

**BASTROP
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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Bastrop Independent School District
Annual Financial Report
For The Year Ended June 30, 2020

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Introductory Section

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CERTIFICATE OF BOARD

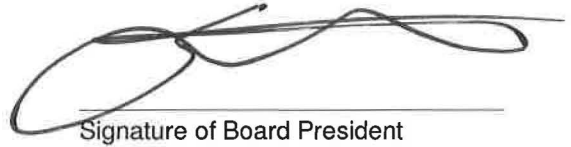
Bastrop Independent School District
Name of School District

Bastrop
County

011-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2020, at a meeting of the board of trustees of such school district on the 17th day of November, 2020.


Signature of Board Secretary


Signature of Board President

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

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Bastrop Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District (the "District"), as of and for the year ended June 30, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of District contributions, identified as Required Supplementary Information on 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 21, 2020 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 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
October 21, 2020

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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, 2020

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, 2020. Please read it in conjunction with the independent auditors' report on page 4, and the District's Basic Financial Statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

- The District earned a rating of Superior Achievement by the Texas Education Agency (TEA) under its Financial Integrity Rating System of Texas (FIRST) for 2020-2021 based on school year 2018-2019 data.
- The District had a 3.2% increase in enrollment and a 3.0% increase in average daily attendance. The District continues to have a large enrollment increase in the English Language Learners population, an increase of 11.6% in 2019-20. Property values increased by over 11%. 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 2019-2020 due to increased property values. The District also made a prepayment of Series 2011 Bonds in the amount of \$3,300,000 for a total savings of \$1,927,400.
- The General Fund ended the year with a \$23,875,724 fund balance, \$2,787,989 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, 2020

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 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, 2020. 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 an increase in net position from the prior year. Assets increased by \$4.2 million due to an increase in the current assets related to the general fund fund balance. Capital assets decreased due to depreciation of capital assets. Long-term liabilities decreased due to a decrease in non-current liabilities due in more than one year. Revenues decreased slightly in operating grants and contributions due to the decrease. State foundation revenue increased due to receiving more State funding. Property tax revenues increased due to increased property values in 2019-20.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

In 2019, the net position of our business-type activities decreased by \$71,616. This decrease was due to a decrease in the after-school program (STARS), performing art center, and community education business activity, as these services were halted in Spring during the COVID shutdown.

Table 1
Bastrop Independent School District
NET POSITION
(in thousands)

Description	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 61,922	\$ 54,806	\$ 1,098	\$ 1,169	\$ 63,020	\$ 55,975
Capital assets	160,889	163,751	-	-	160,889	163,751
Total Assets	<u>222,811</u>	<u>218,557</u>	<u>1,098</u>	<u>1,169</u>	<u>223,909</u>	<u>219,726</u>
Total Deferred Outflows of Resources	<u>36,745</u>	<u>35,430</u>	<u>-</u>	<u>-</u>	<u>36,745</u>	<u>35,430</u>
Current liabilities	17,967	18,266	131	142	18,098	18,408
Long-term liabilities	243,872	249,670	-	-	243,872	249,670
Total Liabilities	<u>261,839</u>	<u>267,936</u>	<u>131</u>	<u>142</u>	<u>261,970</u>	<u>268,078</u>
Total Deferred Inflows of Resources	<u>20,669</u>	<u>14,219</u>	<u>-</u>	<u>-</u>	<u>20,669</u>	<u>14,219</u>
Net Position:						
Net invested in capital assets	(2,822)	(7,248)	-	-	(2,822)	(7,248)
Restricted	15,679	14,289	-	-	15,679	14,289
Unrestricted	(35,809)	(35,209)	967	1,027	(34,842)	(34,182)
Total Net Position	<u>\$ (22,952)</u>	<u>\$ (28,168)</u>	<u>\$ 967</u>	<u>\$ 1,027</u>	<u>\$ (21,985)</u>	<u>\$ (27,141)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The total expenses of both governmental and business-type activities this year were \$135.856 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 \$58.6 million.

Table 2
Bastrop Independent School District
CHANGES IN NET POSITION
(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 1,702	\$ 1,347	\$ 1,369	\$ 1,473	\$ 3,071	\$ 2,820
Operating grants and contributions	22,044	23,286	87	72	22,131	23,358
General revenues:					-	-
Maintenance and operations taxes	41,530	41,204	-	-	41,530	41,204
Debt service taxes	17,102	15,792	-	-	17,102	15,792
Grants and contributions not restricted to specific functions	55,616	47,238	-	-	55,616	47,238
Investment earnings	535	710	9	17	544	727
Miscellaneous	966	1,014	50	129	1,016	1,143
Total Revenue	139,495	130,591	1,515	1,691	141,010	132,282
Expenses						
Instruction, curriculum, and media services	77,616	68,909	-	-	77,616	68,909
Instructional and school leadership	7,176	6,540	-	-	7,176	6,540
Student support services	13,213	13,091	-	-	13,213	13,091
Child nutrition	6,331	6,383	-	-	6,331	6,383
Co-curricular activities	4,135	3,595	-	-	4,135	3,595
General administration	2,969	2,797	-	-	2,969	2,797
Plant maintenance, security, and data processing	13,185	12,052	-	-	13,185	12,052
Community services	1,302	1,029	-	-	1,302	1,029
Debt services	6,692	6,802	-	-	6,692	6,802
Bond issuance costs	364	233	-	-	364	233
Payments related to SSA	374	486	-	-	374	486
Other intergovernmental charges	923	862	-	-	923	862
Other business-type activities	-	-	1,575	1,554	1,575	1,554
Total Expenses	134,280	122,779	1,575	1,554	135,855	124,333
Change in Net Position	5,215	7,812	(60)	137	5,155	7,949
Net Position - Beginning	(28,167)	(35,980)	1,027	890	(27,140)	(35,090)
Net Position - Beginning as Restated	-	-	-	-	-	-
Ending Net Position	<u>\$ (22,952)</u>	<u>\$ (28,168)</u>	<u>\$ 967</u>	<u>\$ 1,027</u>	<u>\$ (21,985)</u>	<u>\$ (27,141)</u>

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.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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, unassigned 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/unassigned 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 \$40,030,126, an increase of \$4,093,685 due to an increase of \$2,787,989 in the general fund, an increase of \$1,422,549 in the debt service fund, an increase in food service of \$134,932, an increase in federal and state grant restrictions of \$106,178, a decrease in other restrictions of fund balance of \$148,216, and a decrease of \$103,569 in capital projects.

The remainder of the fund balance is reserved or committed to indicate that it is not available for new spending because it has already been committed for:

- Inventory (\$111,201)
- Payment of debt service payments (\$14,011,623)
- Federal/State funds grant restrictions (\$539,138)
- Capital projects (\$399,123)
- Other restrictions of fund balance (\$1,128,491)
- 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, unassigned fund balance of the general fund was \$21,179,631 while the total fund balance was \$23,875,724. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and unassigned fund balance, and total fund balance to the total fund expenditures. Unreserved, unassigned fund balance represents 20.7% of the total general fund expenditures, while total fund balance represents 23.3% of that same amount.

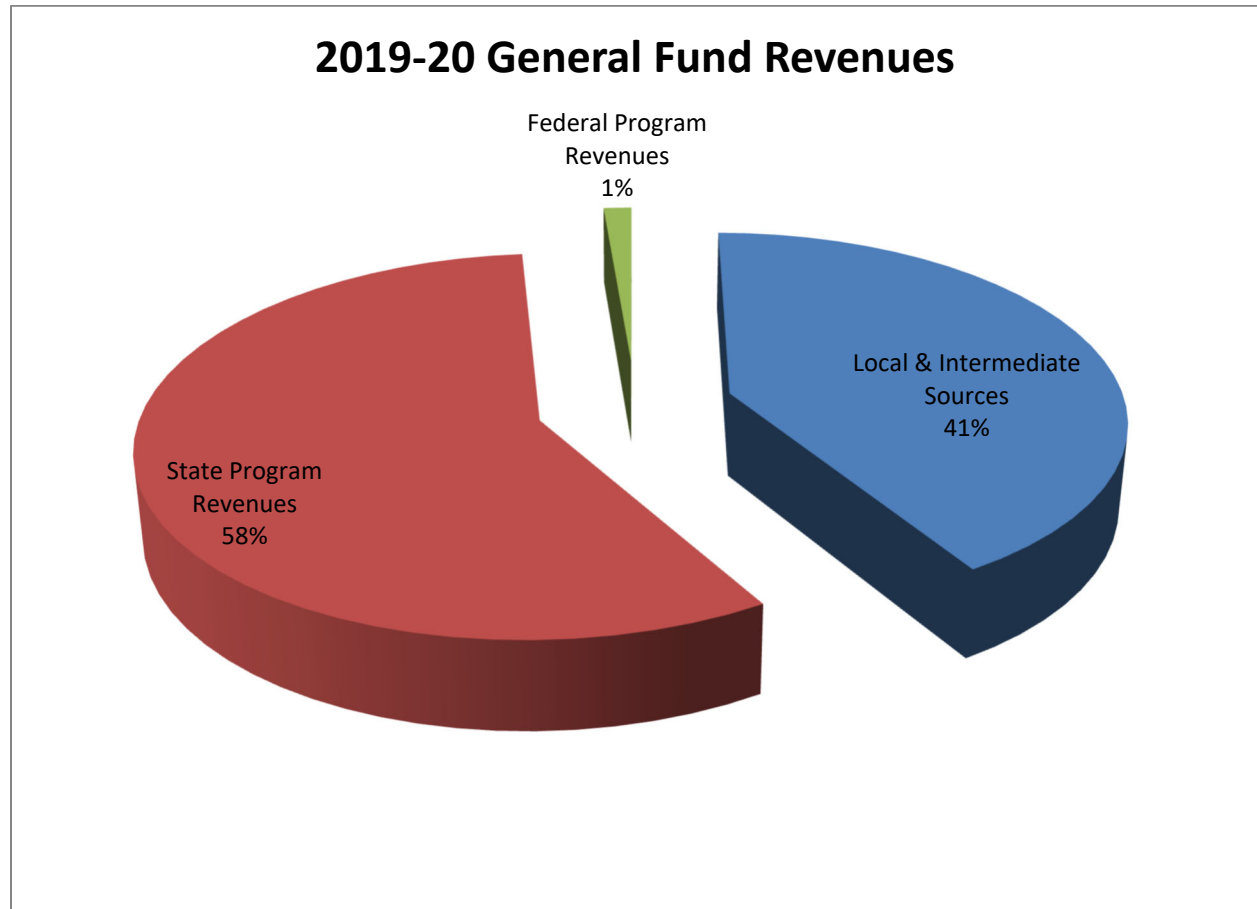
The total fund balance of the District's general fund budget increased by \$2,787,989. Key factors to this change are as follows:

- Increase in State aid due to an increase in average daily attendance
- Increase in investment revenue
- Increase in property taxes due to an increase in property values
- Decrease in operating costs due to Spring COVID shutdown

The debt service fund has a total fund balance of \$14,011,623, 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 \$1,422,549.

The District's total general revenues were \$103.2 million. A portion, \$42.6 million or 41.3%, of the District's revenues come from taxes and other local revenue. The majority of the other 57.4% of revenues is from State program revenues and \$1.3 million or 1.3% was Federal program revenue.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020



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 change in special education coding
- Amendment for capital lease payments
- Amendment to increase tax revenue
- Amendment to increase State aide for special allotments
- Amendment to decrease State aide for ESSER/CARES reduction
- Amendment for additional maintenance costs
- Amendment for employee daycare costs
- Amendment for safety and security
- Amendment to TRS on-behalf costs

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

The District made the following major amendments to budgeted revenues and other resources:

- \$ 350,000 increase in tax collections
- \$ 148,193 increase for E-rate award
- \$1,258,559 increase in special allotment revenue
- \$ 275,000 investment revenue
- \$1,817,228 capital lease proceeds
- \$ 726,800 TRS on-behalf
- \$1,400,898 decrease in state aid due to ESSER/CARES funding
- \$ 654,821 wildfire settlement payment

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

- \$ 148,193 increase for E-rate expenditures
- \$1,258,559 increase in special allotment expenditures
- \$ 200,000 increase in utilities
- \$ 65,000 increase in employee daycare costs
- \$ 399,900 increase for purchase of security equipment realized
- \$1,041,772 increase for emergency maintenance repairs
- \$1,817,228 capital lease recognition

CAPITAL ASSETS

At the end of the 2019-20 fiscal year, the District had \$160.9 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 III B. to the financial statements.

LONG-TERM DEBT

At year-end, the District had \$146.1 in bonds and leases outstanding versus \$150.7 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 2014-2015.

More detailed information about the District's long-term liabilities is presented in Note III C. to the financial statements.

COVID-19

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While changes to operations caused a significant hardship, the overall impact to the financial operations for the 2019-2020 school year as a percentage of the overall budget was nominal.

The areas of school operations most impacted by the pandemic related to the teaching/learning process, technology, child nutrition, building logistics, and return-to-school safety protocols. Essentially, the District was required to pivot overnight to virtual learning for more than 11,000 students and 1,300 staff, which was a complete paradigm shift for our employees, students, and parents. Related to this was technology for students to do that virtual learning from their home environment. The District had to ascertain which students needed technology and construct an efficient and effective delivery/distribution method, which is how we identified significant gaps in student access to the internet. Because schools across the region, state, and country were dealing with the same issue, our District faced technology shortfalls and backorders of equipment which hindered instruction and required us to use a multipronged approach to teaching and learning. The next major impact related to child nutrition. We continued to feed children breakfast and lunch each day through a curbside meal delivery process at our schools, as well as a bus delivery method into neighborhoods. We re-programmed our meal schedule and menus, ordering processes to ensure an adequate supply of nutritious foods, and safety practices for our staff and families. As we proceeded through the summer months to prepare for a safe reopening of school in the fall, our concerns transitioned into building logistics and safety protocols, which required an extraordinary level of coordination and collaboration both within the District and between the District and our local/state/national agencies and partners. Here we also faced supply shortfalls in personal hygiene and cleaning products such as sanitizing wipes and gloves. We also had to rethink the flow of operations in the schools so as to maximize space and minimize contact. Now in our third month of school operations, student and staff safety remains our top focus as we continually adjust our protocols and practices to keep schools open and students engaged in learning. With more than 60% of our students coming to school in person, student and staff safety remains our top focus as we continually adjust our protocols and practices to keep schools open and students engaged in learning. The District received \$1,474,630 additional funds, but elected to use those funds for anticipated additional cost in the 2020-

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

2021 school year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials considered many factors when setting the fiscal year 2020-2021 budget and tax rates. The largest factor in planning for 2020-2021 was the implementation of House Bill 3 and Senate Bill 2 regarding property tax compression. Another factor is the economy and the effects that COVID-19 could have on the 2020-21 revenues for both state revenues and property tax collections. 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 11% property value growth from the 2019-2020 fiscal year to the 2020-2021 fiscal year. Commercial businesses continue to open enhancing the economy and property values. The Burluson 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 District estimated a 2.7% enrollment growth and a 1.7% average daily attendance growth. As of October 2020, there are 11,409 students enrolled, which is lower than the 2020-2021 budget projections. A recent demographic study predicts the District to have an enrollment of over 11,896 by 2022. An 11% growth in property value was used for budget purposes.

The 2020-2021 tax rate approved at the September 2020 public hearing is \$1.3210, with \$0.92 for maintenance and operations and \$0.401 for debt service. A bond defeasance was approved at the August 2020 Board meeting in the amount of \$5,259,226 for a total savings of \$3,340,604.

These indicators were taken into consideration when adopting the General Fund budget for 2020-2021. Amounts available for appropriation in the General Fund budget are \$107.9 million. Budgeted expenditures at this time are expected to be \$107.9 million. Teachers, librarians, counselors, and nurses received a 3% pay increase for the 2020-2021 budget year. Administrative staff and auxiliary staff received 3% of the mid-point raise. The District budgeted for 19 additional teaching staff due to enrollment growth. The District budgeted for a retention stipend for classroom teachers. The District also budgeted for full-day Pre-K costs through the early education allotment implemented at all elementary campuses except one that does not have the building capacity at this time, additional costs for increased state compensatory education, and bilingual and Career and Technology Education allotments. The District continues to place high priority in safety and security in year six of the District Police Department. The District added 2 officers for the 2020-2021 school year. The District also continues to target attendance as a priority and has hired a student services director with attendance as a major focus in 2019-2020 and added an attendance specialist in 2020-2021 to add additional support for attendance accounting. The District also has a financial goal to increase fund balance to 90 days of operating expenses

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, 2020

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110	\$ 3,007,871	\$ 264,356	\$ 3,272,227
1120	35,917,425	833,569	36,750,994
1220	5,376,330	--	5,376,330
1230	(1,302,793)	--	(1,302,793)
1240	17,451,644	--	17,451,644
1290	1,360,668	--	1,360,668
1300	111,201	--	111,201
Capital Assets:			
1510	8,715,492	--	8,715,492
1520	149,851,445	--	149,851,445
1530	2,322,547	--	2,322,547
1000	<u>222,811,830</u>	<u>1,097,925</u>	<u>223,909,755</u>
DEFERRED OUTFLOWS OF RESOURCES:			
1700	17,247,278	--	17,247,278
1705	14,037,355	--	14,037,355
1706	5,460,550	--	5,460,550
1700	<u>36,745,183</u>	<u>--</u>	<u>36,745,183</u>
LIABILITIES:			
2110	3,383,538	6,288	3,389,826
2140	3,180,709	--	3,180,709
2165	9,533,949	124,435	9,658,384
2177	47,191	--	47,191
2180	1,619,324	--	1,619,324
2190	10,427	--	10,427
2300	192,000	--	192,000
Noncurrent Liabilities:			
2501	3,753,691	--	3,753,691
2502	178,003,346	--	178,003,346
2540	27,819,906	--	27,819,906
2545	34,295,647	--	34,295,647
2000	<u>261,839,728</u>	<u>130,723</u>	<u>261,970,451</u>
DEFERRED INFLOWS OF RESOURCES:			
2605	5,808,256	--	5,808,256
2606	14,860,836	--	14,860,836
2600	<u>20,669,092</u>	<u>--</u>	<u>20,669,092</u>
NET POSITION:			
3200	(2,822,030)	--	(2,822,030)
Restricted For:			
3820	539,138	--	539,138
3850	14,011,623	--	14,011,623
3890	1,128,491	967,202	2,095,693
3900	(35,809,029)	--	(35,809,029)
3000	<u>\$ (22,951,807)</u>	<u>\$ 967,202</u>	<u>\$ (21,984,605)</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	Functions/Programs	1	3	4
	Governmental Activities:			
11	<i>Instruction</i>	\$ 74,391,266	\$ 173,477	\$ 11,089,204
12	<i>Instructional Resources and Media Services</i>	1,223,561	858	78,986
13	<i>Curriculum and Staff Development</i>	2,000,987	851	886,251
21	<i>Instructional Leadership</i>	805,070	559	109,246
23	<i>School Leadership</i>	6,370,593	4,316	726,563
31	<i>Guidance, Counseling, and Evaluation Services</i>	5,886,859	3,095	1,829,621
32	<i>Social Work Services</i>	314,689	142	136,541
33	<i>Health Services</i>	900,621	638	74,032
34	<i>Student Transportation</i>	6,110,979	4,843	77,529
35	<i>Food Service</i>	6,330,763	825,788	5,420,580
36	<i>Cocurricular/Extracurricular Activities</i>	4,135,203	674,316	104,320
41	<i>General Administration</i>	2,968,811	2,229	220,321
51	<i>Facilities Maintenance and Operations</i>	10,605,725	8,411	136,479
52	<i>Security and Monitoring Services</i>	1,470,926	1,008	102,167
53	<i>Data Processing Services</i>	1,108,609	858	70,053
61	<i>Community Services</i>	1,302,137	236	886,530
72	<i>Interest on Long-term Debt</i>	6,692,460	--	90,829
73	<i>Bond Issuance Costs and Fees</i>	364,627	--	--
93	<i>Payments Related to Shared Services Arrangements</i>	374,042	299	4,635
99	<i>Other Intergovernmental Charges</i>	922,838	--	--
TG	Total Governmental Activities	<u>134,280,766</u>	<u>1,701,924</u>	<u>22,043,887</u>
	Business-type Activities:			
01	<i>Performing Arts Center</i>	32,527	--	395
03	<i>Community Education</i>	32,395	--	556
04	<i>STARS After School Program</i>	633,179	540,987	31,001
06	<i>Employee Child Care</i>	877,056	827,608	54,156
TB	Total Business-type Activities	<u>1,575,157</u>	<u>1,368,595</u>	<u>86,108</u>
TP	Total Primary Government	<u>\$ 135,855,922</u>	<u>\$ 3,070,519</u>	<u>\$ 22,129,995</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
IE	<i>Investment Earnings</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
MI	<i>Miscellaneous</i>			
TR	Total General Revenues			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (63,128,585)	\$ --	\$ (63,128,585)
(1,143,717)	--	(1,143,717)
(1,113,885)	--	(1,113,885)
(695,265)	--	(695,265)
(5,639,714)	--	(5,639,714)
(4,054,143)	--	(4,054,143)
(178,006)	--	(178,006)
(825,951)	--	(825,951)
(6,028,607)	--	(6,028,607)
(84,395)	--	(84,395)
(3,356,567)	--	(3,356,567)
(2,746,261)	--	(2,746,261)
(10,460,835)	--	(10,460,835)
(1,367,751)	--	(1,367,751)
(1,037,698)	--	(1,037,698)
(415,371)	--	(415,371)
(6,601,631)	--	(6,601,631)
(364,627)	--	(364,627)
(369,108)	--	(369,108)
(922,838)	--	(922,837)
<u>(110,534,955)</u>	<u>--</u>	<u>(110,534,954)</u>
--	(32,132)	(32,132)
--	(31,839)	(31,839)
--	(61,191)	(61,191)
--	4,708	4,708
--	<u>(120,454)</u>	<u>(120,454)</u>
<u>(110,534,954)</u>	<u>(120,454)</u>	<u>(110,655,408)</u>
41,530,225	--	41,530,225
17,102,862	--	17,102,862
535,393	9,956	545,349
55,616,208	--	55,616,208
966,357	49,862	1,016,219
<u>115,751,045</u>	<u>59,818</u>	<u>115,810,863</u>
5,216,090	(60,636)	5,155,454
(28,167,897)	1,027,838	(27,140,059)
<u>\$ (22,951,807)</u>	<u>\$ 967,202</u>	<u>\$ (21,984,605)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT*BALANCE SHEET - GOVERNMENTAL FUNDS*

JUNE 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 1,262,003	\$ 2,653	\$ 1,380,810	\$ 2,645,466
1120	Current Investments	17,778,326	14,061,019	826,965	32,666,310
1220	Property Taxes Receivable	3,821,096	1,555,234	--	5,376,330
1230	Allowance for Uncollectible Taxes	(918,428)	(384,365)	--	(1,302,793)
1240	Due from Other Governments	14,834,154	--	2,617,490	17,451,644
1260	Due from Other Funds	2,134,884	--	--	2,134,884
1290	Other Receivables	306,511	43,161	1,010,996	1,360,668
1300	Inventories	35,174	--	76,027	111,201
1000	Total Assets	<u>\$ 39,253,720</u>	<u>\$ 15,277,702</u>	<u>\$ 5,912,288</u>	<u>\$ 60,443,710</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 2,660,509	\$ --	\$ 722,988	\$ 3,383,497
2150	Payroll Deductions and Withholdings	817,708	--	75,253	892,961
2160	Accrued Wages Payable	7,521,219	--	538,545	8,059,764
2170	Due to Other Funds	47,191	--	2,134,883	2,182,074
2180	Due to Other Governments	1,418,274	95,210	105,840	1,619,324
2190	Due to Student Groups	10,427	--	--	10,427
2300	Deferred Revenue	--	--	192,000	192,000
2000	Total Liabilities	<u>12,475,328</u>	<u>95,210</u>	<u>3,769,509</u>	<u>16,340,047</u>
DEFERRED INFLOWS OF RESOURCES:					
2600	Unavailable Revenue for Property Taxes	2,902,668	1,170,869	--	4,073,537
2600	Total Deferred Inflows of Resources	<u>2,902,668</u>	<u>1,170,869</u>	<u>--</u>	<u>4,073,537</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	35,174	--	76,027	111,201
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	539,138	539,138
3470	Capital Acquisitions and Contractual Obligations	--	--	399,123	399,123
3480	Retirement of Long-Term Debt	--	14,011,623	--	14,011,623
3490	Other Restrictions of Fund Balance	--	--	1,128,491	1,128,491
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	21,179,631	--	--	21,179,631
3000	Total Fund Balances	<u>23,875,724</u>	<u>14,011,623</u>	<u>2,142,779</u>	<u>40,030,126</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,253,720</u>	<u>\$ 15,277,702</u>	<u>\$ 5,912,288</u>	<u>\$ 60,443,710</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2020*

Total fund balances - governmental funds balance sheet	\$ 40,030,126
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.	160,889,484
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	4,073,537
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	3,032,255
Payables for bond principal which are not due in the current period are not reported in the funds.	(162,649,187)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,860,574)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,180,709)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(27,819,906)
Deferred inflows of resources related to the Teacher Retirement System of Texas (TRS) are not reported in the funds.	(5,808,256)
Deferred outflows of resources related to TRS are not reported in the funds.	14,037,355
Recognition of the District's proportionate share of the net other postemployment benefits (OPEB) liability is not reported in the funds.	(34,295,647)
Deferred inflows of resources related to(OPEB plan are not reported in the funds.	(14,860,836)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	5,460,550
Rounding difference	<u>1</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (22,951,807)</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, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 42,624,443	\$ 17,136,236	\$ 1,660,601	\$ 61,421,280
5800 <i>State Program Revenues</i>	59,233,120	90,829	2,242,665	61,566,614
5900 <i>Federal Program Revenues</i>	1,356,800	--	11,209,329	12,566,129
5020 Total Revenues	<u>103,214,363</u>	<u>17,227,065</u>	<u>15,112,595</u>	<u>135,554,023</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	62,067,989	--	5,686,840	67,754,829
0012 <i>Instructional Resources and Media Services</i>	1,080,489	--	65	1,080,554
0013 <i>Curriculum and Staff Development</i>	1,064,220	--	630,221	1,694,441
0021 <i>Instructional Leadership</i>	700,785	--	38,106	738,891
0023 <i>School Leadership</i>	5,421,208	--	140,475	5,561,683
0031 <i>Guidance, Counseling, and Evaluation Services</i>	3,891,043	--	1,103,716	4,994,759
0032 <i>Social Work Services</i>	245,964	--	108,553	354,517
0033 <i>Health Services</i>	800,676	--	1,176	801,852
0034 <i>Student Transportation</i>	6,084,320	--	--	6,084,320
0035 <i>Food Service</i>	--	--	6,085,864	6,085,864
0036 <i>Cocurricular/Extracurricular Activities</i>	2,519,426	--	581,387	3,100,813
0041 <i>General Administration</i>	2,797,027	--	--	2,797,027
0051 <i>Facilities Maintenance and Operations</i>	10,517,137	--	12,186	10,529,323
0052 <i>Security and Monitoring Services</i>	1,565,904	--	56,497	1,622,401
0053 <i>Data Processing Services</i>	1,081,171	--	--	1,081,171
0061 <i>Community Services</i>	297,471	--	714,912	1,012,383
0071 <i>Principal on Long-term Debt</i>	601,628	2,511,731	--	3,113,359
0072 <i>Interest on Long-term Debt</i>	39,537	9,830,607	--	9,870,144
0073 <i>Bond Issuance Costs and Fees</i>	--	3,462,178	--	3,462,178
0081 <i>Capital Outlay</i>	170,728	--	69,450	240,178
0093 <i>Payments to Shared Services Arrangements</i>	374,042	--	--	374,042
0099 <i>Other Intergovernmental Charges</i>	922,837	--	--	922,837
6030 Total Expenditures	<u>102,243,602</u>	<u>15,804,516</u>	<u>15,229,448</u>	<u>133,277,566</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>970,761</u>	<u>1,422,549</u>	<u>(116,853)</u>	<u>2,276,457</u>
Other Financing Sources and (Uses):				
7913 <i>Issuance of Capital Leases</i>	1,817,228	--	--	1,817,228
7080 Total Other Financing Sources and (Uses)	<u>1,817,228</u>	<u>--</u>	<u>--</u>	<u>1,817,228</u>
1200 Net Change in Fund Balances	<u>2,787,989</u>	<u>1,422,549</u>	<u>(116,853)</u>	<u>4,093,685</u>
0100 Fund Balances - Beginning	<u>21,087,735</u>	<u>12,589,074</u>	<u>2,259,632</u>	<u>35,936,441</u>
3000 Fund Balances - Ending	<u>\$ 23,875,724</u>	<u>\$ 14,011,623</u>	<u>\$ 2,142,779</u>	<u>\$ 40,030,126</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, 2020*

Net change in fund balances - total governmental funds	\$ 4,093,685
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	2,198,471
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,059,900)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	415,484
Reversal of fiscal year on-behalf revenues are reported in the funds but not in the SOA.	(4,408,234)
Reversal of fiscal year on-behalf expenditures are reported in the funds but not in the SOA.	4,408,234
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,511,730
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	601,628
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(1,450,017)
The accretion of interest on capital appreciation bonds is not reported in the funds.	2,674,973
(Increase) decrease in accrued interest from beginning of period to end of period.	61,387
The net revenue (expense) of internal service funds is reported with governmental activities.	192,168
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	3,441,028
Bond premiums are reported in the funds but not in the SOA.	1,547,863
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(1,817,228)
GASB 68 on-behalf revenues are reported with governmental activities.	6,731,991
The District's share of the net pension expense is reported with governmental activities.	(10,376,278)
GASB 75 on-behalf revenues are reported with governmental activities.	1,201,071
The District's share of the net OPEB expense is reported with governmental activities.	(1,754,487)
GASB 75 federal funding recognized in the SOA is reported with governmental activities.	2,522
Rounding difference	(1)
	<hr/>
Change in net position of governmental activities - Statement of Activities	\$ <u>5,216,090</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2020

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
ASSETS:			
Current Assets:			
1110	<i>Cash and Cash Equivalents</i>	\$ 264,356	\$ 362,405
1120	<i>Investments</i>	833,569	3,251,115
	Total Current Assets	<u>1,097,925</u>	<u>3,613,520</u>
1000	Total Assets	<u>1,097,925</u>	<u>3,613,520</u>
LIABILITIES:			
Current Liabilities:			
2110	<i>Accounts Payable</i>	6,288	41
2150	<i>Payroll Deduction and Withholdings</i>	14,783	45
2160	<i>Accrued Wages Payable</i>	109,652	--
2200	<i>Accrued Expenses</i>	--	581,179
	Total Current Liabilities	<u>130,723</u>	<u>581,265</u>
2000	Total Liabilities	<u>130,723</u>	<u>581,265</u>
NET POSITION:			
3800	<i>Restricted</i>	(60,636)	192,168
3000	Total Net Position	<u>\$ 967,202</u>	<u>\$ 3,032,255</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, 2020

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	OPERATING REVENUES:		
5700	<i>Local and Intermediate Sources</i>	\$ 1,428,413	\$ 508,380
5800	<i>State Program Revenues</i>	86,108	2,853
5020	Total Revenues	<u>1,514,521</u>	<u>511,233</u>
	OPERATING EXPENSES:		
6100	<i>Payroll Costs</i>	1,377,163	41,719
6200	<i>Professional and Contracted Services</i>	34,617	55,839
6300	<i>Supplies and Materials</i>	88,509	34,017
6400	<i>Other Operating Costs</i>	74,868	187,490
6030	Total Expenses	<u>1,575,157</u>	<u>319,065</u>
1300	Change in Net Position	(60,636)	192,168
0100	Total Net Position - Beginning	1,027,838	2,840,087
3300	Total Net Position - Ending	<u>\$ 967,202</u>	<u>\$ 3,032,255</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, 2020

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,504,565	\$ 469,294
Cash Payments to Employees and Suppliers	(1,586,135)	(320,813)
Net Cash Provided (Used) by Operating Activities	<u>(81,571)</u>	<u>148,481</u>
Cash Flows from Investing Activities:		
Cash Received from Interest Earnings	9,956	41,939
Net Cash Provided (Used) by Investing Activities	<u>9,956</u>	<u>41,939</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(71,615)	190,420
Cash and Cash Equivalents at Beginning of Year	1,169,541	3,423,100
Cash and Cash Equivalents at End of Year	<u>\$ 1,097,926</u>	<u>\$ 3,613,520</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (60,636)	\$ 192,168
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
Increase (Decrease) in Interfund Payables	1,801	--
Increase (Decrease) in Accounts Payable	(19,441)	(1,748)
Increase (Decrease) in Accrued Wages Payable	6,661	--
Total Adjustments	<u>(10,979)</u>	<u>(1,748)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (71,615)</u>	<u>\$ 190,420</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2020

Data Control Codes	Private- Purpose Trust Fund	Agency Fund
<u>ASSETS:</u>	Private Scholarship Trust	Student Activity
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 83,176
1120 <i>Current Investments</i>	263,794	134,817
1260 <i>Due from Other Funds</i>	--	47,191
1000 Total Assets	<u>263,794</u>	<u>265,184</u>
<u>LIABILITIES:</u>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	--	11,361
2180 <i>Due to Other Governments</i>	--	815
2190 <i>Due to Student Groups</i>	--	253,008
2000 Total Liabilities	<u>--</u>	<u>265,184</u>
<u>NET POSITION:</u>		
3800 <i>Held in Trust</i>	263,794	--
3000 Total Net Position	<u>\$ 263,794</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Private- Scholarship Trust
Additions:	
Investment Income	\$ 3,758
Total Additions	<u>3,758</u>
Deductions:	
Scholarship Awards	<u>3,300</u>
Total Deductions	<u>3,300</u>
Change in Net Position	458
Net Position-Beginning of the Year	263,336
Net Position-End of the Year	<u>\$ 263,794</u>

The accompanying notes are an integral part of this statement.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Bastrop Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas (the "State"). It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporates data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided and other charges between the District's business-type activities and other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEAR ENDED JUNE 30, 2020

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund.

Permanent Funds

The permanent funds are governmental funds that are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs. The District uses these funds for scholarships.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business-type activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses includes costs of material, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund types used by the District includes the following

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 cost (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 and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. These funds account for the District's group health insurance benefits, workers' compensation risk management, and print shop fund. Because the principal users of the internal service funds are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the governmental-wide financial statements.

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2020

The District has the following type of fiduciary funds:

Agency Funds

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds.

Trust Funds

The trust funds are custodial in nature and do not present results of operations or have a measurement focus. Trust funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's private-purpose trust funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEAR ENDED JUNE 30, 2020

availability period for the revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the District.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

5. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Infrastructure	30 years
Buildings	50 years
Buildings Improvements	20 years
Vehicles	2 to 15 years
Office Equipment	3 to 15 years
Computer Equipment	3 to 15 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

7. Receivable and Payables 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEAR ENDED JUNE 30, 2020

8. 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 consolidations. 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.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

12. 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.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

15. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's 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.

16. Other Postemployment Benefits

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("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 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued *FOR THE YEAR ENDED JUNE 30, 2020*

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. There were no material changes between the original budget and the final amended budget.

III. DETAILED NOTES ON ALL FUNDS

A. 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, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,355,403 and the bank balance was \$3,545,189. The District's cash deposits at June 30, 2020, and during the year ended June 30, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments

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

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

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

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

As of June 30, 2020, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Rating</u>	<u>Weighted Average Maturity (Years)</u>
Lone Star Investment Pool	\$ 24,071,360	AAA*	0.10
Texpool - Local Government Investment Pool	13,090,233	AAA*m*	0.09
	<u>\$ 37,161,593</u>		
Portfolio weighted average maturity			0.10

*Rated by Standard and Poor's Investor Services

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/P1' as provided by two of the top nationally recognized rating agencies. As of June 30, 2020, the District's investments in TexPool and LoneStar were rated 'AAAm' and 'AAA', respectively, by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2020, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard and Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard and Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Associate of School Boards, 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 Lone Star members and nonmembers. 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 Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

B. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

Governmental Activities:	Beginning Balances	Increases	(Decreases)	Ending Balances
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>
Other capital assets:				
Buildings and improvements	224,269,095	152,840	-	224,421,935
Equipment and Vehicles	4,672,772	2,045,631	-	6,718,403
Total other capital assets	<u>228,941,867</u>	<u>2,198,471</u>	<u>-</u>	<u>231,140,338</u>
Less accumulated depreciation for:				
Buildings and improvements	(69,993,769)	(4,576,721)	-	(74,570,490)
Equipment and Vehicles	(3,912,676)	(483,179)	-	(4,395,856)
Total accumulated depreciation	<u>(73,906,445)</u>	<u>(5,059,900)</u>	<u>-</u>	<u>(78,966,346)</u>
Other capital assets, net	155,035,422	(2,861,429)	-	152,173,992
Governmental Activities Capital Assets, Net	<u>\$ 163,750,914</u>	<u>\$ (2,861,429)</u>	<u>\$ -</u>	<u>\$ 160,889,484</u>

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 2,980,583
12 Instructional resources/media services	88,503
13 Curriculum and staff development	9,623
21 Instructional leadership	8,556
23 School leadership	353,912
31 Guidance, counseling, and evaluation services	151,153
33 Health services	53,226
34 Student (pupil) transportation	24,262
35 Food service	197,565
36 Extracurricular activities	1,017,191
41 General administration	25,866
51 Plant maintenance and operations	29,590
52 Security and monitoring services	111,990
61 Community services	7,881
Total Depreciation Expense	<u>\$ 5,059,900</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

Governmental Activities:	Original Issue	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Bonds payable:						
Bldg & Refunding, Series 1997	\$ 32,593,420	\$ 2,237,294	\$ -	\$ (890,688)	\$ 1,346,606	\$ 842,006
Refunding, Series 2011	8,829,226	6,064,226	-	(3,450,000)	2,614,226	155,000
Refunding, Series 2012	8,793,904	8,238,904	-	(273,904)	7,965,000	995,000
Refunding, Series 2013A	8,670,000	8,130,000	-	(75,000)	8,055,000	75,000
Refunding, Series 2013B	18,200,000	17,970,000	-	-	17,970,000	-
Refunding, Series 2014	7,990,000	5,045,000	-	-	5,045,000	-
Refunding, Series 2015	54,705,000	53,950,000	-	(400,000)	53,550,000	395,000
Refunding, Series 2015A	21,186,873	19,711,873	-	(52,138)	19,659,735	29,518
Refunding, Series 2016	8,280,000	8,155,000	-	-	8,155,000	-
Refunding, Series 2017	20,580,000	20,580,000	-	(670,000)	19,910,000	705,000
Direct Borrowing/Placements:						
Leases - Portables	-	194,975	152,840	(99,963)	247,851	107,841
Leases- Camera	540,000	450,000	-	(65,745)	384,255	69,196
Leases - Wireless Displays	1,104,513	-	1,104,513	(240,948)	863,565	201,728
Leases- Computers	559,875	-	559,875	(194,971)	364,904	178,402
	<u>192,032,811</u>	<u>150,727,273</u>	<u>1,817,228</u>	<u>(6,413,358)</u>	<u>146,131,142</u> *	<u>\$ 3,753,691</u>
Other liabilities:						
Issuance premium/discount	-	22,471,882	-	(1,547,863)	20,924,019 *	-
Accreted interest	-	17,376,849	-	(2,674,973)	14,701,876 *	-
Net pension liability	-	26,757,563	1,062,343	-	27,819,906	-
Net OPEB liability	-	34,989,064	-	(693,417)	34,295,647	-
	<u>-</u>	<u>79,595,308</u>	<u>1,062,343</u>	<u>(2,241,240)</u>	<u>78,356,410</u>	<u>-</u>
Total Governmental Activities	<u>\$ 192,032,811</u>	<u>\$ 252,322,631</u>	<u>\$ 2,879,571</u>	<u>\$ (11,329,611)</u>	<u>\$ 243,872,590</u>	<u>\$ 3,753,691</u>

Long-term liabilities due in more than one year \$ 240,118,899

***Debt associated with capital assets** \$ 181,757,037

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% to 5.70%; Series 2011 bonds are 2.00% to 3.50%, Series 2012 bonds are 1.75% to 3.25%, Series 2013A bonds are 2.00% to 3.50%, Series 2013B are 4.00% to 5.00%, Series 2014 bonds are 2.00% to 4.00%, Series 2015 bonds are 2.00% to 5.00%, Series 2015A bonds are 1.45% to 5.00%, Series 2016 bonds are 4.00%, and Series 2017 are 4.00% to 5.00%. Interest expense was \$9,830,607 for the year ended June 30, 2020.

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 fund. The District approved the lease agreements at an interest rate of 4.80% to 5.545% for portables, 4.45% for camera leases, 4.450% for wireless displays, and 4.4488% for computers. Interest expense was \$39,537 for the year ended June 30, 2020.

The District entered into a lease agreement dated July 23, 2019 with Dell Financial Services in the amount of \$559,875 to be paid in three payments.

The District entered into a lease agreement dated September 13, 2019 with Vantage Financial in the amount of \$1,104,513 to be paid in five payments.

The District entered into a lease agreement dated July 11, 2019 with All American Investment Group, LLC in the amount of \$152,840 to be paid in 60 payments.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

Cash Defeasance

During the fiscal year, the District made a partial cash defeasance of the Unlimited Tax Refunding Bonds, Series 2011 in the amount of \$3,300,000 with a call date of August 20, 2019 by placing funds with an escrow agent. As a result, that portion of the bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$99,958, which was expensed.

The annual requirements to amortize debt issues outstanding at year end were as follows:

Year Ended June 30	Bonds Payable		
	Principal	Interest	Total Requirements
2021	\$ 3,196,524	\$ 9,096,513	\$ 12,293,038
2022	4,135,614	8,192,524	12,328,138
2023	5,809,071	6,566,016	12,375,087
2024	6,065,049	6,309,314	12,374,363
2025	6,312,829	6,069,459	12,382,288
2026-2030	28,312,255	33,448,383	61,760,638
2031-2035	45,565,000	16,070,631	61,635,631
2036-2040	32,509,226	9,500,049	42,009,275
2041-2045	12,365,000	726,400	13,091,400
	<u>\$ 144,270,568</u>	<u>\$ 95,979,289</u>	<u>\$ 240,249,856</u>

D. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2020 as follows:

Year Ended June 30	Capital Leases		
	Principal	Interest	Total Requirements
2021	\$ 557,167	\$ 86,891	\$ 644,058
2022	541,512	60,904	602,416
2023	329,140	45,699	374,839
2024	344,948	20,312	365,260
2025	87,807	4,470	92,277
Totals	<u>\$ 1,860,574</u>	<u>\$ 218,276</u>	<u>\$ 2,078,850</u>

E. Commitments Under Noncapitalized Leases

The District has various operating leases for copiers, risographs, and postage meters. The minimum future lease payments as of June 30, 2019 are as follows:

Year Ended June 30	Future Minimum Payments
2021	\$ 172,792
2022	172,792
2023	172,792
2024	172,792
2025	172,792
Total Minimum Rentals	<u>\$ 863,962</u>
Rental Expenditures in 2020	<u>\$ 297,291</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

F. Interfund Transactions

The interfunds at June 30, 2020 were as follows:

<u>Due To Fund</u>	<u>Due from Fund</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Trust and Agency Funds	\$ 47,191	Short-term loans
General Fund	Other Governmental Funds	2,134,883	Short-term loans
		<u>\$ 2,182,074</u>	

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

C. Defined Benefit Pension Plan

Teacher Retirement System

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 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. TRS'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 TRS.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2020

Pension Plan Fiduciary Net Position

Detailed information about TRS's 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://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS*, then *Publications*, then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

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 five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

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.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the Legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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 TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 and 2025.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

Contribution Rates			
Fiscal Year	State	Public Education	Active
		Employer*	Employee
2019	6.80%	1.50%	7.70%
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

*SB 12 requires an increase in employer contributions by public school districts, charter schools, and regional education service centers. Prior to SB12, only those employers not participating in Social Security were required to pay a 1.5% contribution. Beginning September 1, 2019, all employers are required to pay the Public Education Employer Contribution irrespective of participation in Social Security.

Contribution Rates	2019	2020
Member	7.7%	7.7%
NECE (State)	6.8%	6.8%
Employer	6.8%	6.8%

	Measurement Year (2019)	Fiscal Year (2020)
Employer contributions	\$ 1,873,166	\$ 2,036,409
Member contributions	\$ 4,566,797	\$ 4,870,707
NECE on-behalf contributions	\$ 2,885,417	\$ 3,580,942

Contributors to TRS include members, employers, and the State as the only nonemployer contributing entity (NECE). The State is the employer for senior colleges, medical schools, and state agencies, including TRS. In each respective role, the State contributes to TRS in accordance with state statutes and the GAA.

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS 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 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 or charter school, the employer shall contribute 1.5% of covered payroll to TRS beginning in fiscal year 2020. This contribution rate, called the Public Education Employer Contribution (PEEC), will replace the Non-Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional surcharges to which an employer is subject:

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the 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. This surcharge was in effect through fiscal year 2019 and was replaced by the PEEC explained above.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 and was determined using the following actuarial assumptions:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate	7.25%
Municipal bond rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data 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."
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2018. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 9, 2018.

Discount Rate

A single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, TRS' 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 TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS 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 FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2019 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2019

Asset Class	Fiscal Year 2019 Target Allocation (1)	New Target Allocation (2)	Long-Term Expected Geometric Real Rate of Return (3)
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries (4)	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	-	-	-
Real Return			
Global Inflation-Linked Bonds (4)	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources, and Infrastructure	5.0%	6.0%	7.3%
Commodities	-	-	-
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5% (5)
Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
Expected Return	<u>100.0%</u>	<u>100.0%</u>	<u>7.2%</u>

(1) Target allocations are based on the Strategic Asset Allocation as of fiscal year 2019.

(2) New allocations are based on the Strategic Asset Allocation to be implemented fiscal year 2020.

(3) Ten-year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

(4) New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.

(5) 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability (NPL) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the NPL:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	<u>\$ 42,763,237</u>	<u>\$ 27,819,906</u>	<u>\$ 15,712,924</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At August 31, 2020, the District reported a liability of \$27,819,906 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 27,819,906
State's proportionate share that is associated with the District	<u>42,855,473</u>
Total	\$ <u>70,675,379</u>

The NPL was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2018 through August 31, 2019.

At June 30, 2020, the District's proportion of the collective NPL was 0.053517%, which was an increase of 0.004905% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the TPL since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of Senate Bill 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.
- The Texas Legislature approved funding for a thirteenth check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended June 30, 2020, the District recognized pension expense of \$6,731,991 and revenue of \$6,731,991 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 116,868	\$ (965,951)
Changes in actuarial assumptions	8,631,101	(3,566,779)
Difference between projected and actual investment earnings	279,344	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,285,342	(1,275,526)
Contributions paid to TRS subsequent to the measurement date	1,724,700	-
Total	\$ <u>14,037,355</u>	\$ <u>(5,808,256)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

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:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Pension</u> <u>Expense</u>
2021	\$ 1,579,612
2022	1,244,615
2023	1,508,025
2024	1,645,311
2025	677,294
Thereafter	(150,458)
Total	\$ 6,504,399

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2020, 2019, and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$307,440, \$224,106, and \$180,142, respectively.

D. Defined Other Postemployment Benefit Plans

Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined 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.

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 https://www.trs.texas.gov/Pages/about_archive_cafr.aspx; 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, 2019 are as follows:

Total OPEB liability	\$ 48,583,247,239
Less: plan fiduciary net position	<u>1,292,022,349</u>
Net OPEB Liability	\$ <u>47,291,224,890</u>

Net position as a percentage of total OPEB liability 2.66%

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 TRS. 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 the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least ten years of service credit in TRS. 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 postemployment benefit changes, including automatic cost-of-living adjustments.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 FOR THE YEAR ENDED JUNE 30, 2020

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 a retiree with and without Medicare coverage:

TRS-Care Monthly Premium Rates			
	<u>Medicare</u>	<u>Non-Medicare</u>	
Retiree*	\$ 135	\$ 200	
Retiree and spouse	\$ 529	\$ 689	
Retiree* and children	\$ 468	\$ 408	
Retiree and family	\$ 1,020	\$ 999	

*or surviving spouse

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 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate, which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% 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 TRS-Care by type of contributor:

	Contribution Rates	
	<u>Fiscal Year</u>	
	<u>2019</u>	<u>2020</u>
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	<u>Measurement</u>	<u>Fiscal</u>
	<u>Year (2019)</u>	<u>Year (2020)</u>
Employer contributions	\$ 514,692	\$ 549,186
Member contributions	\$ 192,754	\$ 205,582
NECE on-behalf contributions	\$ 683,869	\$ 790,699

In addition to the employer contributions listed above, there is an additional surcharge to which all TRS employers are subject (regardless of whether or not they participate in TRS-Care). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2020

respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

- | | |
|----------------------------------|----------------------------|
| 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 | |

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale.

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2018 rolled forward to 8/31/2019
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.63% as of August 31, 2019
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs
Projected salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

The impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.3%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- 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.

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because TRS-Care is essentially a "pay-as-you-go" plan, 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 NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care's fiduciary net position was projected to not 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2020

Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis – The following schedule shows the impact of 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 (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of net OPEB liability	<u>\$ 41,405,849</u>	<u>\$ 34,295,647</u>	<u>\$ 28,733,327</u>

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care using the assumed healthcare cost trend rate of 8.5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than or 1% higher than the assumed healthcare cost trend rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
District's proportionate share of net OPEB liability	<u>\$ 27,977,185</u>	<u>\$ 34,295,647</u>	<u>\$ 42,759,482</u>

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability of \$34,295,648 for its proportionate share of TRS-Care's 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	\$ 34,295,647
State's proportionate share that is associated with the District	<u>45,571,242</u>
Total	<u>\$ 79,866,889</u>

The net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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 TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2018 through August 31, 2019.

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.072520%, compared to 0.070075% as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
- The healthcare trend rates were reset to better reflect TRS-Care's anticipated experience. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70% to 60%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*
 FOR THE YEAR ENDED JUNE 30, 2020

There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,201,071 and revenue of \$1,201,071 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of TRS-Care’s deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,682,493	\$ (5,612,119)
Changes in actuarial assumptions	1,904,856	(9,224,687)
Differences between projected and actual investment earnings	3,700	-
Changes in proportion and difference between the District’s contributions and the proportionate share of contributions	1,407,722	(24,030)
Contributions paid to TRS subsequent to the measurement date	461,779	-
Total	\$ 5,460,550	\$ (14,860,836)

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:

Fiscal Year Ended June 30	Pension Expense
2021	\$ (1,720,423)
2022	(1,720,423)
2023	(1,721,620)
2024	(1,722,305)
2025	(1,722,118)
Thereafter	(1,255,176)
Total	\$ (9,862,065)

E. Employee Health Care Coverage

During the year ended June 30, 2020, employees of the District were covered by a health insurance plan (the “Plan”). The District paid premiums of \$378 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2020 and terms of coverage and premiums costs are included in the contractual provisions.

F. 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.

BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
FOR THE YEAR ENDED JUNE 30, 2020

G. Subsequent Events

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While the initial event occurred prior to year end, the District was, subsequent to year end, continuing to modify its operations to prevent the spread to protect students, staff, and the community as a whole, while balancing the educational needs of students. In August, 2020, the District resumed its 2020-2021 school year starting on the regularly scheduled date with virtual learning only and then students were given the option of in-classroom or virtual learning on September 9, 2020, but providing parents and guardians the option for virtual learning on a semester-by-semester basis. Approximately 56% of students elected virtual learning. The District has made numerous changes to its operations, including provisions for students and staff to wear masks, more frequent cleanings, and numerous other changes. While such changes cause a significant hardship and have increased expenses, such increases are nominal in comparison to the overall budget. The District is continuing to monitor exposure levels with students, staff and the community as a whole, but to date the overall exposure threat level has been sufficiently low to continue with in-class learning, but the District is ready to modify its plans if necessary. The District will continue to seek out additional funding to cover the increased costs in responding to the pandemic.

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, 2020

EXHIBIT G-1

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Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
REVENUES:					
5700	Local and Intermediate Sources	\$ 41,486,049	\$ 42,182,920	\$ 42,624,443	\$ 441,523
5800	State Program Revenues	58,145,311	59,229,772	59,233,120	3,348
5900	Federal Program Revenues	1,315,385	1,463,578	1,356,800	(106,778)
5020	Total Revenues	<u>100,946,745</u>	<u>102,876,270</u>	<u>103,214,363</u>	<u>338,093</u>
EXPENDITURES:					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	60,675,308	63,131,427	62,067,989	1,063,438
0012	Instructional Resources and Media Services	1,133,030	1,312,898	1,080,489	232,409
0013	Curriculum and Staff Development	1,179,074	1,188,693	1,064,220	124,473
	Total Instruction and Instr. Related Services	<u>62,987,412</u>	<u>65,633,018</u>	<u>64,212,698</u>	<u>1,420,320</u>
Instructional and School Leadership:					
0021	Instructional Leadership	704,860	719,358	700,785	18,573
0023	School Leadership	5,359,004	5,444,367	5,421,208	23,159
	Total Instructional and School Leadership	<u>6,063,864</u>	<u>6,163,725</u>	<u>6,121,993</u>	<u>41,732</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling, and Evaluation Services	3,660,119	3,993,469	3,891,043	102,426
0032	Social Work Services	214,336	283,382	245,964	37,418
0033	Health Services	886,846	896,326	800,676	95,650
0034	Student (Pupil) Transportation	6,607,978	6,586,468	6,084,320	502,148
0036	Cocurricular/Extracurricular Activities	2,499,999	2,702,960	2,519,426	183,534
	Total Support Services - Student (Pupil)	<u>13,869,278</u>	<u>14,462,605</u>	<u>13,541,429</u>	<u>921,176</u>
Administrative Support Services:					
0041	General Administration	3,067,508	3,102,138	2,797,027	305,111
	Total Administrative Support Services	<u>3,067,508</u>	<u>3,102,138</u>	<u>2,797,027</u>	<u>305,111</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	9,388,077	10,601,359	10,517,137	84,222
0052	Security and Monitoring Services	1,010,404	1,581,196	1,565,904	15,292
0053	Data Processing Services	1,123,651	1,126,151	1,081,171	44,980
	Total Support Services - Nonstudent Based	<u>11,522,132</u>	<u>13,308,706</u>	<u>13,164,212</u>	<u>144,494</u>
Ancillary Services:					
0061	Community Services	227,614	304,414	297,471	6,943
	Total Ancillary Services	<u>227,614</u>	<u>304,414</u>	<u>297,471</u>	<u>6,943</u>
Debt Service:					
0071	Principal on Long-Term Debt	109,454	611,118	601,628	9,490
0072	Interest on Long-Term Debt	16,394	40,013	39,537	476
	Total Debt Service	<u>125,848</u>	<u>651,131</u>	<u>641,165</u>	<u>9,966</u>
Capital Outlay:					
0081	Capital Outlay	48,844	201,684	170,728	30,956
	Total Capital Outlay	<u>48,844</u>	<u>201,684</u>	<u>170,728</u>	<u>30,956</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	\$ 487,323	\$ 487,323	\$ 374,042	\$ 113,281
0099	Other Intergovernmental Charges	927,924	927,924	922,837	5,087
	Total Intergovernmental Charges	<u>1,415,247</u>	<u>1,415,247</u>	<u>1,296,879</u>	<u>118,368</u>
6030	Total Expenditures	<u>99,327,747</u>	<u>105,242,668</u>	<u>102,243,602</u>	<u>2,999,066</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>1,618,998</u>	<u>(2,366,398)</u>	<u>970,761</u>	<u>3,337,159</u>
	Other Financing Sources (Uses):				
7913	Issuance of Capital Leases	--	1,817,228	1,817,228	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>1,817,228</u>	<u>1,817,228</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>1,618,998</u>	<u>(549,170)</u>	<u>2,787,989</u>	<u>3,337,159</u>
0100	Fund Balance - Beginning	21,087,735	21,087,735	21,087,735	--
3000	Fund Balance - Ending	<u>\$ 22,706,733</u>	<u>\$ 20,538,565</u>	<u>\$ 23,875,724</u>	<u>\$ 3,337,159</u>

Notes to the Required Supplementary Information:

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

BASTROP INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
FOR THE YEAR ENDED JUNE 30, 2020

	Measurement Year*			
	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0535172%	0.0486126%	0.0506940%	0.0492569%
District's proportionate share of the net pension liability (asset)	\$ 27,819,906	\$ 26,757,563	\$ 16,209,215	\$ 18,613,469
State's proportionate share of the net pension liability (asset) associated with the District	42,855,473	59,370,329	29,315,324	35,875,687
Total	\$ <u>70,675,379</u>	\$ <u>86,127,892</u>	\$ <u>45,524,539</u>	\$ <u>54,489,156</u>
District's covered payroll**	\$ 59,841,633	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.49%	46.32%	28.12%	33.86%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%

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

** As of the measurement date.

Notes to Required Supplementary Information:

Changes in Assumptions:

The total pension liability (TPL) as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.

With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

The discount rate changed from 6.907% as of August 31, 2018 to 7.25% as of August 31, 2019.

Changes in Benefits: There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

Measurement Year*	
2015	2014
0.0131955%	0.0372820%
\$ 20,296,711	\$ 9,958,539
<u>30,566,773</u>	<u>28,016,665</u>
\$ <u>50,863,484</u>	\$ <u>37,975,204</u>
\$ 52,103,386	\$ 51,877,575
38.95%	19.20%
78.43%	83.25%

BASTROP INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF DISTRICT CONTRIBUTIONS**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**FOR THE YEAR ENDED JUNE 30, 2020*

	Fiscal Year				
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,036,409	\$ 1,561,311	\$ 1,631,479	\$ 1,746,426	\$ 1,662,971
Contributions in relation to the contractually required contribution	2,036,409	1,561,311	1,631,479	1,746,426	1,662,971
Contribution deficiency (excess)	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>
District's covered payroll	\$ 63,255,930	\$ 59,309,058	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747
Contributions as a percentage of covered payroll	3.22%	2.63%	2.39%	3.03%	3.03%

EXHIBIT G-3

Fiscal Year				
2015	2014	2013	2012	2011
\$ 1,632,190	\$ 945,201	\$ 801,168	\$ 663,332	\$ 815,670
<u>1,632,190</u>	<u>945,201</u>	<u>801,168</u>	<u>663,332</u>	<u>815,670</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 52,103,386	\$ 51,877,575	\$ 48,595,253	\$ 47,361,035	\$ 49,657,645
3.13%	1.82%	1.65%	1.40%	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, 2020

	Measurement Year*		
	2019	2018	2017
District's proportion of the collective net OPEB liability (asset)	0.0725201%	0.0700750%	0.0699585%
District's proportionate share of the collective net OPEB liability (asset)	\$ 34,295,647	\$ 34,989,064	\$ 30,422,325
State proportionate share of the collective net OPEB liability associated with the District	45,571,242	50,304,933	45,626,872
Total	<u>\$ 79,866,889</u>	<u>\$ 85,293,997</u>	<u>\$ 76,049,197</u>
District's covered payroll**	\$ 59,841,633	\$ 57,762,926	\$ 57,638,548
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	57.31%	60.57%	52.78%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

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

**As of the measurement date.

Notes to Required Supplementary Information:

Changes in Assumptions: There were changes in assumptions that affected measurement of the total OPEB liability since the prior measurement date.

The participation rates for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.

The trend rates were reset to better reflect TRS's anticipated experience. This change increased the total OPEB liability.

The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.

Changes in Benefits: There were no changes in benefits terms since the prior measurement date.

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-5

*SCHEDULE OF DISTRICT CONTRIBUTIONS**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)**FOR THE YEAR ENDED JUNE 30, 2020*

	Fiscal Year*		
	2020	2019	2018
Statutorily or contractually required District contribution	\$ 549,186	\$ 507,485	\$ 464,562
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	549,186	507,485	464,562
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 63,255,930	\$ 59,309,058	\$ 57,762,926
Contributions as a percentage of covered payroll	0.87%	0.86%	0.80%

*Only three years' 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, 2020

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	\$ 1,034,074	\$ 112,187	\$ 234,549	\$ 1,380,810
1120	Current Investments	540,029	286,936	--	826,965
1240	Due from Other Governments	2,617,490	--	--	2,617,490
1290	Other Receivables	1,010,996	--	--	1,010,996
1300	Inventories	76,027	--	--	76,027
1000	Total Assets	<u>\$ 5,278,616</u>	<u>\$ 399,123</u>	<u>\$ 234,549</u>	<u>\$ 5,912,288</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 722,988	\$ --	\$ --	\$ 722,988
2150	Payroll Deductions and Withholdings	75,253	--	--	75,253
2160	Accrued Wages Payable	538,545	--	--	538,545
2170	Due to Other Funds	2,134,883	--	--	2,134,883
2180	Due to Other Governments	105,840	--	--	105,840
2300	Deferred Revenue	192,000	--	--	192,000
2000	Total Liabilities	<u>3,769,509</u>	<u>--</u>	<u>--</u>	<u>3,769,509</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	76,027	--	--	76,027
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	539,138	--	--	539,138
3470	Capital Acquisitions and Contractual Obligations	--	399,123	--	399,123
3490	Other Restrictions of Fund Balances	893,942	--	234,549	1,128,491
3000	Total Fund Balances	<u>1,509,107</u>	<u>399,123</u>	<u>234,549</u>	<u>2,142,779</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,278,616</u>	<u>\$ 399,123</u>	<u>\$ 234,549</u>	<u>\$ 5,912,288</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 1,489,681	\$ 4,775	\$ 166,145	\$ 1,660,601
5800 <i>State Program Revenues</i>	2,242,665	--	--	2,242,665
5900 <i>Federal Program Revenues</i>	11,209,329	--	--	11,209,329
5020 Total Revenues	<u>14,941,675</u>	<u>4,775</u>	<u>166,145</u>	<u>15,112,595</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	5,536,974	--	149,866	5,686,840
0012 <i>Instructional Resources and Media Services</i>	65	--	--	65
0013 <i>Curriculum and Staff Development</i>	630,221	--	--	630,221
0021 <i>Instructional Leadership</i>	38,106	--	--	38,106
0023 <i>School Leadership</i>	140,475	--	--	140,475
0031 <i>Guidance, Counseling, and Evaluation Services</i>	1,103,716	--	--	1,103,716
0032 <i>Social Work Services</i>	108,553	--	--	108,553
0033 <i>Health Services</i>	1,176	--	--	1,176
0035 <i>Food Service</i>	6,085,864	--	--	6,085,864
0036 <i>Cocurricular/Extracurricular Activities</i>	554,679	26,708	--	581,387
0051 <i>Facilities Maintenance and Operations</i>	--	12,186	--	12,186
0052 <i>Security and Monitoring Services</i>	56,497	--	--	56,497
0061 <i>Community Services</i>	714,912	--	--	714,912
0081 <i>Capital Outlay</i>	--	69,450	--	69,450
6030 Total Expenditures	<u>14,971,238</u>	<u>108,344</u>	<u>149,866</u>	<u>15,229,448</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(29,563)</u>	<u>(103,569)</u>	<u>16,279</u>	<u>(116,853)</u>
1200 Net Change in Fund Balances	<u>(29,563)</u>	<u>(103,569)</u>	<u>16,279</u>	<u>(116,853)</u>
0100 Fund Balances - Beginning	<u>1,538,670</u>	<u>502,692</u>	<u>218,270</u>	<u>2,259,632</u>
3000 Fund Balances - Ending	<u>\$ 1,509,107</u>	<u>\$ 399,123</u>	<u>\$ 234,549</u>	<u>\$ 2,142,779</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes	206 Texas Education for Homeless Children and Youth	211 Title I Improving Basic Programs	212 Title I, Part C Migrant	224 IDEA-B Formula	
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ 7,328	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	7,401	541,799	16,706	530,660
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 7,401</u>	<u>\$ 541,799</u>	<u>\$ 24,034</u>	<u>\$ 530,660</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 157,791	\$ 181	\$ 11,026
2150	Payroll Deductions and Withholdings	--	17,762	588	28,562
2160	Accrued Wages Payable	--	102,064	--	209,216
2170	Due to Other Funds	7,401	264,182	23,265	281,856
2180	Due to Other Governments	--	--	--	--
2300	Deferred Revenue	--	--	--	--
2000	Total Liabilities	<u>7,401</u>	<u>541,799</u>	<u>24,034</u>	<u>530,660</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balances	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,401</u>	<u>\$ 541,799</u>	<u>\$ 24,034</u>	<u>\$ 530,660</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary Residential	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II, Part A Supp. Effective Instruction
\$ --	\$ --	\$ 2,375	\$ --	\$ 2,500
--	--	227,441	--	--
6,778	32,851	307,277	24,824	147,042
--	--	936,831	--	300
--	--	76,027	--	--
<u>\$ 6,778</u>	<u>\$ 32,851</u>	<u>\$ 1,549,951</u>	<u>\$ 24,824</u>	<u>\$ 149,842</u>
\$ 139	\$ 10,830	\$ 195,093	\$ 7,372	\$ 33,233
466	--	1,861	--	1,382
2,844	--	--	--	23,445
3,329	22,021	752,095	17,452	91,782
--	--	--	--	--
--	--	--	--	--
<u>6,778</u>	<u>32,851</u>	<u>949,049</u>	<u>24,824</u>	<u>149,842</u>
--	--	76,027	--	--
--	--	524,875	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>600,902</u>	<u>--</u>	<u>--</u>
<u>\$ 6,778</u>	<u>\$ 32,851</u>	<u>\$ 1,549,951</u>	<u>\$ 24,824</u>	<u>\$ 149,842</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes	263 Title III, Part A-ELA	265 21st Century Community Learning Centers	276 Instructional Continuity	289 Title IV, Part A, Subpart 1	
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	84,357	264,111	41,974	15,146
1290	Other Receivables	--	250	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 84,357</u>	<u>\$ 264,361</u>	<u>\$ 41,974</u>	<u>\$ 15,146</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 36,258	\$ 6,166	\$ 40,950	\$ 603
2150	Payroll Deductions and Withholdings	1,205	6,294	--	--
2160	Accrued Wages Payable	--	65,538	--	--
2170	Due to Other Funds	46,894	186,363	1,024	14,543
2180	Due to Other Governments	--	--	--	--
2300	Deferred Revenue	--	--	--	--
2000	Total Liabilities	<u>84,357</u>	<u>264,361</u>	<u>41,974</u>	<u>15,146</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balances	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 84,357</u>	<u>\$ 264,361</u>	<u>\$ 41,974</u>	<u>\$ 15,146</u>

386 Regional Day School for the Deaf	393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook	426 Ready to Read License Plates
\$ --	\$ 2,534	\$ 3,817	\$ 304,766	\$ --
--	--	--	--	--
540,067	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 540,067</u>	<u>\$ 2,534</u>	<u>\$ 3,817</u>	<u>\$ 304,766</u>	<u>\$ --</u>
\$ 1,434	\$ --	\$ --	\$ 187,197	\$ --
16,784	--	--	--	--
129,487	--	--	--	--
392,362	--	--	--	--
--	--	--	105,840	--
--	--	--	--	--
<u>540,067</u>	<u>--</u>	<u>--</u>	<u>293,037</u>	<u>--</u>
--	--	--	--	--
--	2,534	--	11,729	--
--	--	3,817	--	--
<u>--</u>	<u>2,534</u>	<u>3,817</u>	<u>11,729</u>	<u>--</u>
<u>\$ 540,067</u>	<u>\$ 2,534</u>	<u>\$ 3,817</u>	<u>\$ 304,766</u>	<u>\$ --</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

Data Control Codes		429 State Funded Special Revenue	459 Bastrop County Bootcamp
ASSETS:			
1110	<i>Cash and Cash Equivalents</i>	\$ 148,152	\$ --
1120	<i>Current Investments</i>	--	--
1240	<i>Due from Other Governments</i>	56,497	--
1290	<i>Other Receivables</i>	--	73,615
1300	<i>Inventories</i>	--	--
1000	Total Assets	<u>\$ 204,649</u>	<u>\$ 73,615</u>
LIABILITIES:			
Current Liabilities:			
2110	<i>Accounts Payable</i>	\$ 12,608	\$ 537
2150	<i>Payroll Deductions and Withholdings</i>	41	263
2160	<i>Accrued Wages Payable</i>	--	5,951
2170	<i>Due to Other Funds</i>	--	30,314
2180	<i>Due to Other Governments</i>	--	--
2300	<i>Deferred Revenue</i>	192,000	--
2000	Total Liabilities	<u>204,649</u>	<u>37,065</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410	<i>Inventories</i>	--	--
Restricted Fund Balances:			
3450	<i>Federal/State Funds Grant Restrictions</i>	--	--
3490	<i>Other Restrictions of Fund Balances</i>	--	36,550
3000	Total Fund Balances	<u>--</u>	<u>36,550</u>
4000	Total Liabilities and Fund Balances	<u>\$ 204,649</u>	<u>\$ 73,615</u>

461 Campus Activity	480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 163,673	\$ 216	\$ 398,713	\$ 1,034,074
312,588	--	--	540,029
--	--	--	2,617,490
--	--	--	1,010,996
--	--	--	76,027
<u>\$ 476,261</u>	<u>\$ 216</u>	<u>\$ 398,713</u>	<u>\$ 5,278,616</u>
\$ 21,570	\$ --	\$ --	\$ 722,988
45	--	--	75,253
--	--	--	538,545
--	--	--	2,134,883
--	--	--	105,840
--	--	--	192,000
<u>21,615</u>	<u>--</u>	<u>--</u>	<u>3,769,509</u>
--	--	--	76,027
--	--	--	539,138
454,646	216	398,713	893,942
<u>454,646</u>	<u>216</u>	<u>398,713</u>	<u>1,509,107</u>
<u>\$ 476,261</u>	<u>\$ 216</u>	<u>\$ 398,713</u>	<u>\$ 5,278,616</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, 2020

Data Control Codes	206 Texas Education for Homeless Children and Youth	211 Title I Improving Basic Programs	212 Title I, Part C Migrant	224 IDEA-B Formula
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	16,877	1,935,589	17,600	1,774,575
5020 Total Revenues	<u>16,877</u>	<u>1,935,589</u>	<u>17,600</u>	<u>1,774,575</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	--	1,347,582	1,091	670,859
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	284,646	38	--
0021 <i>Instructional Leadership</i>	--	30,093	--	--
0023 <i>School Leadership</i>	--	140,475	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	1,103,716
0032 <i>Social Work Services</i>	16,877	75,278	16,398	--
0033 <i>Health Services</i>	--	1,176	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	56,339	73	--
6030 Total Expenditures	<u>16,877</u>	<u>1,935,589</u>	<u>17,600</u>	<u>1,774,575</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 Discretionary Residential	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II, Part A Supp. Effective Instruction
\$ --	\$ --	\$ 834,194	\$ --	\$ --
--	--	28,993	--	--
<u>21,590</u>	<u>59,866</u>	<u>5,357,609</u>	<u>103,559</u>	<u>313,820</u>
<u>21,590</u>	<u>59,866</u>	<u>6,220,796</u>	<u>103,559</u>	<u>313,820</u>
21,590	59,866	--	103,559	87,408
--	--	--	--	--
--	--	--	--	218,399
--	--	--	--	8,013
--	--	--	--	--
--	--	--	--	--
--	--	6,085,864	--	--
--	--	--	--	--
--	--	--	--	--
<u>21,590</u>	<u>59,866</u>	<u>6,085,864</u>	<u>103,559</u>	<u>313,820</u>
--	--	134,932	--	--
--	--	134,932	--	--
--	--	465,970	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 600,902</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, 2020

Data Control Codes	263 Title III, Part A-ELA	265 21st Century Community Learning Centers	276 Instructional Continuity	289 Title IV, Part A, Subpart 1
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	253,554	1,182,590	40,950	131,150
5020 Total Revenues	<u>253,554</u>	<u>1,182,590</u>	<u>40,950</u>	<u>131,150</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	225,687	531,305	40,950	25,886
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	20,652	--	--	105,264
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	7,215	651,285	--	--
6030 Total Expenditures	<u>253,554</u>	<u>1,182,590</u>	<u>40,950</u>	<u>131,150</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>

386 Regional Day School for the Deaf	393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook	426 Ready to Read License Plates
\$ --	\$ --	\$ --	\$ --	\$ --
970,848	--	571	1,124,991	65
--	--	--	--	--
<u>970,848</u>	<u>--</u>	<u>571</u>	<u>1,124,991</u>	<u>65</u>
970,197	--	--	1,124,991	--
--	--	--	--	65
651	--	571	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>970,848</u>	<u>--</u>	<u>571</u>	<u>1,124,991</u>	<u>65</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	2,534	3,817	11,729	--
\$ <u>--</u>	\$ <u>2,534</u>	\$ <u>3,817</u>	\$ <u>11,729</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, 2020

Data Control Codes	429 State Funded Special Revenue	459 Bastrop County Bootcamp
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ 90,199
5800 <i>State Program Revenues</i>	117,197	--
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>117,197</u>	<u>90,199</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	60,700	53,649
0012 <i>Instructional Resources and Media Services</i>	--	--
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--
0032 <i>Social Work Services</i>	--	--
0033 <i>Health Services</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--
0052 <i>Security and Monitoring Services</i>	56,497	--
0061 <i>Community Services</i>	--	--
6030 Total Expenditures	<u>117,197</u>	<u>53,649</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>--</u>	<u>36,550</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>36,550</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 36,550</u>

461 Campus Activity	480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 565,288	\$ --	\$ --	\$ 1,489,681
--	--	--	2,242,665
--	--	--	11,209,329
<u>565,288</u>	<u>--</u>	<u>--</u>	<u>14,941,675</u>
--	--	211,654	5,536,974
--	--	--	65
--	--	--	630,221
--	--	--	38,106
--	--	--	140,475
--	--	--	1,103,716
--	--	--	108,553
--	--	--	1,176
--	--	--	6,085,864
554,679	--	--	554,679
--	--	--	56,497
--	--	--	714,912
<u>554,679</u>	<u>--</u>	<u>211,654</u>	<u>14,971,238</u>
10,609	--	(211,654)	(29,563)
<u>10,609</u>	<u>--</u>	<u>(211,654)</u>	<u>(29,563)</u>
444,037	216	610,367	1,538,670
<u>\$ 454,646</u>	<u>\$ 216</u>	<u>\$ 398,713</u>	<u>\$ 1,509,107</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2020

Data Control Codes	Performing Arts Center	High School Bistro
ASSETS:		
Current Assets:		
1110 <i>Cash and Cash Equivalents</i>	\$ 32,043	\$ 2,784
1120 <i>Investments</i>	--	--
Total Current Assets	<u>32,043</u>	<u>2,784</u>
1000 Total Assets	<u>32,043</u>	<u>2,784</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	856	--
2150 <i>Payroll Deduction and Withholdings</i>	7	--
2160 <i>Accrued Wages Payable</i>	--	--
Total Current Liabilities	<u>863</u>	<u>--</u>
2000 Total Liabilities	<u>863</u>	<u>--</u>
NET POSITION:		
3800 <i>Restricted</i>	(12,403)	--
3000 Total Net Position	<u>\$ 31,180</u>	<u>\$ 2,784</u>

Community Education	STARS After School Program	Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-1)
\$ 68,027	\$ 39,575	\$ 121,927	\$ 264,356
--	833,569	--	833,569
<u>68,027</u>	<u>873,144</u>	<u>121,927</u>	<u>1,097,925</u>
<u>68,027</u>	<u>873,144</u>	<u>121,927</u>	<u>1,097,925</u>
70	3,974	1,388	6,288
49	974	13,753	14,783
--	14,336	95,316	109,652
<u>119</u>	<u>19,284</u>	<u>110,457</u>	<u>130,723</u>
<u>119</u>	<u>19,284</u>	<u>110,457</u>	<u>130,723</u>
(2,206)	(50,735)	4,708	(60,636)
<u>\$ 67,908</u>	<u>\$ 853,860</u>	<u>\$ 11,470</u>	<u>\$ 967,202</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, 2020

Data Control Codes		Performing Arts Center	High School Bistro
OPERATING REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 19,729	\$ --
5800	<i>State Program Revenues</i>	395	--
5020	Total Revenues	<u>20,124</u>	<u>--</u>
OPERATING EXPENSES:			
6100	<i>Payroll Costs</i>	10,355	--
6200	<i>Professional and Contracted Services</i>	5,821	--
6300	<i>Supplies and Materials</i>	15,095	--
6400	<i>Other Operating Costs</i>	1,256	--
6030	Total Expenses	<u>32,527</u>	<u>--</u>
1300	Change in Net Position	(12,403)	--
0100	Total Net Position - Beginning	43,583	2,784
3300	Total Net Position - Ending	<u>\$ 31,180</u>	<u>\$ 2,784</u>

Community Education	STARS After School Program	Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-2)
\$ 29,633	\$ 551,443	\$ 827,608	\$ 1,428,413
556	31,001	54,156	86,108
<u>30,189</u>	<u>582,444</u>	<u>881,764</u>	<u>1,514,521</u>
7,175	532,056	827,577	1,377,163
20,197	6,328	2,271	34,617
2,205	32,878	38,331	88,509
2,818	61,917	8,877	74,868
<u>32,395</u>	<u>633,179</u>	<u>877,056</u>	<u>1,575,157</u>
(2,206)	(50,735)	4,708	(60,636)
70,114	904,595	6,762	1,027,838
<u>\$ 67,908</u>	<u>\$ 853,860</u>	<u>\$ 11,470</u>	<u>\$ 967,202</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	744 Performing Arts Center	746 High School Bistro	747 Community Education
Cash Flows from Operating Activities:			
Cash Received from Miscellaneous Sources	\$ 20,123	\$ --	\$ 30,189
Cash Payments to Employees and Suppliers	(32,583)	--	(37,208)
Net Cash Provided (Used) by Operating Activities	<u>(12,460)</u>	<u>--</u>	<u>(7,019)</u>
Cash Flows from Investing Activities:			
Cash Received from Interest Earnings	--	--	--
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,460)	--	(7,019)
Cash and Cash Equivalents at Beginning of Year	44,503	2,784	75,047
Cash and Cash Equivalents at End of Year	<u>\$ 32,043</u>	<u>\$ 2,784</u>	<u>\$ 68,028</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (12,403)	\$ --	\$ (2,206)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Increase (Decrease) in Interfund Payables	(17)	--	(17)
Increase (Decrease) in Accounts Payable	814	--	(4,076)
Increase (Decrease) in Accrued Wages Payable	(853)	--	(720)
Total Adjustments	<u>(57)</u>	<u>--</u>	<u>(4,813)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (12,460)</u>	<u>\$ --</u>	<u>\$ (7,019)</u>

EXHIBIT H-7

748 STARS After School Program	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 572,488	\$ 881,764	\$ 1,504,565
<u>(651,831)</u>	<u>(864,513)</u>	<u>(1,586,135)</u>
<u>(79,343)</u>	<u>17,251</u>	<u>(81,571)</u>
 9,956	 --	 9,956
<u>9,956</u>	<u>--</u>	<u>9,956</u>
 (69,387)	 17,251	 (71,615)
942,531	104,676	1,169,541
<u>\$ 873,144</u>	<u>\$ 121,927</u>	<u>\$ 1,097,926</u>
\$ (50,735)	\$ 4,708	\$ (60,636)
40	1,795	1,801
(16,405)	226	(19,441)
(2,287)	10,521	6,661
<u>(18,652)</u>	<u>12,543</u>	<u>(10,979)</u>
<u>\$ (69,387)</u>	<u>\$ 17,251</u>	<u>\$ (71,615)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2020

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
ASSETS:			
Current Assets:			
1110 <i>Cash and Cash Equivalents</i>	\$ 125,907	\$ 236,498	\$ 362,405
1120 <i>Investments</i>	--	3,251,115	3,251,115
	<u>125,907</u>	<u>3,487,613</u>	<u>3,613,520</u>
1000 Total Assets	<u>125,907</u>	<u>3,487,613</u>	<u>3,613,520</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	41	--	41
2150 <i>Payroll Deduction and Withholdings</i>	45	--	45
2200 <i>Accrued Expenses</i>	--	581,179	581,179
	<u>86</u>	<u>581,179</u>	<u>581,265</u>
2000 Total Liabilities	<u>86</u>	<u>581,179</u>	<u>581,265</u>
NET POSITION:			
3800 <i>Restricted</i>	125,821	2,906,434	3,032,255
3000 Total Net Position	<u>\$ 125,821</u>	<u>\$ 2,906,434</u>	<u>\$ 3,032,255</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, 2020

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 149,066	\$ 359,314	\$ 508,380
5800 <i>State Program Revenues</i>	2,853	--	2,853
5020 <i>Total Revenues</i>	<u>151,919</u>	<u>359,314</u>	<u>511,233</u>
OPERATING EXPENSES:			
6100 <i>Payroll Costs</i>	41,719	--	41,719
6200 <i>Professional and Contracted Services</i>	55,839	--	55,839
6300 <i>Supplies and Materials</i>	34,017	--	34,017
6400 <i>Other Operating Costs</i>	--	187,490	187,490
6030 <i>Total Expenses</i>	<u>131,575</u>	<u>187,490</u>	<u>319,065</u>
1300 <i>Change in Net Position</i>	20,344	171,824	192,168
0100 <i>Total Net Position - Beginning</i>	105,477	2,734,610	2,840,087
3300 <i>Total Net Position - Ending</i>	<u>\$ 125,821</u>	<u>\$ 2,906,434</u>	<u>\$ 3,032,255</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 151,919	\$ 317,375	\$ 469,294
Cash Payments to Employees and Suppliers	(133,323)	(187,490)	(320,813)
Net Cash Provided (Used) by Operating Activities	<u>18,596</u>	<u>129,885</u>	<u>148,481</u>
Cash Flows from Investing Activities:			
Cash Received from Interest Earnings	--	41,939	41,939
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>41,939</u>	<u>41,939</u>
Net Increase (Decrease) in Cash and Cash Equivalents	18,596	171,824	190,420
Cash and Cash Equivalents at Beginning of Year	107,311	3,315,789	3,423,100
Cash and Cash Equivalents at End of Year	<u>\$ 125,907</u>	<u>\$ 3,487,613</u>	<u>\$ 3,613,520</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 20,344	\$ 171,824	\$ 192,168
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(1,748)	--	(1,748)
Total Adjustments	<u>(1,748)</u>	<u>--</u>	<u>(1,748)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 18,596</u>	<u>\$ 171,824</u>	<u>\$ 190,420</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, 2020*

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2011 and Prior Years	Various	Various	Various
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	\$ 1.04	\$.401	\$ 3,635,450,117
2019	\$ 1.04	\$.401	\$ 3,912,309,226
2020 (School Year Under Audit)	\$.970	\$.400	\$ 4,238,921,255

1000 Totals

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

10 Beginning Balance 7/1/19	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/20
\$ 715,830	\$ --	\$ 85,902	\$ 36,399	\$ 51,851	\$ 645,379
151,924	--	5,431	2,303	(949)	143,242
145,021	--	6,219	2,637	(675)	135,489
171,460	--	12,561	5,327	1,319	154,891
219,050	--	19,069	8,086	(814)	191,081
325,638	--	39,385	15,944	(90,667)	179,642
376,554	--	93,523	36,060	2,640	249,611
758,077	--	195,988	75,568	(23,419)	463,102
2,033,499	--	752,198	266,500	(180,609)	834,192
--	58,073,221	39,415,048	16,287,525	9,055	2,379,702
<u>\$ 4,897,053</u>	<u>\$ 58,073,221</u>	<u>\$ 40,625,326</u>	<u>\$ 16,736,350</u>	<u>\$ (232,268)</u>	<u>\$ 5,376,330</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,065,682	\$ 1,065,682	\$ 834,194	\$ (231,488)
5800	State Program Revenues	29,000	29,000	28,993	(7)
5900	Federal Program Revenues	5,090,928	5,234,928	5,357,609	122,681
5020	Total Revenues	<u>6,185,610</u>	<u>6,329,610</u>	<u>6,220,796</u>	<u>(108,814)</u>
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	6,136,833	6,280,833	6,085,864	194,969
	Total Support Services - Student (Pupil)	<u>6,136,833</u>	<u>6,280,833</u>	<u>6,085,864</u>	<u>194,969</u>
6030	Total Expenditures	<u>6,136,833</u>	<u>6,280,833</u>	<u>6,085,864</u>	<u>194,969</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>48,777</u>	<u>48,777</u>	<u>134,932</u>	<u>86,155</u>
1200	Net Change in Fund Balance	<u>48,777</u>	<u>48,777</u>	<u>134,932</u>	<u>86,155</u>
0100	Fund Balance - Beginning	465,970	465,970	465,970	--
3000	Fund Balance - Ending	<u>\$ 514,747</u>	<u>\$ 514,747</u>	<u>\$ 600,902</u>	<u>\$ 86,155</u>

BASTROP INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUNDS
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES:					
5700	Local and Intermediate Sources	\$ 16,441,862	\$ 16,461,862	\$ 17,136,236	\$ 674,374
5800	State Program Revenues	--	--	90,829	90,829
5020	Total Revenues	<u>16,441,862</u>	<u>16,461,862</u>	<u>17,227,065</u>	<u>765,203</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	4,921,042	2,511,731	2,511,731	--
0072	Interest on Long-Term Debt	10,316,253	9,830,607	9,830,607	--
0073	Bond Issuance Costs and Fees	50,000	3,464,957	3,462,178	2,779
	Total Debt Service	<u>15,287,295</u>	<u>15,807,295</u>	<u>15,804,516</u>	<u>2,779</u>
6030	Total Expenditures	<u>15,287,295</u>	<u>15,807,295</u>	<u>15,804,516</u>	<u>2,779</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>1,154,567</u>	<u>654,567</u>	<u>1,422,549</u>	<u>767,982</u>
Other Financing Sources (Uses):					
7915	Transfers In	--	229,007	229,006	(1)
8911	Transfers Out	--	(229,007)	(229,006)	1
1200	Net Change in Fund Balance	<u>1,154,567</u>	<u>654,567</u>	<u>1,422,549</u>	<u>767,982</u>
0100	Fund Balance - Beginning	<u>12,589,074</u>	<u>12,589,074</u>	<u>12,589,074</u>	--
3000	Fund Balance - Ending	<u>\$ 13,743,641</u>	<u>\$ 13,243,641</u>	<u>\$ 14,011,623</u>	<u>\$ 767,982</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

October 21, 2020

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, 2020, 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 21, 2020.

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) as a basis for designing 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 financial statements. 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

October 21, 2020

To the Board of Trustees of
Bastrop Independent School District:

Report on Compliance for Each Major Federal Program

We have audited 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, 2020. 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, 2020.

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 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 consider 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

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

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
10.553 and 10.555	Child Nutrition Cluster
10.565	USDA Commodities

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BASTROP INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

<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, 2020

(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:			
<i>School Breakfast Program</i>	10.553	806780706	\$ 1,304,219
<i>COVID-19 School Breakfast Program</i>	10.553	806780706	228,017
Total CFDA Number 10.553			1,532,236
<i>National School Lunch Program</i>	10.555	806780706	3,057,574
<i>COVID-19 National School Lunch Program</i>	10.555	806780706	225,774
Total CFDA Number 10.555			3,283,348
Total Passed Through State Department of Education			4,815,584
Total U. S. Department of Agriculture			4,815,584
Total Child Nutrition Cluster			4,815,584
FOOD DISTRIBUTION CLUSTER:			
<u>U. S. Department of Agriculture</u>			
<i>USDA Donated Commodities</i>	10.565	806780706	542,025
Total U. S. Department of Agriculture			542,025
Total Food Distribution Cluster			542,025
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>IDEA-B Formula</i>	84.027	206600010119016600	1,589,329
<i>IDEA-B Formula</i>	84.027	186600010119016600	13,690
<i>IDEA-B Formula</i>	84.027	196600010119016600	215,242
<i>IDEA-B Discretionary - Residential</i>	84.027	206600120119016677	59,866
Total CFDA Number 84.027			1,878,127
<i>IDEA-B Preschool</i>	84.173	206610010119016610	19,916
<i>IDEA-B Preschool</i>	84.173	196610010119016610	2,208
Total CFDA Number 84.173			22,124
Total Passed Through State Department of Education			1,900,251
Total U. S. Department of Education			1,900,251
Total Special Education (IDEA) Cluster			1,900,251
OTHER PROGRAMS:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>Title I Part A - Improving Basic Programs</i>	84.010	19610101011901	89,092
<i>Title I Part A - Improving Basic Programs</i>	84.010	20610101011901	1,655,779
<i>Title I 1003 School Improvement</i>	84.010	20610141001901	238,863
Total CFDA Number 84.010			1,983,734
<i>Title I Part C - Education of Migratory Children</i>	84.011	S011A190044	17,600
<i>Carl D. Perkins Basic Formula Grant</i>	84.048	20420006011901	103,559

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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
<i>Texas Education for Homeless Children and Youth</i>	84.196	204600057110009	\$ 17,358
<i>Title IV Part B 21st Century Community Learning Centers</i>	84.287	196950267110005	14,045
<i>Title IV Part B 21st Century Community Learning Centers</i>	84.287	206950267110005	1,199,185
Total CFDA Number 84.287			<u>1,213,229</u>
<i>Title III Part A English Language Acquisition and Language Enhancement</i>	84.365	19671001011901	38,029
<i>Title III Part A English Language Acquisition and Language Enhancement</i>	84.365	20671001011901	221,760
Total CFDA Number 84.365			<u>259,788</u>
<i>Title II, Part A-Supporting Effective Instruction</i>	84.367	19694501011901	116,029
<i>Title II, Part A-Supporting Effective Instruction</i>	84.367	20694501011901	205,317
Total CFDA Number 84.367			<u>321,346</u>
<i>Summer School LEP</i>	84.369	S369A180045	6,678
<i>Instructional Continuity</i>	84.377	17610740011901	41,974
<i>Title I, Part A, Subpart 1</i>	84.424	19680101011901	12,166
<i>Title I, Part A, Subpart 1</i>	84.424	20694501011901	115,385
Total CFDA Number 84.424			<u>127,551</u>
Total Passed Through State Department of Education			<u>11,350,677</u>
Total U. S. Department of Education			<u>11,350,677</u>
<u>Federal Communications Commission</u>			
Direct Program:			
<i>Universal E-Rate</i>	32.000	011-901	148,193
Total Federal Communications Commission			<u>148,193</u>
MEDICAID CLUSTER:			
<u>U.S. Department of Health and Human Services</u>			
Passed Through State Department of Education:			
<i>Medicaid Administrative Claiming Program - MAC</i>	93.778	011-901	7,762
Total Passed Through State Department of Education			<u>7,762</u>
Total U.S. Department of Health and Human Services			<u>7,762</u>
Total Medicaid Cluster			<u>7,762</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,506,632</u>
		Federal Revenue per SEFA	\$ 11,506,632
		General Fund SHARS	989,032
		Other Federal Revenue	70,466
		Total Federal Revenue per C-2	<u>\$ 12,566,129</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, 2020

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 DISTRICT*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2020*

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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
SF3	Did the District make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the District was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the District is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the District issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the District is considered to have been issued a warrant hold.	No
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 District post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws and, rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the District adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end	\$ 14,701,876