ 40,375	\$ 1,048	\$ 1,070	\$ 47,820	\$ 41,445
Capital assets	167,839	172,180	-	-	167,839	172,180
Total Assets	214,611	212,555	1,048	1,070	215,659	213,625
Total Deferred Outflows of Resources	25,982	28,967	-	-	25,982	28,967
Current liabilities	242,419	220,649	-	-	242,419	220,649
Long-term liabilities	17,608	16,543	159	123	17,767	16,666
Total Liabilities	260,027	237,192	159	123	260,186	237,315
Total Deferred Inflows of Resources	16,546	56,365	-	-	16,546	56,365
Net Position:						
Net invested in capital assets	11,192	(11,821)	-	-	11,192	(11,821)
Restricted	12,487	9,687	-	-	12,487	9,687
Unrestricted	(59,659)	(49,901)	889	947	(58,770)	(48,954)
Total Net Position	\$ (35,980)	\$ (52,035)	\$ 889	\$ 947	\$ (35,091)	\$ (51,088)

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Table II
Bastrop Independent School District
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 1,111	\$ 1,693	\$ 1,455	\$ 1,350	\$ 2,566	\$ 3,043
Operating grants and contributions	(372)	13,241	3	62	(369)	13,303
General revenues:						
Maintenance and operations taxes	37,984	35,862	-	-	37,984	35,862
Debt service taxes	14,557	13,662	-	-	14,557	13,662
Grants and contributions not restricted to specific functions	46,812	43,745	-	-	46,812	43,745
Investment earnings	365	143	6	-	371	143
Miscellaneous	1,266	4,318	93	126	1,359	4,444
Total Revenue	101,723	112,664	1,557	1,538	103,280	114,202
Expenses						
Instruction, curriculum, and media services	43,171	63,292	-	-	43,171	63,292
Instructional and school leadership	4,030	6,282	-	-	4,030	6,282
Student support services	9,082	11,483	-	-	9,082	11,483
Child nutrition	6,322	5,988	-	-	6,322	5,988
Co-curricular activities	2,691	3,483	-	-	2,691	3,483
General administration	1,753	2,526	-	-	1,753	2,526
Plant maintenance, security, and data processing	10,363	10,374	-	-	10,363	10,374
Community services	31	421	-	-	31	421
Debt services	7,038	6,050	-	-	7,038	6,050
Bond issuance costs	22	788	-	-	22	788
Capital outlay	37	-	-	-	37	-
Payments related to SSA	330	63	-	-	330	63
Other intergovernmental charges	798	781	-	-	798	781
Other business-type activities	-	-	1,615	1,475	1,615	1,475
Total Expenses	85,668	111,531	1,615	1,475	87,283	113,006
Increase in net position	-	-	-	-	-	-
Net Position - Beginning	1,369	4,901	947	884	2,316	5,785
Prior Period Adjustment	(53,404)	(4,664)	-	-	(53,404)	(4,664)
Net Position - Beginning as Restated	(52,035)	(53,168)	-	-	(52,035)	(53,168)
Ending Net Position	\$ (35,980)	\$ (52,035)	\$ 889	\$ 947	\$ (35,091)	\$ (51,088)

The cost of all governmental activities this year was \$87.0 million. The Statement of Activities on pages 18 and 19 show that the amount that our taxpayers ultimately financed for these activities through District taxes was only \$52.5 million.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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.

Government 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 (the "Board") 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% of the total operating expenditures and the unreserved/undesignated fund balance is 15% 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 \$29,632,288, an increase of \$6,259,838 due to an increase of \$1,952,117 in the general fund, an increase of \$3,609,476 in the debt service fund, a decrease in food service \$3,339, an increase in federal and state grant restrictions of \$4,577, an increase in other restrictions of fund balance of \$716,024, and a decrease of \$19,017 in capital projects. 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 (\$30,107)
- Payment of debt service payments (\$10,716,106)
- Federal/State funds grant restrictions (\$390,424)
- Capital projects (\$1,510,974)
- Other restrictions of fund balance (\$1,383,318)
- Construction (\$1,810,919)
- Claims and judgments (\$100,000)
- Purchase of capital outlay (\$750,000)

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$12,912,040 while the total fund balance was \$15,603,066. 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 14.4% of the total general fund expenditures, while total fund balance represents 17.4% of that same amount.

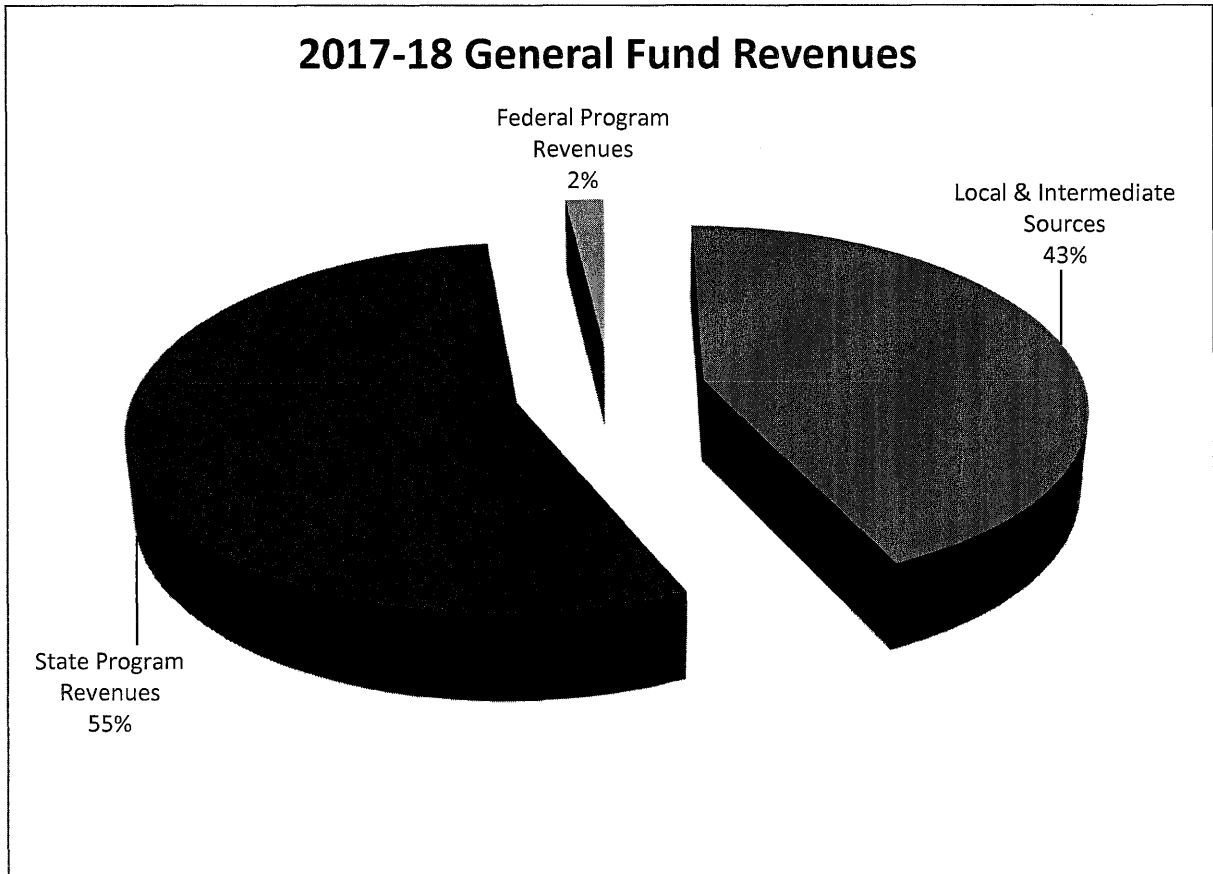
The total fund balance of the District's general fund budget increased by \$1,952,117. Key factors to this change are as follows:

- Increase in State aid due to an increase in average daily attendance
- Increase in State aid due to State Compensatory Education for Hurricane Harvey relief
- Increase in property taxes due to an increase in property values
- Increase in property taxes from payment of a large delinquent account

The debt service fund has a total fund balance of \$10,713,106, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$3,609,476.

The District's total general revenues were \$91 million. A portion, \$39.3 million or 43%, of the District's revenues come from taxes and other local revenue. The majority of the other 55% of revenues is from State program revenues and \$1.7 million or 2% was Federal program revenue.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018



BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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 and department allocations
- Amendment for additional transportation costs
- Amendment for additional State Compensatory Education costs
- Amendment to correct capital lease payments
- Amendment to increase tax revenue
- Amendment to increase State aide
- Amendment to increase substitute costs
- Amendment for additional maintenance costs
- Amendment for salaries and benefits
- Amendment for employee daycare costs
- Amendment for safety and security
- Amendment for debt service
- Amendment for food service
- Amendment to TRS on-behalf costs

The District made the following major amendments to budgeted revenues:

- \$ 100,000 increase in tax collections
- \$ 145,196 increase for E-rate award
- \$1,059,340 increase in State aid
- \$ 97,328 insurance claims
- \$ 100,000 investment revenue
- \$ 180,870 capital lease proceeds

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

- \$ 145,196 increase for E-rate expenditures
- \$ 355,546 increase in maintenance costs
- \$ 175,000 increase in employee daycare costs
- \$ 232,700 increase in fuel costs and transportation
- \$ 180,870 increase for purchase of portable buildings realized
- \$ 200,000 increase for substitute teachers

CAPITAL ASSETS

At the end of the 2017-18 fiscal year, the District had \$168 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 C to the financial statements.

LONG-TERM DEBT

At year-end, the District had \$155,232,902 in bonds and notes outstanding versus \$158,264,739 last year. The District's credit ratings are as follows; Moody's Investors Service underlying credit rating for the District is "Aa3" while Standard and Poor's upgraded the underlying rating for the District to "AA-" during 2014-15.

More detailed information about the District's long-term liabilities is presented in Note E 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 2018-19 budget and tax rates. One factor is the economy. 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 an 7.5% property value growth from 2017-18 fiscal year to the 2018-19 fiscal year. Commercial businesses continue to open enhancing

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

the economy and property values. The Burleson Crossing Shopping Center continues to bring new businesses to Bastrop. Residential housing continues to develop in current subdivisions with new subdivisions planning continues to move forward.

The new Colorado River Collegiate Academy, which opened in 2014-15, is in year five with 214 students in grades 9 through 12 and the first cohort graduated in June 2018. Students 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 3.6% enrollment growth and a 3.2% average daily attendance growth. As of October 2018, there are 11,083 students enrolled, which is a little low for the 2018-19 budget projections. A recent demographic study predicts the District to have an enrollment of over 11,422 by 2021. A 7% growth in property value was used for budget purposes.

The 2018-19 tax rate approved at the September 2018 public hearing is \$1.441, with \$1.04 for maintenance and operations and \$0.401 for debt service.

These indicators were taken into consideration when adopting the General Fund budget for 2019. Amounts available for appropriation in the General Fund budget are \$90.5 million. Budgeted expenditures are expected to be \$90.5 million. Teachers received a 2% pay increase for the 2018-19 budget year. Administrative and auxiliary staff received 2% and 2% of the mid-point raise, respectively. The District budgeted for 6 additional teaching staff due to enrollment growth. The District continues to place high priority in safety and security in year four of the District Police Department. The District also continues to target attendance as a priority. The District also has a financial goal to increase fund balance by 10 percent by the 2020-21 fiscal year. With the increase in the 2017-18 fund balance, this goal is close to being met. The goal also includes adding \$750,000 to fund balance each year to reach the District's optimum goal of 22.5% of total fund balance to total expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the 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 website (www.bisdtx.org).

Basic Financial Statements

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BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110 Cash and Cash Equivalents	\$ 1,476,529	\$ 242,694	\$ 1,719,223
1120 Current Investments	25,593,145	806,161	26,399,306
1220 Property Taxes Receivable	4,605,078	--	4,605,078
1230 Allowance for Uncollectible Taxes	(1,234,895)	--	(1,234,895)
1240 Due from Other Governments	14,121,983	--	14,121,983
1290 Other Receivables (Net)	2,148,558	--	2,148,558
1300 Inventories	61,508	--	61,508
Capital Assets:			
1510 Land	8,715,492	--	8,715,492
1520 Buildings and Improvements, Net	158,792,270	--	158,792,270
1530 Furniture and Equipment, Net	331,415	--	331,415
1000 Total Assets	<u>214,611,083</u>	<u>1,048,855</u>	<u>215,659,938</u>
DEFERRED OUTFLOWS OF RESOURCES:			
1700 Deferred Charges on Refunding	19,808,863	--	19,808,863
1705 Deferred Outflows Related to Pensions	5,762,964	--	5,762,964
1706 Deferred Outflows Related to OPEB	410,259	--	410,259
1700 Total Deferred Outflows of Resources	<u>25,982,086</u>	<u>--</u>	<u>25,982,086</u>
LIABILITIES:			
2110 Accounts Payable	1,904,144	21,570	1,925,714
2140 Interest Payable	3,534,449	--	3,534,449
2165 Accrued Liabilities	9,007,418	137,729	9,145,147
2180 Due to Other Governments	61,476	--	61,476
2190 Due to Student Groups	9,229	--	9,229
Noncurrent Liabilities:			
2501 Due Within One Year	3,091,604	--	3,091,604
2502 Due in More Than One Year	195,787,052	--	195,787,052
2540 Net Pension Liability	16,209,215	--	16,209,215
2545 Net OPEB Liability	30,422,325	--	30,422,325
2000 Total Liabilities	<u>260,026,912</u>	<u>159,299</u>	<u>260,186,211</u>
DEFERRED INFLOWS OF RESOURCES:			
2605 Deferred Inflows Related to Pensions	3,788,047	--	3,788,047
2606 Deferred Inflows Related to OPEB	12,758,366	--	12,758,366
2600 Total Deferred Inflows of Resources	<u>16,546,413</u>	<u>--</u>	<u>16,546,413</u>
NET POSITION:			
3200 Net Investment in Capital Assets	11,191,513	--	11,191,513
Restricted For:			
3820 Federal and State Programs	390,424	--	390,424
3850 Debt Service	10,713,106	--	10,713,106
3890 Other Purposes	1,383,318	889,556	2,272,874
3900 Unrestricted	(59,658,517)	--	(59,658,517)
3000 Total Net Position	<u>\$ (35,980,156)</u>	<u>\$ 889,556</u>	<u>\$ (35,090,600)</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues	
			Charges for Services	4 Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 41,487,183	\$ 172,268	\$ (5,881,331)
12	Instructional Resources and Media Services	890,978	--	(42,983)
13	Curriculum and Staff Development	793,629	--	1,064,615
21	Instructional Leadership	591,187	--	(60,391)
23	School Leadership	3,439,257	--	(809,237)
31	Guidance, Counseling, and Evaluation Services	2,415,674	--	(69,953)
32	Social Work Services	76,840	--	(47,414)
33	Health Services	642,933	--	(81,439)
34	Student Transportation	5,944,829	--	114,818
35	Food Service	6,322,141	1,038,104	4,818,092
36	Cocurricular/Extracurricular Activities	2,765,757	(24,339)	(263,401)
41	General Administration	1,753,273	--	(306,661)
51	Facilities Maintenance and Operations	9,024,268	--	176,758
52	Security and Monitoring Services	580,938	--	(47,368)
53	Data Processing Services	758,113	--	(79,877)
61	Community Services	(39,834)	--	(127,012)
72	Interest on Long-term Debt	7,038,336	--	982,096
73	Bond Issuance Costs and Fees	22,350	--	--
81	Capital Outlay	37,275	--	--
93	Payments Related to Shared Services Arrangements	329,751	--	217,413
99	Other Intergovernmental Charges	798,272	--	--
TG	Total Governmental Activities	<u>85,673,150</u>	<u>1,186,033</u>	<u>(443,275)</u>
	Business-type Activities:			
01	Performing Arts Center	30,435	--	170
03	Community Education	85,917	--	2,977
04	STARS After School Program	808,561	736,614	28,391
06	Employee Child Care	761,634	718,745	42,889
TB	Total Business-type Activities	<u>1,686,547</u>	<u>1,455,359</u>	<u>74,427</u>
TP	Total Primary Government	<u>\$ 87,359,697</u>	<u>\$ 2,641,392</u>	<u>\$ (368,848)</u>
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
IE	Investment Earnings			
GC	Grants and Contributions Not Restricted to Specific Programs			
MI	Miscellaneous			
TR	Total General Revenues			
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>
\$ (47,196,246)	\$ --	\$ (47,196,246)
(933,961)	--	(933,961)
270,986	--	270,986
(651,578)	--	(651,578)
(4,248,494)	--	(4,248,494)
(2,485,627)	--	(2,485,627)
(124,254)	--	(124,254)
(724,372)	--	(724,372)
(5,830,011)	--	(5,830,011)
(465,945)	--	(465,945)
(3,053,497)	--	(3,053,497)
(2,059,934)	--	(2,059,934)
(8,847,510)	--	(8,847,510)
(628,306)	--	(628,306)
(837,990)	--	(837,990)
(87,178)	--	(87,178)
(6,056,240)	--	(6,056,240)
(22,350)	--	(22,350)
(37,275)	--	(37,275)
(112,338)	--	(112,338)
(798,272)	--	(798,272)
<u>(84,930,392)</u>	<u>--</u>	<u>(84,930,392)</u>
84,930,392		
--	(30,265)	(30,265)
--	(82,940)	(82,940)
--	(43,556)	(43,556)
--	--	--
<u>--</u>	<u>(156,761)</u>	<u>(156,761)</u>
<u>(84,930,392)</u>	<u>(156,761)</u>	<u>(85,087,153)</u>
37,984,523	--	37,984,523
14,557,160	--	14,557,160
365,076	6,161	371,237
46,812,142	--	46,812,142
1,266,803	92,760	1,359,563
<u>100,985,704</u>	<u>98,921</u>	<u>101,084,625</u>
16,055,312	(57,840)	15,997,472
1,368,820	947,396	2,316,216
(53,404,288)	--	(53,404,288)
(52,035,468)	947,396	(51,088,072)
<u>\$ (35,980,156)</u>	<u>\$ 889,556</u>	<u>\$ (35,090,600)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2018

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 485,920	\$ 14,853	\$ 788,734	\$ 1,289,507
1120	Current Investments	9,843,344	10,653,461	1,956,367	22,453,172
1220	Property Taxes Receivable	3,295,220	1,309,858	--	4,605,078
1230	Allowance for Uncollectible Taxes	(871,626)	(363,269)	--	(1,234,895)
1240	Due from Other Governments	13,267,771	20,098	834,114	14,121,983
1260	Due from Other Funds	784,098	--	596,499	1,380,597
1290	Other Receivables	700,287	24,845	1,423,426	2,148,558
1300	Inventories	30,107	--	31,401	61,508
1000	Total Assets	<u>\$ 27,535,121</u>	<u>\$ 11,659,846</u>	<u>\$ 5,630,541</u>	<u>\$ 44,825,508</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 1,505,999	\$ 150	\$ 396,631	\$ 1,902,780
2150	Payroll Deductions and Withholdings	771,457	--	66,558	838,015
2160	Accrued Wages Payable	7,201,374	--	429,564	7,630,938
2170	Due to Other Funds	20,401	--	1,360,196	1,380,597
2180	Due to Other Governments	--	--	61,476	61,476
2190	Due to Student Groups	9,230	--	--	9,230
2000	Total Liabilities	<u>9,508,461</u>	<u>150</u>	<u>2,314,425</u>	<u>11,823,036</u>
DEFERRED INFLOWS OF RESOURCES:					
2600	Unavailable Revenue for Property Taxes	2,423,594	946,590	--	3,370,184
2600	Total Deferred Inflows of Resources	<u>2,423,594</u>	<u>946,590</u>	<u>--</u>	<u>3,370,184</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	30,107	--	31,400	61,507
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	390,424	390,424
3470	Capital Acquisitions and Contractual Obligations	--	--	1,510,974	1,510,974
3480	Retirement of Long-Term Debt	--	10,713,106	--	10,713,106
3490	Other Restrictions of Fund Balance	--	--	1,383,318	1,383,318
Committed Fund Balances:					
3510	Construction	1,810,919	--	--	1,810,919
3520	Claims and Judgments	100,000	--	--	100,000
3530	Capital Expenditures for Equipment	750,000	--	--	750,000
3600	Unassigned	12,912,040	--	--	12,912,040
3000	Total Fund Balances	<u>15,603,066</u>	<u>10,713,106</u>	<u>3,316,116</u>	<u>29,632,288</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,535,121</u>	<u>\$ 11,659,846</u>	<u>\$ 5,630,541</u>	<u>\$ 44,825,508</u>

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BASTROP INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2018

Total fund balances - governmental funds balance sheet	\$ 29,632,288
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.	167,839,177
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,370,184
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,787,165
Payables for bond principal which are not due in the current period are not reported in the funds.	(178,803,817)
Payables for capital leases which are not due in the current period are not reported in the funds.	(265,974)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,534,449)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(16,209,216)
Deferred inflows of resources related to Teacher Retirement System of Texas (TRS) are not reported in the funds.	(3,788,047)
Deferred outflows of resources related to TRS are not reported in the funds.	5,762,964
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(30,422,325)
Deferred inflows of resources related to the OPEB plan are not reported in the funds.	(12,758,366)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	<u>410,259</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (35,980,156)</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, 2018

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 39,371,390	\$ 14,940,614	\$ 2,003,915	\$ 56,315,919
5800 State Program Revenues	50,000,472	982,096	1,776,041	52,758,609
5900 Federal Program Revenues	1,725,863	--	8,811,473	10,537,336
5020 Total Revenues	<u>91,097,725</u>	<u>15,922,710</u>	<u>12,591,429</u>	<u>119,611,864</u>
EXPENDITURES:				
Current:				
0011 Instruction	54,257,026	--	4,480,410	58,737,436
0012 Instructional Resources and Media Services	981,079	--	59	981,138
0013 Curriculum and Staff Development	951,794	--	485,437	1,437,231
0021 Instructional Leadership	759,881	--	4,293	764,174
0023 School Leadership	4,958,360	--	35,433	4,993,793
0031 Guidance, Counseling, and Evaluation Services	3,426,021	--	1,039,553	4,465,574
0032 Social Work Services	190,338	--	24,454	214,792
0033 Health Services	821,421	--	7,255	828,676
0034 Student Transportation	5,933,440	--	--	5,933,440
0035 Food Service	--	--	5,417,920	5,417,920
0036 Cocurricular/Extracurricular Activities	2,398,846	--	510	2,399,356
0041 General Administration	2,482,312	--	--	2,482,312
0051 Facilities Maintenance and Operations	8,841,970	--	--	8,841,970
0052 Security and Monitoring Services	710,915	--	--	710,915
0053 Data Processing Services	1,011,400	--	--	1,011,400
0061 Community Services	258,402	--	97,587	355,989
0071 Principal on Long-term Debt	67,273	2,879,459	--	2,946,732
0072 Interest on Long-term Debt	16,573	9,411,425	--	9,427,998
0073 Bond Issuance Costs and Fees	--	22,350	--	22,350
0081 Capital Outlay	394,402	--	37,275	431,677
0093 Payments to Shared Services Arrangements	66,753	--	262,998	329,751
0099 Other Intergovernmental Charges	798,272	--	--	798,272
6030 Total Expenditures	<u>89,326,478</u>	<u>12,313,234</u>	<u>11,893,184</u>	<u>113,532,896</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>1,771,247</u>	<u>3,609,476</u>	<u>698,245</u>	<u>6,078,968</u>
Other Financing Sources and (Uses):				
7913 Issuance of Capital Leases	180,870	--	--	180,870
7080 Total Other Financing Sources and (Uses)	<u>180,870</u>	<u>--</u>	<u>--</u>	<u>180,870</u>
1200 Net Change in Fund Balances	1,952,117	3,609,476	698,245	6,259,838
0100 Fund Balances - Beginning	13,650,949	7,103,630	2,617,871	23,372,450
3000 Fund Balances - Ending	<u>\$ 15,603,066</u>	<u>\$ 10,713,106</u>	<u>\$ 3,316,116</u>	<u>\$ 29,632,288</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, 2018

Net change in fund balances - total governmental funds	\$ 6,259,838
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	303,194
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,643,779)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(956,326)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(3,893,274)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	3,893,274
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,879,459
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	67,274
The accretion of interest on capital appreciation bonds is not reported in the funds.	1,921,998
(Increase) decrease in accrued interest from beginning of period to end of period.	224,556
The net revenue (expense) of internal service funds is reported with governmental activities.	(15,941)
Bond premiums are reported in the funds but not in the SOA.	243,109
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(180,870)
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred outflows of resources.	2,236,056
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(2,917,111)
Implementing GASB 75 required certain expenditures to be de-expended and recorded as deferred outflows of resources.	(15,264,228)
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	<u>25,898,084</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 16,055,312</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	ASSETS:		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 242,694	\$ 187,021
1120	Investments	806,161	3,139,973
	Total Current Assets	<u>1,048,855</u>	<u>3,326,994</u>
1000	Total Assets	<u>1,048,855</u>	<u>3,326,994</u>
	LIABILITIES:		
	Current Liabilities:		
2110	Accounts Payable	21,570	1,364
2150	Payroll Deduction and Withholdings	15,218	45
2160	Accrued Wages Payable	122,511	--
2200	Accrued Expenses	--	538,420
	Total Current Liabilities	<u>159,299</u>	<u>539,829</u>
2000	Total Liabilities	<u>159,299</u>	<u>539,829</u>
	NET POSITION:		
3800	Restricted	889,556	2,787,165
3000	Total Net Position	<u>\$ 889,556</u>	<u>\$ 2,787,165</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, 2018

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	OPERATING REVENUES:		
5700	Local and Intermediate Sources	\$ 1,554,280	\$ 505,955
5800	State Program Revenues	74,427	2,444
5020	Total Revenues	<u>1,628,707</u>	<u>508,399</u>
	OPERATING EXPENSES:		
6100	Payroll Costs	1,410,754	38,121
6200	Professional and Contracted Services	86,582	37,759
6300	Supplies and Materials	88,658	36,047
6400	Other Operating Costs	100,553	412,414
6030	Total Expenses	<u>1,686,547</u>	<u>524,341</u>
1300	Change in Net Position	(57,840)	(15,942)
0100	Total Net Position - Beginning	947,396	2,803,107
3300	Total Net Position - Ending	<u>\$ 889,556</u>	<u>\$ 2,787,165</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, 2018

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,628,708	\$ 470,806
Cash Payments to Employees and Suppliers	(681,454)	(2,501,070)
Net Cash Provided (Used) by Operating Activities	<u>947,254</u>	<u>(2,030,264)</u>
Cash Flows from Investing Activities:		
Cash Received from Interest Earnings	--	37,593
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>37,593</u>
Net Increase (Decrease) in Cash and Cash Equivalents	947,254	(1,992,670)
Cash and Cash Equivalents at Beginning of Year	101,601	5,319,664
Cash and Cash Equivalents at End of Year	<u>\$ 1,048,855</u>	<u>\$ 3,326,994</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (57,840)	\$ (15,942)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
Increase (Decrease) in Interfund Payables	972,670	(1,975,534)
Increase (Decrease) in Accounts Payable	2,938	(1,195)
Increase (Decrease) in Accrued Wages Payable	29,485	--
Total Adjustments	<u>1,005,094</u>	<u>(1,976,729)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 947,254</u>	<u>\$ (1,992,670)</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2018

Data Control Codes	Private- Purpose Trust Fund	Agency Fund
	Private Scholarship Trust	Student Activity
ASSETS:		
1110 Cash and Cash Equivalents	\$ 701	\$ 92,980
1120 Current Investments	260,522	129,970
1000 Total Assets	<u>261,223</u>	<u>222,950</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	--	4,449
2190 Due to Student Groups	--	218,501
2000 Total Liabilities	<u>--</u>	<u>222,950</u>
NET POSITION:		
3800 Held in Trust	261,223	--
3000 Total Net Position	<u>\$ 261,223</u>	<u>\$ --</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Private- Scholarship Trust
Additions:	
Investment Income	\$ 3,330
Gifts and Bequests	26,315
Total Additions	<u>29,645</u>
Deductions:	
Scholarship Awards	1,450
Total Deductions	<u>1,450</u>
Change in Net Position	28,195
Net Position-Beginning of the Year	<u>233,028</u>
Net Position-End of the Year	<u><u>\$ 261,223</u></u>

The accompanying notes are an integral part of this statement.

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BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 and 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, 2018

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 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 used to account for and report operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs (expenses including depreciation) of providing goods or services on a continuing basis will be financed or recovered primarily through user charges. These funds are reported as business-type activities in the government-wide financial statements.

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, proprietary fund, and fiduciary 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, 2018

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 Agriculture. 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 Agriculture 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, 2018

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at acquisition value at the date of the donation. The costs 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 Life</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 six items that qualify for reporting in this category on the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition 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 position liability during the measurement period in which the contributions were made. Deferred outflows 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 plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 four types of items that qualify for reporting in this category in the government-wide statement of net position. 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 pension plan. These amounts are amortized over the average of the expected service lives of pension plan members. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings in the pension plan. This amount is deferred and amortized over a period of five years. Another deferral is recognized for the changes in proportion and differences between the employer's contributions and the proportionate share of contributions 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. At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

f. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure 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 in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

m. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, used, 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 segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

BASTROP INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

n. Negative Operating Grants and Contributions - Statement of Activities

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. Teacher Retirement System of Texas (TRS) and Texas Public School Retired Employees Group Insurance Program (TRS-Care) are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the statement of activities in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*.

During the year under audit, the NECE expense was negative due to changes in benefits within TRS-Care. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the statement of activities.

Following are the effects on the statement of activities as a result of the negative on-behalf accruals recorded:

	Operating Grants and Contributions (Excluding On- Behalf Accruals)	Negative On-Behalf Accruals	Operating Grants and Contributions As Reported
11 - Instruction	\$ 3,755,365	\$ (9,636,696)	\$ (5,881,331)
12 - Instructional Resources and Media Services	31,661	(74,644)	(42,983)
13 - Curriculum and Instructional Staff Development	1,417,726	(353,111)	1,064,615
21 - Instructional Leadership	23,227	(83,618)	(60,391)
23 - School Leadership	116,882	(926,119)	(809,237)
31 - Guidance, Counseling, and Evaluation Services	1,066,834	(1,136,787)	(69,953)
32 - Social Work Services	23,913	(71,327)	(47,414)
33 - Health Services	25,821	(107,260)	(81,439)
34 - Student (Pupil) Transportation	120,095	(5,277)	114,818
35 - Food Services	4,416,950	401,142	4,818,092
36 - Extracurricular Activities	43,149	(306,550)	(263,401)
41 - General Administration	55,328	(361,989)	(306,661)
51 - Facilities Maintenance and Operations	182,035	(5,277)	176,758
52 - Security and Monitoring Services	16,565	(63,933)	(47,368)
53 - Data Processing Services	31,905	(111,782)	(79,877)
61 - Community Services	61,668	(188,680)	(127,012)
72 - Interest on Long-Term Debt	982,096	--	982,096
93 - Payments to Other Shared Services Arrangements	217,413	--	217,413
	<u>\$ 12,588,634</u>	<u>\$ (13,031,909)</u>	<u>\$ (443,275)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4. Pensions

The fiduciary net position of 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 position 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.

5. Other Post Employment Benefits

The fiduciary net position of TRS-Care 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. In fiscal year 2018, the District adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions* (the "Statement").

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

The financial statements and note disclosures have been updated for the effects of the adoption of the Statement.

B. 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, 2018, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,818,868 and the bank balance was \$2,235,777. The District's cash deposits at June 30, 2018, and during the year ended June 30, 2018, 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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.

The District's investments at June 30, 2018 are shown below:

<u>Investment or Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
LoneStar Investment	\$ 10,142,752	--
TexPool Investment	16,646,848	--
Total Investments	<u>\$ 26,789,599</u>	
Portfolio weighted average maturity		--

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.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

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

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 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 \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of \$1.00 and the Corporate Overnight Plus maintains a net asset value of \$0.50.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 (the "Board") to advise with respect to TexPool. The Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool and are qualified to advise in respect to TexPool. 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.

C. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
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>
Capital assets being depreciated:				
Buildings and improvements	223,980,897	234,534	--	224,215,431
Equipment/Vehicles	4,064,112	68,660	--	4,132,772
Total capital assets being depreciated	<u>228,045,009</u>	<u>303,194</u>	<u>--</u>	<u>228,348,203</u>
Less accumulated depreciation for:				
Buildings and improvements	(60,854,701)	(4,568,460)	--	(65,423,161)
Equipment/vehicles	(3,726,038)	(75,319)	--	(3,801,357)
Total accumulated depreciation	<u>(64,580,739)</u>	<u>(4,643,779)</u>	<u>--</u>	<u>(69,224,518)</u>
Total capital assets being depreciated, net	<u>163,464,270</u>	<u>(4,340,585)</u>	<u>--</u>	<u>159,123,685</u>
Governmental activities capital assets, net	<u>\$ 172,179,762</u>	<u>\$ (4,340,585)</u>	<u>\$ --</u>	<u>\$ 167,839,177</u>

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

Instruction	\$ 2,633,376
Instructional Resources and Media Services	88,266
Curriculum and Staff Development	9,623
Instructional Leadership	8,556
School Leadership	353,191
Guidance, Counseling, and Evaluation Services	150,823
Health Services	53,061
Student Transportation	24,262
Food Services	196,832
Extracurricular Activities	1,013,445
General Administration	25,866
Plant Maintenance and Operations	35,303
Security and Monitoring Services	43,296
Community Services	7,881
	<u>\$ 4,643,779</u>

D. Interfund Balances and Activities

Due To and From Other Funds

Balances due to and due from other funds at June 30, 2018 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	\$ 784,098	Short-term loans
Special Revenue Funds	General Fund	20,484	Short-term loans
Special Revenue Funds	Special Revenue Funds	566,610	Short-term loans
Special Revenue Funds	Capital Projects	9,405	Short-term loans
	Total	<u>\$ 1,380,597</u>	

E. 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, 2018 are as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bldg & Rfnding, Series 1997	\$ 2,864,659	\$ --	\$ (255,557)	\$ 2,609,102	\$ 371,807
Bldg & Rfnding, Series 2002	907,699	--	(468,902)	438,797	438,797
Bldg Bond, Series 2009	1,390,000	--	(685,000)	705,000	705,000
Refunding, Series 2011	8,419,226	--	(110,000)	8,309,226	115,000
Refunding, Series 2012	8,523,904	--	(140,000)	8,383,904	145,000
Refunding, Series 2013A	8,270,000	--	(70,000)	8,200,000	70,000
Refunding, Series 2013B	17,970,000	--	--	17,970,000	--
Refunding, Series 2014	6,615,000	--	(780,000)	5,835,000	790,000
Refunding, Series 2015	54,705,000	--	(370,000)	54,335,000	385,000
Refunding, Series 2015-A	19,711,873	--	--	19,711,873	--
Refunding Series 2016	8,155,000	--	--	8,155,000	--
Refunding, Series 2017	20,580,000	--	--	20,580,000	--
Leases	152,378	180,870	(67,273)	265,975	71,000

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Total bonds and notes	\$ <u>158,264,739</u>	\$ <u>180,870</u>	\$ <u>(2,946,732)</u>	\$ <u>155,498,877</u>	\$ <u>3,091,604</u>
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	Beginning Balance	Increases	(Decreases)	Ending Balance	Amounts Due Within One Year
Other liabilities:					
Net issuance of premiums (discounts)	\$ 25,369,294	\$ --	\$ (1,380,292)	\$ 23,989,002	\$ --
Accum. accretion on CAB	21,312,775	--	(1,921,998)	19,390,777	--
Net pension liability	18,613,469	--	(2,404,254)	16,209,215	--
Net OPEB liability	53,709,079	--	(23,286,754)	30,422,325	--
Total governmental activities	\$ <u>277,269,356</u>	\$ <u>180,870</u>	\$ <u>(31,940,030)</u>	\$ <u>245,510,196</u>	\$ <u>3,091,604</u>

Long-term liabilities due in more than one year \$ 242,418,592

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. Interest rates on Series 1997 bonds are 5.65% - 5.70%; Series 2002 bonds are 5.70% - 6.11%; Series 2009 bonds are 3.65% - 4.625%; Series 2011 bonds are 2.00% - 3.50%; Series 2012 bonds are 1.75% - 3.250%; Series 2013A bonds are 2.00% - 3.50%; Series 2013B bonds are 4.00% - 5.00%; Series 2014 bonds are 2.00% - 4.00%; Series 2015 bonds are 2.00% - 5.00%; Series 2015A bonds are 1.45% - 5.00%; Series 2016 bonds are 4.00%; Series 2017 bonds are 4.00% - 5.00%. Interest expense was \$9,411,425 for the year ended June 30, 2018.

Lease agreements of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the General Service Fund. The District approved the lease agreements at an interest rate of 4.80% and the new lease at 5.545%. Interest expense was \$16,573 for the year ended June 30, 2018.

The District entered into a lease agreement for three modular classroom buildings in the amount of \$180,870 to be paid in 60 payments.

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2018 are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 3,020,605	\$ 9,537,952	\$ 12,558,556
2020	2,511,730	9,981,807	12,493,538
2021	3,196,524	9,313,713	12,510,238
2022	4,135,614	8,409,724	12,545,338
2023	5,809,071	6,873,216	12,682,288
2024-2028	29,313,263	33,513,675	62,826,938
2029-2033	37,881,869	25,383,468	63,265,338
2034-2038	44,639,225	13,552,643	58,191,869
2039-2043	24,725,000	2,530,650	27,255,650
Totals	\$ <u>155,232,902</u>	\$ <u>119,096,847</u>	\$ <u>274,329,750</u>

Year Ending June 30,	Leases		
	Principal	Interest	Total
2019	\$ 71,000	12,847	83,846
2020	74,935	8,911	83,846
2021	79,090	4,736	83,826
2022	40,950	553	41,503
Totals	\$ <u>265,975</u>	\$ <u>27,047</u>	\$ <u>293,022</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

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F. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2018 as follows:

Rental Expenditures in 2018	\$ <u>266,770</u>
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G. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to; or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, 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.

H. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The 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 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 <https://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% (multiplier) times the average of the 5 highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the 3 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 in (1.) above.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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.

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. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2017 Employer Contributions	\$ 1,661,454	
District's 2017 Member Contributions	\$ 1,643,782	
NECE 2017 On-Behalf Contributions to the District	\$ 2,998,534	

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 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, there are two additional surcharges an employer is subject to:

- When employing a retiree of TRS, employer shall pay both the member contribution and the state

BASTROP INDEPENDENT SCHOOL DISTRICT
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contribution as an employment after retirement surcharge.

--- When a school district or charter school does not contribute to the Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8%
Long-term Expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including Inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes During the Year	None
Ad hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four-year period ending August 31, 2014 and adopted on September 24, 2015.

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 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 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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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, 2017 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2017

Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns **
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	-	1.8%	-
Hedge Funds (Stable Value)	4%	3.0%	0.1%
Cash	1%	-0.2%	-
Real Return			
Global Inflation Linked Bonds	3%	0.9%	-
Real Assets	16%	5.1%	1.1%
Energy & Natural Resources	3%	6.6%	0.2%
Commodities	-	1.2%	-
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation	-		2.2%
Alpha	-		1.0%
Total	100%		8.7%

* Target allocations are based on the FY2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY2017, but the reallocation does not affect the long term expected geometric real rate of return or expected contribution to long-term portfolio returns.

** 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 1% less than and 1% greater than the discount rate that was used (8%) in measuring the net pension liability.

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	\$ 27,325,534	\$ 16,209,215	\$ 6,953,075

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2018, the District reported a liability of \$16,209,215 for its proportionate share of 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:

District's proportionate share of the collective net pension liability	\$ 16,209,215
State's proportionate share that is associated with the District	<u>29,315,324</u>
Total	<u>\$ 45,524,539</u>

The net pension liability was measured as of August 31, 2017 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, 2016 through August 31, 2017.

At August 31, 2017, the District's proportion of the collective net pension liability was 0.0506940%, which was a decrease of 0.0014371% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation - There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended June 30, 2018, the District recognized pension expense of \$2,236,056 and revenue of \$2,236,056 for support provided by the State.

At June 30, 2018, the District reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 237,148	\$ 874,142
Changes in actuarial assumptions	738,355	422,691
Difference between projected and actual investment earnings	--	1,181,292
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,404,339	1,309,922
Contributions paid to TRS subsequent to the measurement date	<u>1,383,122</u>	<u>--</u>
Total	<u>\$ 5,762,964</u>	<u>\$ 3,788,047</u>

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

Year Ended June 30	Pension Expense
2019	\$ 38,033
2020	1,072,709
2021	(41,465)
2022	(362,758)
2023	(147,054)
Thereafter	32,330
Total	<u>\$ 591,795</u>

I. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined other post-employment benefit (OPEB) plan that has a special funding situation. TRS-Care is administered through a trust by the TRS Board of Trustees (the "Board"). It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://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.

Components of the net OPEB liability of TRS-Care as of August 31, 2017 are as follows:

Total OPEB liability	\$ 43,885,784,621
Less: plan fiduciary net position	<u>399,535,986</u>
Net OPEB liability	<u>\$ 43,486,248,635</u>
Net position as a percentage of total OPEB liability	0.91%

3. Benefits Provided

TRS-Care provides a basic health insurance coverage, TRS-Care 1 (the "Basic Plan"), at no cost to all retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits, TRS-Care 2 and TRS-Care 3 (the "Optional Health Insurance"). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board is granted the authority to establish basic and optional group insurance coverage for participants, as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments (COLAs).

BASTROP INDEPENDENT SCHOOL DISTRICT
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The premium rates for the Optional Health Insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A and B coverage, with 20 to 29 years of service, for the Basic Plan and the two Optional Health Insurance Plans:

TRS-Care Plan Premium Rates				
Effective September 1, 2016 - December 31, 2017				
	TRS-Care 1		TRS-Care 2	
	Basic Plan	Optional Plan	Optional Plan	Optional Plan
Retiree*	\$ --	\$ 70	\$ 100	
Retiree and Spouse	\$ 20	\$ 175	\$ 255	
Retiree* and Children	\$ 41	\$ 132	\$ 182	
Retiree and Family	\$ 61	\$ 237	\$ 337	
Surviving Children Only	\$ 28	\$ 62	\$ 82	

* or surviving spouse

4. Contributions

Contribution rates for TRS-Care are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the State, active employees, and school districts based upon public school district payroll. The TRS Board does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

Contribution Rates		
	2017	2018
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (NECE) - State	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%
Current fiscal year District contributions		\$ 363,715
Current fiscal year member contributions		\$ 149,180
2017 measurement year NECE contributions		\$ 545,493

In addition to the employer contributions listed above, there is an additional surcharge to which all TRS employers are subject (regardless of whether they participate in TRS-Care). When employers hire a TRS retiree, they are required to pay to a monthly surcharge of \$535 per retiree to TRS-Care.

TRS-Care received supplemental appropriations from the State of Texas as the non-employer contributing entity in the amount of \$15.6 million in fiscal year 2017 and \$182.6 million in fiscal year 2018.

BASTROP INDEPENDENT SCHOOL DISTRICT
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5. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those adopted by the Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

- | | |
|----------------------------------|----------------------------|
| 1. Rates of Mortality | 5. General Inflation |
| 2. Rates of Retirement | 6. Wage Inflation |
| 3. Rates of Termination | 7. Expected Payroll Growth |
| 4. Rates of Disability Incidence | |

Additional actuarial methods and assumptions are as follows:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate *	3.42% *
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases **	3.50% to 9.50% **
Healthcare Trend Rates ***	4.50% to 12.00% ***
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad Hoc Post-Employment Benefit Changes	None

*Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

**Includes inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare retirees, 10.00% for Medicare retirees, and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

BASTROP INDEPENDENT SCHOOL DISTRICT
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6. Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of 0.44% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, there are no investments and the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan's fiduciary net position was projected not to be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

7. Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis -- The following schedule shows the impact on the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1 %Decrease in Discount Rate (2.42%)	Current Single Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
District's proportionate share of net OPEB liability	\$ <u>35,905,896</u>	\$ <u>30,422,325</u>	\$ <u>26,014,771</u>

Healthcare Cost Trend Rates Sensitivity Analysis -- The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Decrease in Healthcare Cost Trend Rate
District's proportionate share of net OPEB liability	\$ <u>25,329,625</u>	\$ <u>30,422,325</u>	\$ <u>37,104,590</u>

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability of \$30,422,325 for its proportionate share of the TRS' net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 30,422,325
State's proportionate share that is associated with the District	<u>45,626,872</u>
Total	<u>\$ 76,049,197</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At the August 31, 2017, the District's proportion of the collective net OPEB liability was 0.0699585%, which was the same proportion measured as of August 31, 2016.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

9. Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

- a. Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
- b. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- c. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered total OPEB liability.

The Affordable Care Act includes a 40% excise tax on high-cost health plans known as the "Cadillac Tax." In this valuation, the impact of this tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- a. 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- b. Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- c. There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis-point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provision or applicable law.

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

For the year ended August 31, 2018, the District recognized OPEB expense of \$15,267,965 and revenue of \$15,267,965 for support provided by the State.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

At June 30, 2018, the District reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ --	\$ 635,089
Changes in actuarial assumptions	--	12,090,627
Differences between projected and actual investment earnings	4,621	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	--	32,650
Contributions paid to TRS subsequent to the measurement date	405,638	--
	<u>\$ 410,259</u>	<u>\$ 12,758,366</u>

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

Year Ended August 31	Expense Amount
2019	\$ (1,682,873)
2020	(1,682,873)
2021	(1,682,873)
2022	(1,682,873)
2023	(1,684,029)
Thereafter	(4,338,223)
Total	<u>\$ (12,753,744)</u>

J. Employee Health Care Coverage

During the year ended June 30, 2018, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$325 per pay period per employee 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, 2018, 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, 2018

K. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at June 30, 2018.

L. Shared Services Arrangements

The District participates in a shared services arrangement (SSA) for the education of migratory students funded under Title I, Part C, Migrant Education program. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center - Region XIII, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for part of the financial activities of the SSA.

M. Prior Period Adjustment

Beginning net position for the governmental activities was restated to recognize the OPEB liability for GASB 75.

	Governmental Activities
Beginning net position - as reported	\$ 1,368,820
Change in the net OPEB liability	(53,709,079)
Deferred outflows - contributions after the measurement date (OPEB)	304,791
Beginning net position - as restated	\$ <u>(52,035,468)</u>

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Required Supplementary Information

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

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT G-1

Page 1 of 2

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 38,720,911	\$ 39,112,039	\$ 39,371,390	\$	259,351	
5800	State Program Revenues	48,085,956	49,037,304	50,000,472		963,168	
5900	Federal Program Revenues	1,710,693	1,751,257	1,725,863		(25,394)	
5020	Total Revenues	<u>88,517,560</u>	<u>89,900,600</u>	<u>91,097,725</u>		<u>1,197,125</u>	
EXPENDITURES:							
Current:							
Instruction and Instructional Related Services:							
0011	Instruction	54,306,072	54,776,075	54,257,026		519,049	
0012	Instructional Resources and Media Services	1,049,989	1,054,989	981,079		73,910	
0013	Curriculum and Staff Development	869,672	1,008,520	951,794		56,726	
	Total Instruction and Instr. Related Services	<u>56,225,733</u>	<u>56,839,584</u>	<u>56,189,899</u>		<u>649,685</u>	
Instructional and School Leadership:							
0021	Instructional Leadership	703,965	761,533	759,881		1,652	
0023	School Leadership	5,055,360	5,056,392	4,958,360		98,032	
	Total Instructional and School Leadership	<u>5,759,325</u>	<u>5,817,925</u>	<u>5,718,241</u>		<u>99,684</u>	
Support Services - Student (Pupil):							
0031	Guidance, Counseling, and Evaluation Services	3,459,836	3,433,341	3,426,021		7,320	
0032	Social Work Services	197,480	197,680	190,338		7,342	
0033	Health Services	818,026	825,276	821,421		3,855	
0034	Student (Pupil) Transportation	5,732,957	5,965,957	5,933,440		32,517	
0036	Cocurricular/Extracurricular Activities	2,308,502	2,455,621	2,398,846		56,775	
	Total Support Services - Student (Pupil)	<u>12,516,801</u>	<u>12,877,875</u>	<u>12,770,066</u>		<u>107,809</u>	
Administrative Support Services:							
0041	General Administration	2,643,362	2,664,362	2,482,312		182,050	
	Total Administrative Support Services	<u>2,643,362</u>	<u>2,664,362</u>	<u>2,482,312</u>		<u>182,050</u>	
Support Services - Nonstudent Based:							
0051	Plant Maintenance and Operations	8,949,898	9,002,266	8,841,970		160,296	
0052	Security and Monitoring Services	665,685	729,763	710,915		18,848	
0053	Data Processing Services	1,008,736	1,021,736	1,011,400		10,336	
	Total Support Services - Nonstudent Based	<u>10,624,319</u>	<u>10,753,765</u>	<u>10,564,285</u>		<u>189,480</u>	
Ancillary Services:							
0061	Community Services	93,213	268,213	258,402		9,811	
	Total Ancillary Services	<u>93,213</u>	<u>268,213</u>	<u>258,402</u>		<u>9,811</u>	
Debt Service:							
0071	Principal on Long-Term Debt	--	67,274	67,273		1	
0072	Interest on Long-Term Debt	--	16,576	16,573		3	
	Total Debt Service	<u>--</u>	<u>83,850</u>	<u>83,846</u>		<u>4</u>	
Capital Outlay:							
0081	Capital Outlay	504,000	572,520	394,402		178,118	
	Total Capital Outlay	<u>504,000</u>	<u>572,520</u>	<u>394,402</u>		<u>178,118</u>	

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT G-1
 Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	66,753	66,753	66,753	--
0099	Other Intergovernmental Charges	861,105	861,105	798,272	62,833
	Total Intergovernmental Charges	<u>927,858</u>	<u>927,858</u>	<u>865,025</u>	<u>62,833</u>
6030	Total Expenditures	<u>89,294,611</u>	<u>90,805,952</u>	<u>89,326,478</u>	<u>1,479,474</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(777,051)</u>	<u>(905,352)</u>	<u>1,771,247</u>	<u>2,676,599</u>
	Other Financing Sources (Uses):				
7913	Issuance of Capital Leases	--	180,870	180,870	--
7080	Total Other Financing Sources and (Uses)	--	180,870	180,870	--
1200	Net Change in Fund Balance	<u>(777,051)</u>	<u>(724,482)</u>	<u>1,952,117</u>	<u>2,676,599</u>
0100	Fund Balance - Beginning	13,650,949	13,650,949	13,650,949	--
3000	Fund Balance - Ending	<u>\$ 12,873,898</u>	<u>\$ 12,926,467</u>	<u>\$ 15,603,066</u>	<u>\$ 2,676,599</u>

Notes to the 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

EXHIBIT G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
 FOR THE YEAR ENDED JUNE 30, 2018

	Measurement Year*			
	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0506940%	0.0492569%	0.0131955%	0.0372820%
District's proportionate share of the net pension liability (asset)	\$ 16,209,215	\$ 18,613,469	\$ 20,296,711	\$ 9,958,539
State's proportionate share of the net pension liability (asset) associated with the District	29,315,324	35,875,687	30,566,773	28,018,665
Total	<u>\$ 45,524,539</u>	<u>\$ 54,489,156</u>	<u>\$ 50,863,484</u>	<u>\$ 37,977,204</u>
District's covered employee payroll**	\$ 57,638,548	\$ 54,965,747	\$ 52,103,386	\$ 51,877,575
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	28.12%	33.86%	38.95%	19.20%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

* Only four years' worth of information is currently available.

** As of the measurement date.

Notes to Required Supplementary Information:**Changes in Assumptions:**

There were no changes in assumptions or other inputs that affected measurement of the total net pension liability since the prior measurement period.

Changes in Benefits:

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

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,631,479	\$ 1,746,426	\$ 1,662,971	\$ 1,632,190	\$ 945,201
Contributions in relation to the contractually required contribution	1,631,479	1,746,426	1,662,971	1,632,190	945,201
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered employee payroll	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747	\$ 52,103,386	\$ 51,877,575
Contributions as a percentage of covered employee payroll	2.39%	3.03%	3.03%	3.13%	1.82%

EXHIBIT G-3

		Fiscal Year							
		2013	2012	2011	2010	2009			
\$	801,168	\$	663,332	\$	815,670	\$	768,754	\$	759,376
	801,168		663,332		815,670		768,754		759,376
\$	<u> -- </u>	\$	<u> -- </u>	\$	<u> -- </u>	\$	<u> -- </u>	\$	<u> -- </u>
\$	48,595,253	\$	47,361,035	\$	49,657,645	\$	49,188,059	\$	46,176,207
	1.65%		1.40%		1.64%		1.56%		1.64%

BASTROP INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET OPEB LIABILITY

TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)

FOR THE YEAR ENDED JUNE 30, 2018

	Measurement Year*
	<u>2017</u>
District's proportion of the collective net OPEB liability (asset)	0.0699585%
District's proportionate share of the collective net OPEB liability (asset)	\$ 30,422,325
State proportionate share of the collective net OPEB liability associated with the District	45,626,872
Total	<u>\$ 76,049,197</u>
District's covered employee payroll**	\$ 57,638,548
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	52.78%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

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

**As of the measurement date.

Notes to Required Supplementary Information:

Changes in Assumptions:

There were no changes in assumptions that affected measurement of the total OPEB liability during the measurement period.

Changes in Benefits:

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

BASTROP INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT OPEB CONTRIBUTIONS

TEXAS PUBLIC RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)

FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT G-5

	<u>Fiscal Year*</u> <u>2018</u>
Statutorily or contractually required District contribution	\$ 464,562
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	464,562
Contribution deficiency (excess)	<u>\$ --</u>
District's covered employee payroll	\$ 57,762,926
Contributions as a percentage of covered employee payroll	0.80%

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

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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, 2018

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	\$ 483,067	\$ 112,187	\$ 193,480	\$ 788,734
1120	Current Investments	548,175	1,408,192	--	1,956,367
1240	Due from Other Governments	834,114	--	--	834,114
1260	Due from Other Funds	596,499	--	--	596,499
1290	Other Receivables	1,423,426	--	--	1,423,426
1300	Inventories	31,401	--	--	31,401
1000	Total Assets	<u>\$ 3,916,682</u>	<u>\$ 1,520,379</u>	<u>\$ 193,480</u>	<u>\$ 5,630,541</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 396,631	\$ --	\$ --	\$ 396,631
2150	Payroll Deductions & Withholdings	66,558	--	--	66,558
2160	Accrued Wages Payable	429,564	--	--	429,564
2170	Due to Other Funds	1,350,791	9,405	--	1,360,196
2180	Due to Other Governments	61,476	--	--	61,476
2000	Total Liabilities	<u>2,305,020</u>	<u>9,405</u>	<u>--</u>	<u>2,314,425</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	31,400	--	--	31,400
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	390,424	--	--	390,424
3470	Capital Acquisitions & Contractual Obligations	--	1,510,974	--	1,510,974
3490	Other Restrictions of Fund Balance	1,189,838	--	193,480	1,383,318
3000	Total Fund Balances	<u>1,611,662</u>	<u>1,510,974</u>	<u>193,480</u>	<u>3,316,116</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,916,682</u>	<u>\$ 1,520,379</u>	<u>\$ 193,480</u>	<u>\$ 5,630,541</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes		Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,855,656	\$ 18,259	\$ 130,000	\$ 2,003,915
5800	State Program Revenues	1,776,041	--	--	1,776,041
5900	Federal Program Revenues	8,811,473	--	--	8,811,473
5020	Total Revenues	<u>12,443,170</u>	<u>18,259</u>	<u>130,000</u>	<u>12,591,429</u>
EXPENDITURES:					
Current:					
0011	Instruction	4,340,776	--	139,634	4,480,410
0012	Instructional Resources and Media Services	59	--	--	59
0013	Curriculum and Staff Development	485,437	--	--	485,437
0021	Instructional Leadership	4,293	--	--	4,293
0023	School Leadership	35,433	--	--	35,433
0031	Guidance, Counseling, and Evaluation Services	1,039,553	--	--	1,039,553
0032	Social Work Services	24,454	--	--	24,454
0033	Health Services	7,255	--	--	7,255
0035	Food Service	5,417,920	--	--	5,417,920
0036	Cocurricular/Extracurricular Activities	510	--	--	510
0061	Community Services	97,587	--	--	97,587
0081	Capital Outlay	--	37,275	--	37,275
0093	Payments to Shared Services Arrangements	262,998	--	--	262,998
6030	Total Expenditures	<u>11,716,275</u>	<u>37,275</u>	<u>139,634</u>	<u>11,893,184</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	726,895	(19,016)	(9,634)	698,245
1200	Net Change in Fund Balances	<u>726,895</u>	<u>(19,016)</u>	<u>(9,634)</u>	<u>698,245</u>
0100	Fund Balances - Beginning	884,767	1,529,990	203,114	2,617,871
3000	Fund Balances - Ending	<u>\$ 1,611,662</u>	<u>\$ 1,510,974</u>	<u>\$ 193,480</u>	<u>\$ 3,316,116</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2018

Data Control Codes	206 McKinney Homeless Edu. Asst. Project	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	--	376,897	--	235,273
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	2,635	--	11,471	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 2,635</u>	<u>\$ 376,897</u>	<u>\$ 11,471</u>	<u>\$ 235,273</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ 174,376	\$ 135	\$ 10,087
2150 Payroll Deductions and Withholdings	--	20,313	588	26,960
2160 Accrued Wages Payable	--	126,286	--	190,704
2170 Due to Other Funds	2,635	55,922	10,748	7,522
2180 Due to Other Governments	--	--	--	--
2000 Total Liabilities	<u>2,635</u>	<u>376,897</u>	<u>11,471</u>	<u>235,273</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
3490 Other Restrictions of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 2,635</u>	<u>\$ 376,897</u>	<u>\$ 11,471</u>	<u>\$ 235,273</u>

225 IDEA-B Preschool Grant	226 IDEA - B High Cost EDI	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 101,291	\$ --	\$ --
--	--	245,865	--	--
3,209	--	58,026	10,450	26,259
--	--	4,085	--	--
--	233,456	937,498	--	--
--	--	31,401	--	--
<u>\$ 3,209</u>	<u>\$ 233,456</u>	<u>\$ 1,378,166</u>	<u>\$ 10,450</u>	<u>\$ 26,259</u>
\$ 100	\$ --	\$ 186,725	\$ --	\$ 4,595
378	--	1,861	--	1,266
2,201	--	19	--	18,300
530	233,456	782,000	10,450	2,098
--	--	--	--	--
<u>3,209</u>	<u>233,456</u>	<u>970,605</u>	<u>10,450</u>	<u>26,259</u>
--	--	31,400	--	--
--	--	376,161	--	--
--	--	--	--	--
--	--	<u>407,561</u>	--	--
<u>\$ 3,209</u>	<u>\$ 233,456</u>	<u>\$ 1,378,166</u>	<u>\$ 10,450</u>	<u>\$ 26,259</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2018

Data Control Codes	263 English Language Acquisition and Enhancement	289 Title I, Part A, Subpart 1	386 Regional Day School for the Deaf	393 Texas Successful Schools
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 2,534
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	29,223	--	86,140	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	202,572	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 29,223</u>	<u>\$ --</u>	<u>\$ 288,712</u>	<u>\$ 2,534</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 2,703	\$ --	\$ 1,171	\$ --
2150 Payroll Deductions and Withholdings	1,210	--	12,701	--
2160 Accrued Wages Payable	250	--	76,944	--
2170 Due to Other Funds	25,060	--	197,896	--
2180 Due to Other Governments	--	--	--	--
2000 Total Liabilities	<u>29,223</u>	<u>--</u>	<u>288,712</u>	<u>--</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	2,534
3490 Other Restrictions of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,534</u>
4000 Total Liabilities and Fund Balances	<u>\$ 29,223</u>	<u>\$ --</u>	<u>\$ 288,712</u>	<u>\$ 2,534</u>

397 Advanced Placement Incentives	410 State Textbook	426 Texas Educator Excellence Award Program	427 TXVSN Grants to Rural Schools	429 State Funded Special Revenue
\$ 3,817	\$ 73,205	\$ --	\$ --	\$ 112
--	--	--	--	--
--	--	--	8,637	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,817</u>	<u>\$ 73,205</u>	<u>\$ --</u>	<u>\$ 8,637</u>	<u>\$ 112</u>
\$ --	\$ --	\$ --	\$ 8,105	\$ --
--	--	--	--	112
--	--	--	--	--
--	--	--	532	--
--	61,476	--	--	--
<u>--</u>	<u>61,476</u>	<u>--</u>	<u>8,637</u>	<u>112</u>
--	--	--	--	--
--	11,729	--	--	--
3,817	--	--	--	--
<u>3,817</u>	<u>11,729</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 3,817</u>	<u>\$ 73,205</u>	<u>\$ --</u>	<u>\$ 8,637</u>	<u>\$ 112</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

Data Control Codes	459 Bastrop County Bootcamp	461 Campus Activity
ASSETS:		
1110 Cash and Cash Equivalents	\$ --	\$ 139,669
1120 Current Investments	--	302,310
1240 Due from Other Governments	--	--
1260 Due from Other Funds	--	16,399
1290 Other Receivables	35,794	--
1300 Inventories	--	--
1000 Total Assets	<u>\$ 35,794</u>	<u>\$ 458,378</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	\$ 130	\$ 8,503
2150 Payroll Deductions and Withholdings	1,079	91
2160 Accrued Wages Payable	12,726	2,134
2170 Due to Other Funds	21,859	83
2180 Due to Other Governments	--	--
2000 Total Liabilities	<u>35,794</u>	<u>10,811</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410 Inventories	--	--
Restricted Fund Balances:		
3450 Federal/State Funds Grant Restrictions	--	--
3490 Other Restrictions of Fund Balance	--	447,567
3000 Total Fund Balances	<u>--</u>	<u>447,567</u>
4000 Total Liabilities and Fund Balances	<u>\$ 35,794</u>	<u>\$ 458,378</u>

480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 216	\$ 162,223	\$ 483,067
--	--	548,175
--	--	834,114
--	576,015	596,499
--	--	1,423,426
--	--	31,401
<u>\$ 216</u>	<u>\$ 738,238</u>	<u>\$ 3,916,682</u>
\$ --	\$ --	\$ 8,633
--	--	1,170
--	--	429,564
--	--	1,350,791
--	--	61,476
<u>--</u>	<u>--</u>	<u>2,305,020</u>
--	--	31,400
--	--	390,424
216	738,238	1,189,838
<u>216</u>	<u>738,238</u>	<u>1,611,662</u>
<u>\$ 216</u>	<u>\$ 738,238</u>	<u>\$ 3,916,682</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, 2018

Data Control Codes	206 McKinney Homeless Edu. Asst. 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	2,635	1,852,535	27,426	1,807,478
5020 Total Revenues	<u>2,635</u>	<u>1,852,535</u>	<u>27,426</u>	<u>1,807,478</u>
EXPENDITURES:				
Current:				
0011 Instruction	--	1,509,015	6,451	554,859
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	205,806	291	980
0021 Instructional Leadership	--	1,706	--	--
0023 School Leadership	--	32,171	--	--
0031 Guidance, Counseling, and Evaluation Services	--	--	--	1,035,688
0032 Social Work Services	2,635	1,227	20,592	--
0033 Health Services	--	7,255	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0061 Community Services	--	95,355	92	--
0093 Payments to Shared Services Arrangements	--	--	--	215,951
6030 Total Expenditures	<u>2,635</u>	<u>1,852,535</u>	<u>27,426</u>	<u>1,807,478</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	226 IDEA - B High Cost EDI	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 1,045,768	\$ --	\$ --
--	--	29,520	--	--
20,175	233,456	4,343,871	92,456	278,070
<u>20,175</u>	<u>233,456</u>	<u>5,419,159</u>	<u>92,456</u>	<u>278,070</u>
20,025	185,953	--	92,456	23,135
--	--	--	--	--
--	--	--	--	254,935
--	--	--	--	--
--	--	--	--	--
150	456	--	--	--
--	--	--	--	--
--	--	5,417,920	--	--
--	--	--	--	--
--	--	--	--	--
--	47,047	--	--	--
<u>20,175</u>	<u>233,456</u>	<u>5,417,920</u>	<u>92,456</u>	<u>278,070</u>
--	--	1,239	--	--
--	--	1,239	--	--
--	--	406,322	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 407,561</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, 2018

Data Control Codes	263 English Language Acquisition and Enhancement	289 Title I, Part A, Subpart 1	386 Regional Day School for the Deaf	393 Texas Successful Schools
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	710,547	--
5900 Federal Program Revenues	141,647	11,724	--	--
5020 Total Revenues	<u>141,647</u>	<u>11,724</u>	<u>710,547</u>	<u>--</u>
EXPENDITURES:				
Current:				
0011 Instruction	119,202	11,724	707,427	--
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	20,305	--	3,120	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, and Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0061 Community Services	2,140	--	--	--
0093 Payments to Shared Services Arrangements	--	--	--	--
6030 Total Expenditures	<u>141,647</u>	<u>11,724</u>	<u>710,547</u>	<u>--</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	2,534
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,534</u>

397 Advanced Placement Incentives	410 State Textbook	426 Texas Educator Excellence Award Program	427 TXVSN Grants to Rural Schools	429 State Funded Special Revenue
\$ --	\$ --	\$ --	\$ --	\$ --
11,206	857,029	59	46,602	115,185
--	--	--	--	--
<u>11,206</u>	<u>857,029</u>	<u>59</u>	<u>46,602</u>	<u>115,185</u>
7,389	857,029	--	37,494	115,185
--	--	59	--	--
--	--	--	--	--
--	--	--	2,587	--
--	--	--	3,262	--
--	--	--	3,259	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>7,389</u>	<u>857,029</u>	<u>59</u>	<u>46,602</u>	<u>115,185</u>
3,817	--	--	--	--
<u>3,817</u>	--	--	--	--
--	11,729	--	--	--
\$ <u>3,817</u>	\$ <u>11,729</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, 2018

Data Control Codes	459 Bastrop County Bootcamp	461 Campus Activity Funds
REVENUES:		
5700 Local and Intermediate Sources	\$ 87,539	\$ (15,889)
5800 State Program Revenues	5,893	--
5900 Federal Program Revenues	--	--
5020 Total Revenues	<u>93,432</u>	<u>(15,889)</u>
EXPENDITURES:		
Current:		
0011 Instruction	93,432	--
0012 Instructional Resources and Media Services	--	--
0013 Curriculum and Staff Development	--	--
0021 Instructional Leadership	--	--
0023 School Leadership	--	--
0031 Guidance, Counseling, and Evaluation Services	--	--
0032 Social Work Services	--	--
0033 Health Services	--	--
0035 Food Service	--	--
0036 Cocurricular/Extracurricular Activities	--	510
0061 Community Services	--	--
0093 Payments to Shared Services Arrangements	--	--
6030 Total Expenditures	<u>93,432</u>	<u>510</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	--	(16,399)
1200 Net Change in Fund Balances	--	(16,399)
0100 Fund Balances - Beginning	--	463,966
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 447,567</u>

480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ 738,238	\$ 1,855,656
--	--	1,776,041
--	--	8,811,473
--	738,238	12,443,170
--	--	4,340,776
--	--	59
--	--	485,437
--	--	4,293
--	--	35,433
--	--	1,039,553
--	--	24,454
--	--	7,255
--	--	5,417,920
--	--	510
--	--	97,587
--	--	262,998
--	--	11,716,275
--	738,238	726,895
--	738,238	726,895
216	--	884,767
\$ 216	\$ 738,238	\$ 1,611,662

BASTROP INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2018

Data Control Codes	<u>744</u> Performing Arts Center	<u>746</u> High School Bistro	
ASSETS:			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 24,564	\$ 2,784
1120	Investments	--	--
	Total Current Assets	<u>24,564</u>	<u>2,784</u>
1000	Total Assets	<u>24,564</u>	<u>2,784</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	7	--
2150	Payroll Deduction and Withholdings	46	--
2160	Accrued Wages Payable	1,978	--
	Total Current Liabilities	<u>2,031</u>	<u>--</u>
2000	Total Liabilities	<u>2,031</u>	<u>--</u>
NET POSITION:			
3800	Restricted	22,533	2,784
3000	Total Net Position	<u>\$ 22,533</u>	<u>\$ 2,784</u>

EXHIBIT H-5

<u>747</u>	<u>748</u>	<u>749</u>	Total Nonmajor Enterprise Funds (See Exhibit D-1)
Community Education	STARS After School Program	Employee Child Care	
\$ 72,084	\$ 41,514	\$ 101,748	\$ 242,694
--	806,161	--	806,161
<u>72,084</u>	<u>847,675</u>	<u>101,748</u>	<u>1,048,855</u>
<u>72,084</u>	<u>847,675</u>	<u>101,748</u>	<u>1,048,855</u>
1,174	19,608	781	21,570
70	1,230	13,872	15,218
<u>1,000</u>	<u>34,006</u>	<u>85,527</u>	<u>122,511</u>
<u>2,244</u>	<u>54,844</u>	<u>100,180</u>	<u>159,299</u>
<u>2,244</u>	<u>54,844</u>	<u>100,180</u>	<u>159,299</u>
69,840	792,831	1,568	889,556
<u>\$ 69,840</u>	<u>\$ 792,831</u>	<u>\$ 1,568</u>	<u>\$ 889,556</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, 2018

Data Control Codes	744 Performing Arts Center	746 High School Bistro
OPERATING REVENUES:		
5700 Local and Intermediate Sources	\$ 33,434	\$ --
5800 State Program Revenues	170	--
5020 Total Revenues	<u>33,604</u>	<u>--</u>
OPERATING EXPENSES:		
6100 Payroll Costs	5,630	--
6200 Professional and Contracted Services	15,865	--
6300 Supplies and Materials	8,039	--
6400 Other Operating Costs	901	--
6030 Total Expenses	<u>30,435</u>	<u>--</u>
1300 Change in Net Position	3,169	--
0100 Total Net Position - Beginning	19,364	2,784
3300 Total Net Position - Ending	<u>\$ 22,533</u>	<u>\$ 2,784</u>

EXHIBIT H-6

<u>747</u>	<u>748</u>	<u>749</u>	Total Nonmajor Enterprise Funds (See Exhibit D-2)
Community Education	STARS After School Program	Employee Child Care	
\$ 59,326	\$ 742,775	\$ 718,745	\$ 1,554,280
2,977	28,391	42,889	74,427
<u>62,303</u>	<u>771,166</u>	<u>761,634</u>	<u>1,628,707</u>
44,592	644,384	716,148	1,410,754
34,389	35,978	350	86,582
5,522	38,078	37,019	88,658
1,414	90,121	8,117	100,553
<u>85,917</u>	<u>808,561</u>	<u>761,634</u>	<u>1,686,547</u>
(23,614)	(37,395)	--	(57,840)
93,454	830,226	1,568	947,396
<u>\$ 69,840</u>	<u>\$ 792,831</u>	<u>\$ 1,568</u>	<u>\$ 889,556</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	744 Performing Arts Center	746 High School Bistro	747 Community Education
Cash Flows from Operating Activities:			
Cash Received from Miscellaneous Sources	\$ 33,604	\$ --	\$ 62,303
Cash Payments to Employees and Suppliers	(29,570)	--	9,781
Net Cash Provided (Used) by Operating Activities	<u>4,034</u>	<u>--</u>	<u>72,084</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,034	--	72,084
Cash and Cash Equivalents at Beginning of Year	20,531	2,784	--
Cash and Cash Equivalents at End of Year	<u>\$ 24,565</u>	<u>\$ 2,784</u>	<u>\$ 72,084</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 3,169	\$ --	\$ (23,614)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Increase (Decrease) in Interfund Payables	22	--	94,418
Increase (Decrease) in Accounts Payable	(9)	--	1,080
Increase (Decrease) in Accrued Wages Payable	853	--	200
Total Adjustments	<u>865</u>	<u>--</u>	<u>95,698</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,034</u>	<u>\$ --</u>	<u>\$ 72,084</u>

EXHIBIT H-7

748 STARS After School Program	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 771,166	\$ 761,634	\$ 1,628,708
<u>76,509</u>	<u>(738,173)</u>	<u>(681,453)</u>
<u>847,675</u>	<u>23,461</u>	<u>947,255</u>
847,675	23,461	947,255
--	78,287	101,601
<u>\$ 847,675</u>	<u>\$ 101,748</u>	<u>\$ 1,048,856</u>
\$ (37,395)	\$ --	\$ (57,840)
874,763	3,468	972,670
1,501	367	2,939
8,806	19,627	29,485
<u>885,070</u>	<u>23,461</u>	<u>1,005,095</u>
<u>\$ 847,675</u>	<u>\$ 23,461</u>	<u>\$ 947,255</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2018

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
ASSETS:			
Current Assets:			
1110	\$ 106,854	\$ 80,167	\$ 187,021
1120	--	3,139,973	3,139,973
	<u>106,854</u>	<u>3,220,140</u>	<u>3,326,994</u>
1000	<u>106,854</u>	<u>3,220,140</u>	<u>3,326,994</u>
LIABILITIES:			
Current Liabilities:			
2110	1,364	--	1,364
2150	45	--	45
2200	--	538,420	538,420
	<u>1,409</u>	<u>538,420</u>	<u>539,829</u>
2000	<u>1,409</u>	<u>538,420</u>	<u>539,829</u>
NET POSITION:			
3800	105,445	2,681,720	2,787,165
3000	<u>\$ 105,445</u>	<u>\$ 2,681,720</u>	<u>\$ 2,787,165</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, 2018

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:			
5700 Local and Intermediate Sources	\$ 124,766	\$ 381,189	\$ 505,955
5800 State Program Revenues	2,444	--	2,444
5020 Total Revenues	<u>127,210</u>	<u>381,189</u>	<u>508,399</u>
OPERATING EXPENSES:			
6100 Payroll Costs	38,121	--	38,121
6200 Professional and Contracted Services	37,759	--	37,759
6300 Supplies and Materials	36,047	--	36,047
6400 Other Operating Costs	--	412,414	412,414
6030 Total Expenses	<u>111,927</u>	<u>412,414</u>	<u>524,341</u>
1300 Change in Net Position	15,283	(31,225)	(15,942)
0100 Total Net Position - Beginning	90,162	2,712,945	2,803,107
3300 Total Net Position - Ending	<u>\$ 105,445</u>	<u>\$ 2,681,720</u>	<u>\$ 2,787,165</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 127,210	\$ 343,596	\$ 470,806
Cash Payments to Employees and Suppliers	(121,635)	(2,379,433)	(2,501,069)
Net Cash Provided (Used) by Operating Activities	<u>5,575</u>	<u>(2,035,837)</u>	<u>(2,030,263)</u>
Cash Flows from Investing Activities:			
Cash Received from Interest Earnings	--	37,593	37,593
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>37,593</u>	<u>37,593</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,575	(1,998,244)	(1,992,669)
Cash and Cash Equivalents at Beginning of Year	101,279	5,218,384	5,319,663
Cash and Cash Equivalents at End of Year	<u>\$ 106,854</u>	<u>\$ 3,220,140</u>	<u>\$ 3,326,994</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 15,283	\$ (31,225)	\$ (15,942)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(1,194)	--	(1,194)
Increase (Decrease) in Interfund Payables	(8,515)	(1,967,019)	(1,975,534)
Total Adjustments	<u>(9,709)</u>	<u>(1,967,019)</u>	<u>(1,976,728)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,575</u>	<u>\$ (1,998,244)</u>	<u>\$ (1,992,669)</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, 2018

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2009 and Prior Years	--	--	Various
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	\$ 1.04	\$.401	\$ 3,024,433,431
2016	\$ 1.04	\$.401	\$ 3,215,583,598
2017	\$ 1.04	\$.401	\$ 3,385,110,109
2018 (School Year Under Audit)	\$ 1.04	\$.401	\$ 3,635,450,117

1000 Totals

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

10 Beginning Balance 7/1/17	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/18
\$ 718,760	\$ --	\$ 113,386	\$ 48,080	\$ (17,877)	\$ 539,417
186,330	--	16,917	7,174	(5,651)	156,588
207,381	--	20,758	8,802	(5,405)	172,416
217,971	--	27,053	11,471	(6,880)	172,567
216,607	--	30,454	12,914	(3,582)	169,658
320,314	--	61,026	24,704	(4,696)	229,889
351,146	--	77,287	29,800	(5,146)	238,913
1,250,217	--	299,361	115,427	(396,125)	439,304
2,214,307	--	722,373	237,227	(574,102)	680,605
--	52,386,836	36,528,823	14,071,870	19,579	1,805,722
<u>\$ 5,683,033</u>	<u>\$ 52,386,836</u>	<u>\$ 37,897,438</u>	<u>\$ 14,567,468</u>	<u>\$ (999,886)</u>	<u>\$ 4,605,078</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 1,428,045	\$ 1,428,045	\$ 1,045,768	\$ (382,277)		
5800	State Program Revenues	28,000	28,000	29,520	1,520		
5900	Federal Program Revenues	3,947,295	3,972,295	4,343,871	371,576		
5020	Total Revenues	<u>5,403,340</u>	<u>5,428,340</u>	<u>5,419,159</u>	<u>(9,181)</u>		
EXPENDITURES:							
Current:							
Support Services - Student (Pupil):							
0035	Food Services	5,448,340	5,428,340	5,417,920	10,420		
	Total Support Services - Student (Pupil)	<u>5,448,340</u>	<u>5,428,340</u>	<u>5,417,920</u>	<u>10,420</u>		
6030	Total Expenditures	<u>5,448,340</u>	<u>5,428,340</u>	<u>5,417,920</u>	<u>10,420</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	(45,000)	--	1,239	1,239		
1200	Net Change in Fund Balance	<u>(45,000)</u>	<u>--</u>	<u>1,239</u>	<u>1,239</u>		
0100	Fund Balance - Beginning	406,322	406,322	406,322	--		
3000	Fund Balance - Ending	<u>\$ 361,322</u>	<u>\$ 406,322</u>	<u>\$ 407,561</u>	<u>\$ 1,239</u>		

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUNDS
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 14,122,399	\$ 14,422,399	\$ 14,940,614	\$	518,215	
5800	State Program Revenues	722,024	722,024	982,096		260,072	
5020	Total Revenues	<u>14,844,423</u>	<u>15,144,423</u>	<u>15,922,710</u>		<u>778,287</u>	
EXPENDITURES:							
Debt Service:							
0071	Principal on Long-Term Debt	2,879,458	2,879,459	2,879,459		--	
0072	Interest on Long-Term Debt	9,361,426	9,411,425	9,411,425		--	
0073	Bond Issuance Costs and Fees	50,000	25,000	22,350		2,650	
	Total Debt Service	<u>12,290,884</u>	<u>12,315,884</u>	<u>12,313,234</u>		<u>2,650</u>	
6030	Total Expenditures	<u>12,290,884</u>	<u>12,315,884</u>	<u>12,313,234</u>		<u>2,650</u>	
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	<u>2,553,539</u>	<u>2,828,539</u>	<u>3,609,476</u>		<u>780,937</u>	
1200	Net Change in Fund Balance	<u>2,553,539</u>	<u>2,828,539</u>	<u>3,609,476</u>		<u>780,937</u>	
0100	Fund Balance - Beginning	7,103,630	7,103,630	7,103,630		--	
3000	Fund Balance - Ending	<u>\$ 9,657,169</u>	<u>\$ 9,932,169</u>	<u>\$ 10,713,106</u>	<u>\$</u>	<u>780,937</u>	

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Federal Awards and Other Compliance Section

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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
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 (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
October 19, 2018



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees of
Bastrop Independent School District:

Report on Compliance for Each Major Federal Program

We have audited the Bastrop Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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 District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the 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 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 the Uniform Guidance, 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 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
October 19, 2018

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.367	Title II Part A

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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, 2018

<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, 2018

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER:			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	00032	\$ 778,520
National School Lunch Program	10.555	00032	3,141,855
Total Passed Through State Department of Education			3,920,375
Total U. S. Department of Agriculture			3,920,375
Total Child Nutrition Cluster			3,920,375
FOOD DISTRIBUTION CLUSTER:			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
USDA Donated Commodities	10.565	00032	423,496
Total U. S. Department of Agriculture			423,496
Total Food Distribution Cluster			423,496
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
IDEA-B Formula	84.027	176600010119016600	72,662
IDEA-B Formula	84.027	186600010119016600	1,768,292
IDEA-B Discretionary	84.027	66001715	233,456
Total CFDA Number 84.027			2,074,410
IDEA-B Preschool	84.173	176610010119016610	343
IDEA-B Preschool	84.173	186610010119016610	20,205
Total CFDA Number 84.173			20,548
Total Passed Through State Department of Education			2,094,959
Total U. S. Department of Education			2,094,959
Total Special Education (IDEA) Cluster			2,094,959
OTHER PROGRAMS:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Title I 1003(A) Priority and Focus School Grant	84.010	17610112011901000	48,327
ESEA Title I Part A - Improving Basic Programs	84.010	18610101011901	1,774,142
Title I 1003 School Improvement	84.010	18610123011901	64,239
Total CFDA Number 84.010			1,886,708
ESEA Title I Part C - Education of Migratory Children	84.011	17615001011901	6,228
Title I, Part C Migrant Education Program SSA	84.011	18615001227950	21,312
Total CFDA Number 84.011			27,540
Career and Technical - Basic Grant	84.048	17420006011901	56,071
Career and Technical - Basic Grant	84.048	18420006011901	36,385
Total CFDA Number 84.048			92,456

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT K-1
Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
McKinney Homeless Education Assistance Project	84.196	S196A130045	\$ 2,635
Title III Part A English Language Acquisition & Language Enhancement	84.365	18671001011901	144,270
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367	17694501011901	90,569
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367	18694501011901	192,651
Total CFDA Number 84.367			<u>283,220</u>
Summer School LEP	84.369	69551702	4,749
Title I, Part A, Subpart 1	84.424	18680101011901	7,104
Total Passed Through State Department of Education			<u>2,448,682</u>
Total U. S. Department of Education			<u>2,448,682</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,887,511</u>
		Federal Revenue per SEFA	\$ 8,887,511
		General Fund SHARS and Medicare	1,561,343
		Other Federal Revenue	88,481
		Total Federal Revenue per C-2	<u>\$ 10,537,336</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, 2018

Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

BASTROP INDEPENDENT SCHOOL DISTRICTSCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2018

Data Control Codes		Responses
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 <u>not</u> 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?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 19,390,777
SF11	Net pension asset (object 1920) at fiscal year-end	\$ --
SF12	Net pension liability (object 2540) at fiscal year-end.	\$ 16,209,223