

**BASTROP  
INDEPENDENT SCHOOL DISTRICT**

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED JUNE 30, 2016*

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Bastrop Independent School District  
Annual Financial Report  
For The Year Ended June 30, 2016

TABLE OF CONTENTS

	Page	Exhibit
<b>INTRODUCTORY SECTION</b>		
Certificate of Board.....	2	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report.....	4	
Management's Discussion and Analysis (Required Supplementary Information).....	8	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	19	A-1
Statement of Activities.....	20	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	22	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	23	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	24	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	25	C-3
Statement of Net Position - Proprietary Funds.....	26	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Proprietary Funds.....	27	D-2
Statement of Cash Flows - Proprietary Funds.....	28	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	29	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	30	E-2
Notes to the Financial Statements .....	31	
<u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	53	G-1
Schedule of the District's Proportionate Share of the		
Net Pension Liability - Teacher Retirement System of Texas (TRS).....	55	G-2
Schedule of District Contributions - Teacher Retirement System of Texas (TRS).....	56	G-3
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - all Nonmajor Governmental Funds.....	59	H-1
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	60	H-2

Bastrop Independent School District  
Annual Financial Report  
For The Year Ended June 30, 2016

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	61	H-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	67	H-4
Enterprise Funds:		
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	72	H-5
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds.....	74	H-6
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	76	H-7
Internal Service Funds:		
Combining Statement of Net Position.....	78	H-8
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	79	H-9
Combining Statement of Cash Flows.....	80	H-10
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	82	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	84	J-2
Debt Service Fund.....	85	J-3
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 <i>Government Auditing Standards</i> .....	86	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	88	
Schedule of Findings and Questioned Costs .....	90	
Summary Schedule of Prior Audit Findings.....	91	
Schedule of Expenditures of Federal Awards .....	92	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	94	
Schedule of Required Responses to Selected School First Indicators.....	95	L-1

*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, 2016, at a meeting of the board of trustees of such school district on the 15 day of November, 2016.

  
Signature of Board Secretary

  
Signature of Board President

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

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*Financial Section*

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District as of June 30, 2016, 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 liability, and schedule of District contributions, identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bastrop Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other supplementary information 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* (CFR) 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2016 on our consideration of Bastrop Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bastrop Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Bellville, Texas  
October 19, 2016

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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, 2016**

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, 2016. Please read it in conjunction with the independent auditors' report on page 4, and the District's Basic Financial Statements, which begin on page 19.

**FINANCIAL HIGHLIGHTS**

- The District, for the fourteenth consecutive year, earned a rating of Superior Achievement by the Texas Education Agency under its Financial Integrity Rating System of Texas (FIRST).
- The District had a 3.5% increase in enrollment and a 3.4% increase in average daily attendance. The District continues to have a large enrollment increase in the English Language Learners population, an increase of 9% in 2015-16. Property values increased by over 5%. Commercial properties 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 2015-16 due to increased property values and continued bond refinancing opportunities.
- On Tuesday, November 3, 2015, the District successfully sold its Unlimited Tax Refunding Bonds, Series 2015-A to "current refund" its existing Unlimited Tax School Building Bonds, Series 2005-A and Unlimited Tax Refunding Bonds, Series 2006 at a lower interest rate. The District's actual savings on this refunding program were \$6,606,507.
- On Tuesday, April 12, 2016, the District sold its Unlimited Tax Refunding Bonds, Series 2016 to refund a portion of its existing Unlimited Tax School Building Bonds Series 2009 at a lower interest rate. The District's actual savings on this refunding program were \$1,983,873.
- The District's total net position was \$5.8 million.
- Net position of our business-type activities (employee daycare, community education, STARS after-school program and PAC Events) changed by \$148,637, resulting in total net position of \$884,228.
- The General Fund ended the year with a fund balance of \$15.21 million, \$505,652 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 19 and 20. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements, starting on page 22, report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how services of the District were sold within the District or to external customers and how the sales revenues covered the expenses of the services.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
For the Year Ended June 30, 2016

The notes to the financial statements, starting on page 31 provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants

**Reporting the District as a Whole**

*The Statement of Net Position and the Statement of Activities*

The analysis of the District's overall financial condition and operations begins on page 19. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years (such as workers' compensation claims).

These two statements report the District's net position and changes in it. The District's net position (the difference between assets and liabilities) provide 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.

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

**For the Year Ended June 30, 2016**

### **Reporting the District's Most Significant Funds**

#### ***Fund Financial Statements***

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

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

### **The District as Trustee**

#### ***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for money raised by student activities. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position of the District's governmental activities increased from \$2.5 million to \$4.9 million. This is due to an increase in the unrestricted net position.

In 2016, the net position of our business-type activities increased by \$148,637. This increase was due to an increase in the after-school program (STARS).

# BASTROP INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2016

Table I  
Bastrop Independent School District

	NET POSITION					
	in thousands					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	41,459	39,044	979	809	42,438	39,853
Capital assets	176,583	181,011			176,583	181,011
Total assets	218,042	220,055	979	809	227,705	227,705
Total Deferred Outflows of Resources	17,119	11,949	-	-	17,119	11,949
Long-term liabilities	209,828	210,873			209,828	201,873
Other liabilities	16,643	15,536	95	74	16,738	15,610
Total liabilities	226,471	226,409	95	74	226,566	215,232
Total Deferred Inflows of Resources	3,789	-	-	-	3,789	-
Net Position:						
Invested in capital assets, net of related debt	(7,395)	(2,386)	-	-	(7,395)	(2,386)
Restricted	7,997	4,507	-	-	7,997	4,507
Unrestricted	4,299		884	736	4,299	736
Total Net Position	4,901	2,549	884	736	5,785	3,285

# BASTROP INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2016

**Table II**  
**Bastrop Independent School District**

### CHANGES IN NET POSITION

in thousands

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	1,748	1,450	1,277	1,039	3,025	2,489
Operating grants and contributions	21,387	18,735	56	51	21,443	18,786
General Revenues:						
Maintenance and operations taxes	34,312	31,993	-	-	34,312	31,993
Debt service taxes	13,022	12,293	-	-	13,022	12,293
Grants and contributions not restricted to specific functions	43,605	40,073	-	-	43,605	40,073
Investment earnings	68	30	-	-	68	30
Miscellaneous	4,621	3,836	91	106	4,621	3,942
Transfers		75		(75)		
Total Revenue	<u>118,763</u>	<u>108,485</u>	<u>1,424</u>	<u>1,121</u>	<u>120,187</u>	<u>109,606</u>
Expenses:						
Instruction, curriculum and media services	68,322	60,118	-	-	68,322	60,118
Instructional and school leadership	6,642	6,306	-	-	6,642	6,306
Student support services	11,296	10,440	-	-	11,296	10,440
Child nutrition	5,588	5,800	-	-	5,588	5,800
Co-curricular activities	3,492	3,260	-	-	3,492	3,260
General administration	2,618	2,311	-	-	2,618	2,311
Plant maintenance, security and data processing	9,808	10,313	-	-	9,808	10,313
Community services	720	667	-	-	720	667
Debt services	6,664	10,187	-	-	6,664	10,187
Bond Issuance cost	473	672	-	-	473	672
Capital Outlay						
Payments related to SSA	57	56	-	-	57	56
Other Intergovernmental Charges	732	672	-	-	732	672
Other business-type activities			1,275	1,147	1,275	1,147
Total Expenses	<u>116,412</u>	<u>110,802</u>	<u>1,275</u>	<u>1,147</u>	<u>111,949</u>	<u>111,949</u>
Increase in net position before transfers		(2,315)		(25)		(2,340)
Net position -- Beginning	2,351	16,131	736	761	3,087	16,893
Prior Period Adjustment		(11,267)				(11,267)
Net Position -- Beginning as Restated		4,864				4,864
Net Position -- Ending	<u>4,901</u>	<u>2,550</u>	<u>884</u>	<u>736</u>	<u>5,875</u>	<u>3,286</u>

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

**For the Year Ended June 30, 2016**

The cost of all governmental activities this year was \$118.0 million. The Statement of Activities on pages 20 and 21 show that the amount that our taxpayers ultimately financed for these activities through District taxes was only \$48.2 million.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$25,041,281, an increase of \$1,533,804, due to an increase of \$505,652 in the general fund, an increase of \$821,845 in the debt service fund, a, increase in Food Service inventories of \$13,776, an increase in federal and state grant restrictions of 191,811, an increase in other restrictions of fund balance of 12,028, and a decrease of \$11,308 in capital projects. Approximately 44 percent of this total amount (\$10,914,288) constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for:

- Inventory (\$199,282),
- Payment of debt service payments (\$6,998,008),
- Federal/State Funds Grant Restrictions (\$620,194),
- Capital projects (\$1,522,383),
- Other Restrictions of Fund Balance (\$541,207),
- Construction (\$1,810,919),
- Claims and Judgments (\$100,000),
- Purchase of capital outlay (\$750,000), and
- Other miscellaneous designations (\$1,585,000).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$10,914,288, while the total fund balance was \$15,209,806. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance, and total fund balance to the total fund expenditures. Unreserved, undesignated fund balance represents 13 percent of the total general fund expenditures, while total fund balance represents 19 percent of that same amount.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2016

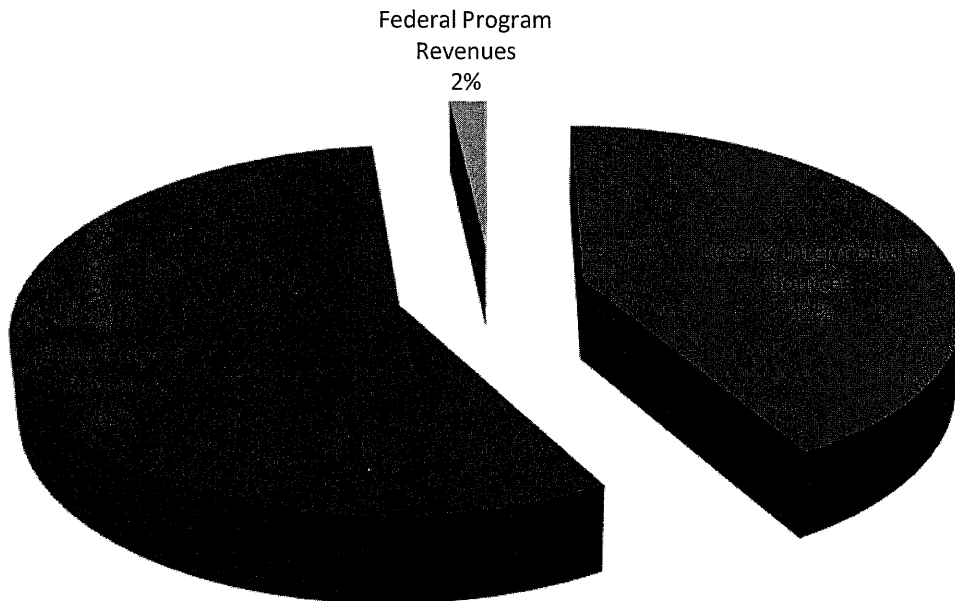
The total fund balance of the District's general fund budget increased by \$505,652; Key factors to this change are as follows:

- Higher average daily attendance than originally budgeted, and
- Increase in the available school fund calculation.

The debt service fund has a total fund balance of \$6,998,008, 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 \$821,845.

The District's total general revenues were \$82.8 million. A portion, \$34.5 million or 42%, of the District's revenues come from taxes and other local revenue. The majority of the other 56% of revenues is from State Program Revenues and \$1.5 million or 2% was Federal Program Revenue.

### 2015-16 General Fund Revenues



# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## *MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*

For the Year Ended June 30, 2016

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Amendment approved after the beginning of the new fiscal year to record E-Rate revenue received and expenditures associated with this award
- Amendment for change in campus allocations
- Amendment for additional transportation costs
- Amendment for teaching positions
- Amendment to decrease tax revenue
- Amendment to increase state aide
- Amendment for SHARS settle-up
- Amendment to increase substitute costs
- Amendment for additional maintenance costs
- Amendment for professional service providers
- Amendment to increase appraisal district cost
- Amendment to increase legal costs
- Amendment for salaries and benefits
- Amendment for employee daycare cost
- Amendment for safety and security
- Amendment for bond refundings
- Amendment to TRS on behalf costs

The District made the following major amendments to budgeted revenues:

- \$1,033,312      decrease in tax collections
- \$ 215,421      increase for E-rate award
- \$2,024,786      increase in state aid
- \$ 375,000      SHARS settle-up payment
- \$ 328,440      TRS on behalf (accounting entry only)

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

- \$ 215,421      increase for E-rate expenditures
- \$ 49,802      increase maintenance costs
- \$ 50,000      increase for legal costs
- \$ 170,000      increase in employee daycare costs
- \$ 305,000      increase for substitute teacher costs
- \$ 109,000      increase in safety and security costs
- \$ 60,198      increase for appraisal district costs and
- \$ 328,440      increase for TRS on behalf (accounting entry only)



# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

**For the Year Ended June 30, 2016**

### **CAPITAL ASSET**

At the end of the 2015-16, the District had \$177 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. More detailed information about the District's capital assets is presented in Note D to the financial statements.

### **DEBT ADMINISTRATION**

At year-end, the District had \$163,382,566 in bonds and notes outstanding versus \$167,699,095 last year. The District's credit ratings are as follows: Moody's Investors Service underlying credit rating for Bastrop ISD is "Aa3" while Standard and Poor's upgraded the underlying rating for Bastrop ISD to "AA-" during 2014-15.

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2016-17 budget and tax rates. One factor is the economy. The District continues to see growth in residential and commercial property values. Bastrop County continues to be a growing area. Texas, being the home to the two largest producing oil reserves in the nation, has had a positive effect on growth in the central Texas area. The District had a 12% property value growth from 2015-16 fiscal year to the 2016-17 fiscal year. Commercial businesses continue to open enhancing the economy and property values. The Burleson Crossing Shopping Center continues to bring new businesses to Bastrop. Residential housing continues to develop in current subdivisions with new subdivisions planning continues to move forward.

The new Colorado River Collegiate Academy, which opened in 2014-15, is in year three with 164 students in grades 9 through 11. Students will graduate from the Colorado River Collegiate Academy with a high school diploma and an associate's degree from Austin Community College.

The District estimated a 2.5% enrollment growth and a 3% average daily attendance growth. As of October 2016, there are 10,546 students enrolled, which is right on target for the 2016-17 budget. A recent demographic study predicts the District to have an enrollment of over 11,231 by 2019. A 4% growth in property value was used for budget purposes.

The 2016-17 tax rate approved at the August 2016 public hearing is \$1.571, with \$1.17 for maintenance and operations and \$0.401 for debt service. This triggered a Tax Ratification Election (TRE) that citizens of the District will be voting on at the General Election on November 8, 2016. A successful TRE would add approximately \$7.25 million in additional revenue annually. The District was able to maintain the same debt service tax rate for the 2016-17 year due to continued property growth and savings realized from the bond refunding program. The District also has a \$75 million bond referendum to be voted on at the November 8, 2016 election.

These indicators were taken into consideration when adopting the General Fund budget for 2016-17. Amounts available for appropriation in the General Fund budget are \$84.9 million. Budgeted expenditures are expected to be \$85.8 million. This includes a one-time fund balance use for technology, safety and security, and capital projects for three additional portable classrooms. Teachers received a 2% pay increase for the 2016-17 budget year. Administrative and auxiliary staff received 1.5% and 3% of the mid-point raise, respectively. Bilingual stipends were increased to attract bilingual teachers. The District restructured the Instructional Coach Initiative for 2016-17. Media Specialists were hired to allow for 1 per campus. Twenty-two additional teaching positions were added to accommodate growth. The District hired 2 additional Assistant Principals for the Alternative

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

**For the Year Ended June 30, 2016**

Schools. The District continues to place high priority in safety and security in year two of the District's Police Department. The District continues to make improvements to the on-line enrollment system that was implemented in 2015-16.

### **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](http://www.bisdtx.org)).

*Basic Financial Statements*

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**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110	\$ 3,685,814	\$ 979,087	\$ 4,664,901
1120	18,665,041	--	18,665,041
1220	5,099,184	--	5,099,184
1230	(1,464,025)	--	(1,464,025)
1240	15,028,764	--	15,028,764
1290	245,138	--	245,138
1300	199,282	--	199,282
Capital Assets:			
1510	8,715,492	--	8,715,492
1520	167,442,235	--	167,442,235
1530	424,959	--	424,959
1000	<u>218,041,884</u>	<u>979,087</u>	<u>219,020,971</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
1700	5,469,820	--	5,469,820
1705	11,649,449	--	11,649,449
1700	<u>17,119,269</u>	<u>--</u>	<u>17,119,269</u>
<b>LIABILITIES:</b>			
2110	653,384	17,416	670,800
2140	3,680,347	--	3,680,347
2165	9,446,197	77,443	9,523,640
2180	1,145	--	1,145
2190	3,251	--	3,251
2300	68,729	--	68,729
Noncurrent Liabilities:			
2501	2,790,204	--	2,790,204
2502	189,531,029	--	189,531,029
2540	20,296,711	--	20,296,711
2000	<u>226,470,997</u>	<u>94,859</u>	<u>226,565,856</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2605	3,789,092	--	3,789,092
2600	<u>3,789,092</u>	<u>--</u>	<u>3,789,092</u>
<b>NET POSITION:</b>			
3200	(7,394,628)	--	(7,394,628)
Restricted For:			
3820	620,194	--	620,194
3850	6,998,008	--	6,998,008
3860	378,787	--	378,787
3900	4,298,703	884,228	5,182,931
3000	<u>\$ 4,901,064</u>	<u>\$ 884,228</u>	<u>\$ 5,785,292</u>

The accompanying notes are an integral part of this statement.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes	Functions/Programs	1  Expenses	3  Program Revenues	
			Charges for Services	4  Operating Grants and Contributions
	Governmental Activities:			
11	<i>Instruction</i>	\$ 65,043,290	\$ 147,335	\$ 10,515,319
12	<i>Instructional Resources and Media Services</i>	916,026	--	47,711
13	<i>Curriculum and Staff Development</i>	2,362,365	--	1,509,187
21	<i>Instructional Leadership</i>	1,058,440	--	431,462
23	<i>School Leadership</i>	5,583,877	--	300,646
31	<i>Guidance, Counseling, &amp; Evaluation Services</i>	4,943,160	--	1,267,334
32	<i>Social Work Services</i>	304,068	--	96,882
33	<i>Health Services</i>	856,733	--	70,730
34	<i>Student Transportation</i>	5,192,348	--	296,129
35	<i>Food Service</i>	5,588,464	1,393,340	4,254,543
36	<i>Cocurricular/Extracurricular Activities</i>	3,491,946	207,559	115,173
41	<i>General Administration</i>	2,618,323	--	149,068
51	<i>Facilities Maintenance and Operations</i>	8,332,423	--	475,814
52	<i>Security and Monitoring Services</i>	510,875	--	26,638
53	<i>Data Processing Services</i>	964,718	--	55,712
61	<i>Community Services</i>	720,375	--	352,768
72	<i>Interest on Long-term Debt</i>	6,663,563	--	1,418,577
73	<i>Bond Issuance Costs and Fees</i>	473,027	--	--
93	<i>Payments Related to Shared Services Arrangements</i>	57,333	--	3,513
99	<i>Other Intergovernmental Charges</i>	731,756	--	--
TG	Total Governmental Activities	<u>116,413,110</u>	<u>1,748,234</u>	<u>21,387,206</u>
	Business-type Activities:			
01	<i>Performing Arts Center</i>	18,750	--	74
03	<i>Community Education</i>	74,065	--	1,898
04	<i>STARS After School Program</i>	683,082	804,840	26,879
06	<i>Employee Child Care</i>	499,283	471,873	27,410
TB	Total Business-type Activities	<u>1,275,180</u>	<u>1,276,713</u>	<u>56,261</u>
TP	Total Primary Government	<u>\$ 117,688,291</u>	<u>\$ 3,024,947</u>	<u>\$ 21,443,467</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>
\$ (54,380,636)	\$ --	\$ (54,380,636)
(868,315)	--	(868,315)
(853,178)	--	(853,178)
(626,978)	--	(626,978)
(5,283,231)	--	(5,283,231)
(3,675,826)	--	(3,675,826)
(207,186)	--	(207,186)
(786,003)	--	(786,003)
(4,896,219)	--	(4,896,219)
59,419	--	59,419
(3,169,214)	--	(3,169,214)
(2,469,255)	--	(2,469,255)
(7,856,609)	--	(7,856,609)
(484,237)	--	(484,237)
(909,006)	--	(909,006)
(367,607)	--	(367,607)
(5,244,986)	--	(5,244,986)
(473,027)	--	(473,027)
(53,820)	--	(53,820)
(731,756)	--	(731,756)
<u>(93,277,670)</u>	<u>\$ --</u>	<u>(93,277,670)</u>
--	\$ (18,676)	(18,676)
--	(72,167)	(72,167)
--	148,637	148,637
--	--	--
--	<u>57,794</u>	<u>57,794</u>
<u>(93,277,671)</u>	<u>57,794</u>	<u>(93,219,877)</u>
34,312,910	--	34,312,910
13,021,552	--	13,021,552
68,820	--	68,820
43,605,028	--	43,605,028
4,620,821	90,843	4,711,664
<u>95,629,131</u>	<u>90,843</u>	<u>95,719,974</u>
2,351,460	148,637	2,500,097
2,549,604	735,591	3,285,195
<u>\$ 4,901,064</u>	<u>\$ 884,228</u>	<u>\$ 5,785,292</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2016

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 647,612	\$ 130	\$ 1,105,831	\$ 1,753,573
1120	Current Investments	8,597,718	6,880,591	1,891,230	17,369,539
1220	Property Taxes Receivable	3,635,168	1,464,016	--	5,099,184
1230	Allowance for Uncollectible Taxes	(1,028,538)	(435,487)	--	(1,464,025)
1240	Due from Other Governments	13,581,025	94,834	1,352,905	15,028,764
1260	Due from Other Funds	797,457	14,299,260	--	15,096,717
1290	Other Receivables	193,020	22,453	29,665	245,138
1300	Inventories	49,599	--	149,683	199,282
1000	Total Assets	<u>26,473,061</u>	<u>22,325,797</u>	<u>4,529,314</u>	<u>53,328,172</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 464,899	\$ --	\$ 186,893	\$ 651,792
2150	Payroll Deductions & Withholdings	1,315,747	--	86,785	1,402,532
2160	Accrued Wages Payable	6,869,310	--	558,257	7,427,567
2170	Due to Other Funds	6,669	14,299,260	790,787	15,096,716
2180	Due to Other Governments	--	--	1,145	1,145
2190	Due to Student Groups	--	--	3,251	3,251
2300	Deferred Revenue	--	--	68,729	68,729
2000	Total Liabilities	<u>8,656,625</u>	<u>14,299,260</u>	<u>1,695,847</u>	<u>24,651,732</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2600	Unavailable Revenue for Property Taxes	2,606,630	1,028,529	--	3,635,159
2600	Total Deferred Inflows of Resources	<u>2,606,630</u>	<u>1,028,529</u>	<u>--</u>	<u>3,635,159</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	49,599	--	149,683	199,282
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	620,194	620,194
3470	Capital Acquisitions & Contractual Obligations	--	--	1,522,383	1,522,383
3480	Retirement of Long-Term Debt	--	6,998,008	--	6,998,008
3490	Other Restrictions of Fund Balance	--	--	541,207	541,207
Committed Fund Balances:					
3510	Construction	1,810,919	--	--	1,810,919
3520	Claims and Judgments	100,000	--	--	100,000
3530	Capital Expenditures for Equipment	750,000	--	--	750,000
Assigned Fund Balances:					
3590	Other Assigned Fund Balance	1,585,000	--	--	1,585,000
3600	Unassigned	10,914,288	--	--	10,914,288
3000	Total Fund Balances	<u>15,209,806</u>	<u>6,998,008</u>	<u>2,833,467</u>	<u>25,041,281</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,473,061</u>	<u>\$ 22,325,797</u>	<u>\$ 4,529,314</u>	<u>\$ 53,328,172</u>



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2016*

Total fund balances - governmental funds balance sheet	\$ 25,041,281
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.	176,582,686
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,635,159
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,610,053
Payables for bond principal which are not due in the current period are not reported in the funds.	(186,851,415)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,680,347)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(21,604,999)
Deferred inflows of resources related to Teacher Retirement System of Texas (TRS) are not reported in the funds.	3,194,892
Deferred outflows of resources related to TRS are not reported in the funds.	<u>5,973,754</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 4,901,064</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, 2016**

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 34,526,051	\$ 12,971,082	\$ 1,662,920	\$ 49,160,053
5800 <i>State Program Revenues</i>	46,757,104	1,418,577	2,294,932	50,470,613
5900 <i>Federal Program Revenues</i>	1,478,600	--	13,043,021	14,521,621
5020 <i>Total Revenues</i>	<u>82,761,755</u>	<u>14,389,659</u>	<u>17,000,873</u>	<u>114,152,287</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	50,170,155	--	7,910,234	58,080,389
0012 <i>Instructional Resources and Media Services</i>	799,061	--	98	799,159
0013 <i>Curriculum and Staff Development</i>	693,956	--	1,460,859	2,154,815
0021 <i>Instructional Leadership</i>	582,201	--	393,747	975,948
0023 <i>School Leadership</i>	4,810,801	--	--	4,810,801
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	3,214,063	--	1,072,067	4,286,130
0032 <i>Social Work Services</i>	189,082	--	84,328	273,410
0033 <i>Health Services</i>	722,870	--	26,057	748,927
0034 <i>Student Transportation</i>	5,148,577	--	--	5,148,577
0035 <i>Food Service</i>	--	--	5,447,429	5,447,429
0036 <i>Cocurricular/Extracurricular Activities</i>	2,329,660	--	54,742	2,384,402
0041 <i>General Administration</i>	2,441,805	--	--	2,441,805
0051 <i>Facilities Maintenance and Operations</i>	8,267,951	--	7,733	8,275,684
0052 <i>Security and Monitoring Services</i>	550,940	--	--	550,940
0053 <i>Data Processing Services</i>	918,582	--	--	918,582
0061 <i>Community Services</i>	252,785	--	330,685	583,470
0071 <i>Principal on Long-term Debt</i>	--	3,926,524	--	3,926,524
0072 <i>Interest on Long-term Debt</i>	--	9,946,680	--	9,946,680
0073 <i>Payment to Refunded Bond Agent</i>	--	33,234,947	--	33,234,947
0081 <i>Capital Outlay</i>	53,664	--	6,585	60,249
0093 <i>Payments to Shared Service Arrangements</i>	57,333	--	--	57,333
0099 <i>Other Intergovernmental Charges</i>	731,756	--	--	731,756
6030 <i>Total Expenditures</i>	<u>81,935,242</u>	<u>47,108,151</u>	<u>16,794,564</u>	<u>145,837,957</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	<u>826,513</u>	<u>(32,718,492)</u>	<u>206,309</u>	<u>(31,685,670)</u>
Other Financing Sources and (Uses):				
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	29,466,873	--	29,466,873
7915 <i>Transfers In</i>	--	320,860	--	320,860
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	13,481,777	--	13,481,777
8911 <i>Transfers Out</i>	(320,860)	--	--	(320,860)
8949 <i>Other Uses</i>	--	(9,729,173)	--	(9,729,173)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>(320,860)</u>	<u>33,540,337</u>	<u>--</u>	<u>33,219,477</u>
1200 <i>Net Change in Fund Balances</i>	505,653	821,845	206,309	1,533,807
0100 <i>Fund Balances - Beginning</i>	14,704,153	6,176,163	2,627,158	23,507,474
3000 <i>Fund Balances - Ending</i>	<u>\$ 15,209,806</u>	<u>\$ 6,998,008</u>	<u>\$ 2,833,467</u>	<u>\$ 25,041,281</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, 2016

Net change in fund balances - total governmental funds	\$ 1,533,807
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	189,826
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,618,562)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	273,250
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(13,481,777)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,926,524
Deferred charges and similar items are amortized in the SOA but not in the funds.	(634,511)
(Increase) decrease in accrued interest from beginning of period to end of period.	(263,166)
The net revenue (expense) of internal service funds is reported with governmental activities.	102,281
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	42,491,092
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(29,466,873)
Bond premiums are reported in the funds but not in the SOA.	4,180,794
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred outflows of resources.	4,355,273
Pension contributions made after the measurement date but in current fiscal year were de-expended and reduced net pension liability.	(16,238)
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	<u>(6,220,261)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,351,460</u>

The accompanying notes are an integral part of this statement.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

JUNE 30, 2016

Data Control Codes	Nonmajor Enterprise Funds	Internal Service Funds
<b>ASSETS:</b>		
Current Assets:		
1110 <i>Cash and Cash Equivalents</i>	\$ 979,087	\$ 1,932,241
1120 <i>Investments</i>	--	1,295,502
	<u>979,087</u>	<u>3,227,743</u>
1000 Total Assets	<u>979,087</u>	<u>3,227,743</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 17,416	\$ 1,592
2150 <i>Payroll Deduction &amp; Withholdings</i>	9,774	42
2160 <i>Accrued Wages Payable</i>	67,669	--
2200 <i>Accrued Expenses</i>	--	484,898
	<u>94,859</u>	<u>486,532</u>
2000 Total Liabilities	<u>94,859</u>	<u>486,532</u>
<b>NET POSITION:</b>		
3900 <i>Unrestricted</i>	148,637	233,439
3000 Total Net Position	<u>\$ 884,228</u>	<u>\$ 2,741,211</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, 2016**

Data Control Codes	Nonmajor Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 1,367,556	\$ 561,007
5800 <i>State Program Revenues</i>	56,261	2,266
5020 Total Revenues	<u>1,423,817</u>	<u>563,273</u>
<b>OPERATING EXPENSES:</b>		
6100 <i>Payroll Costs</i>	989,868	36,318
6200 <i>Professional and Contracted Services</i>	79,907	51,101
6300 <i>Supplies and Materials</i>	101,933	43,211
6400 <i>Other Operating Costs</i>	103,472	199,204
6030 Total Expenses	<u>1,275,180</u>	<u>329,834</u>
1300 Change in Net Position	148,637	233,439
0100 Total Net Position - Beginning	735,591	2,507,772
3300 Total Net Position - Ending	<u>\$ 884,228</u>	<u>\$ 2,741,211</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, 2016

	Nonmajor Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
<i>Cash Received from Miscellaneous Sources</i>	\$ 1,423,815	\$ 429,369
<i>Cash Received from Interest Earnings</i>	--	2,746
<i>Cash Payments to Employees and Suppliers</i>	(1,257,096)	(329,505)
Net Cash Provided (Used) by Operating Activities	<u>166,719</u>	<u>102,610</u>
Net Increase (Decrease) in Cash and Cash Equivalents	166,719	102,610
Cash and Cash Equivalents at Beginning of Year	<u>812,368</u>	<u>3,125,134</u>
Cash and Cash Equivalents at End of Year	<u><u>979,087</u></u>	<u><u>3,227,743</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ 148,637	\$ 233,439
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Receivables</i>	--	292
<i>Increase (Decrease) in Accounts Payable</i>	10,613	36
<i>Increase (Decrease) in Accrued Expenses</i>	7,469	--
Total Adjustments	<u>18,082</u>	<u>328</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 166,719</u></u>	<u><u>\$ 233,767</u></u>

The accompanying notes are an integral part of this statement.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2016

Data Control Codes	Private-purpose Trust Fund	Agency Fund
	Private Scholarship Trust	Student Activity
<b>ASSETS:</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,241	\$ 96,399
1120 <i>Current Investments</i>	232,739	127,608
1000 Total Assets	<u>233,980</u>	<u>224,007</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ 11,872
2150 <i>Payroll Deduction &amp; Withholdings</i>	--	46
2190 <i>Due to Student Groups</i>	--	212,089
2000 Total Liabilities	<u>--</u>	<u>224,007</u>
<b>NET POSITION:</b>		
3800 <i>Held in Trust</i>	233,980	--
3000 Total Net Position	<u>\$ 233,980</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, 2016*

	Private- Scholarship Trust
<b>Additions:</b>	
Investment Income	\$ 498
Total Additions	<u>498</u>
<b>Deductions:</b>	
Scholarship Awards	1,000
Total Deductions	<u>1,000</u>
<b>Change in Net Position</b>	(502)
Net Position-Beginning of the Year	234,482
Net Position-End of the Year	<u>\$ 233,980</u>

The accompanying notes are an integral part of this statement.



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

A. Summary of Significant Accounting Policies

The basic financial statements of Bastrop Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (the "Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

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

In addition, the District reports the following fund types:

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

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

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

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

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

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

b. Measurement Focus and Basis of Accounting

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

c. Inventories and Prepaid Items

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

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

d. Capital Assets

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

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

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

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

f. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

i. Data Control Codes

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

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

## BASTROP INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

m. Program Revenues

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

4. Pensions

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

5. New Accounting Standards Adopted

In fiscal year 2016, the District adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

-- Statement No. 72, *Fair Value Measurement and Application*

-- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*

-- Statement No. 77, *Tax Abatement Disclosures*

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

- a. Statement No. 72 requires state and local governments to measure investments at fair value using a consistent definition and valuation techniques. It also defines what assets and liabilities governments should measure at fair value and expands fair value disclosures in financial disclosure notes. While the Statement generally requires restatement of prior period balances in the year of implementation, the nature of the District's investments was such that their carrying amount was not affected.
- b. The GAAP hierarchy prioritizes guidance governments follow when preparing U.S. GAAP financial statements. Statement No. 76 reduces authoritative GAAP hierarchy from four categories to two and lists the order of priority for pronouncements to which a government should look for guidance.
- c. Statement No. 77 requires governments granting tax abatements to individuals and businesses to disclose program information in the notes to the financial statements through the agreement's duration and also requires disclosures about tax abatements entered into by other governments that reduce the reporting government's tax revenue. Prior year balances were not restated because there are no tax abatements associated with the District or any other government which affect the District's tax revenue.

**B. Compliance and Accountability**

1. Finance-Related Legal and Contractual Provisions

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

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

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

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

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

**C. Deposits and Investments**

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

1. Cash Deposits:

At June 30, 2016, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$163,841 and the bank balance was \$2,192,229. The District's cash deposits at June 30, 2016, and during the year ended June 30, 2016, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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.

The District's investments at June 30, 2016 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Lone Star Investment	N/A	\$ 6,951,478
TexPool Investment	N/A	15,204,461
Total Investments		<u>\$ 22,155,938</u>

### 3. Analysis of Specific Deposit and Investment Risks

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

#### a. Credit Risk

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

At June 30, 2016, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

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

\*Rated by Standard & Poor's Investor Services

#### b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated 'AAA' by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of \$1.00 and the Corporate Overnight Plus maintains a net asset value of \$0.50.

TexPool

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,715,492	\$ --	\$ --	\$ 8,715,492
Total capital assets not being depreciated	<u>8,715,492</u>	<u>--</u>	<u>--</u>	<u>8,715,492</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	223,684,192	53,664	--	223,737,856
Equipment	3,912,061	143,131	--	4,055,192
Total capital assets being depreciated	<u>227,596,253</u>	<u>196,795</u>	<u>--</u>	<u>227,793,048</u>
Less accumulated depreciation for:				
Buildings and improvements	(51,746,332)	(4,549,289)	--	(56,295,621)
Equipment	(3,553,993)	(69,271)	--	(3,623,264)
Total accumulated depreciation	<u>(55,300,325)</u>	<u>(4,618,561)</u>	<u>--</u>	<u>(59,918,885)</u>
Total capital assets being depreciated, net	<u>172,295,928</u>	<u>(4,421,766)</u>	<u>--</u>	<u>167,874,163</u>
Governmental activities capital assets, net	<u>\$ 181,011,420</u>	<u>\$ (4,421,766)</u>	<u>\$ --</u>	<u>\$ 176,589,655</u>

Depreciation was charged to functions as follows:

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Instruction	\$	2,610,703
Instructional Resources and Media Services		87,756
Curriculum and Staff Development		9,623
Instructional Leadership		9,526
School Leadership		352,528
Guidance, Counseling, & Evaluation Services		149,087
Health Services		52,720
Student Transportation		40,285
Food Services		197,019
Extracurricular Activities		995,712
General Administration		25,866
Plant Maintenance and Operations		44,149
Security and Monitoring Services		31,326
Community Services		9,744
Facilities Acquisition and Construction		2,519
	\$	<u>4,618,561</u>

**E. Interfund Balances and Activities**

**1. Due To and From Other Funds**

Balances due to and due from other funds at June 30, 2016 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Funds	\$ 790,787	Short-term loans
	Total	<u>\$ 790,787</u>	

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

**2. Transfers To and From Other Funds**

Transfers to and from other funds at June 30, 2016 consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Debt Service Fund	\$ 320,860	Supplement other funds sources
	Total	<u>\$ 320,860</u>	

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Original Issue	Beginning Balance	Net Changes	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bldg & Refunding, Series 1997	\$ 32,593,420	\$ 3,300,034	\$ (320,572)	\$ 2,979,462	\$ 114,803
Bldg & Refunding, Series 2002	40,925,404	1,810,930	(402,830)	1,408,100	500,401
Refunding, Series 2005A	23,305,000	420,000	(420,000)	--	--
Refunding, Series 2005B	711,969	105,000	(105,000)	--	--
Refunding, Series 2006	21,585,420	20,690,000	(20,690,000)	--	--
Bldg Bonds, Series 2007	58,690,000	495,000	(165,000)	330,000	330,000
Bldg Bond, Series 2009	38,350,000	34,400,000	(9,295,000)	25,105,000	655,000
Refunding, Series 2011	8,829,226	8,634,226	(105,000)	8,529,226	110,000
Refunding, Series 2012	8,793,904	8,658,904	--	8,658,904	135,000
Refunding, Series 2013A	8,670,000	8,405,000	(65,000)	8,340,000	70,000
Refunding, Series 2013B	18,200,000	17,970,000	--	17,970,000	--
Refunding, Series 2014	7,990,000	7,800,000	(435,000)	7,365,000	750,000
Refunding, Series 2015	54,705,000	54,705,000	--	54,705,000	--
Refunding, Series 2015-A	21,186,873	--	19,711,873	19,711,873	--
Refunding Series 2016	8,280,000	--	8,280,000	8,280,000	125,000
Maintenance Tax Note, 2000	300,000	305,000	(305,000)	--	--
Total bonds and notes	<u>\$ 329,811,216</u>	<u>\$ 224,339,095</u>	<u>\$ (4,316,529)</u>	<u>\$ 163,382,566</u>	<u>\$ 2,790,204</u>
<u>Other liabilities:</u>					
Net issuance of premiums (discounts)	\$ --	\$ 17,232,036	\$ 8,839,502	\$ 26,071,537	--
Accum. accretion on CAB	--	18,450,731	(15,583,601)	2,867,130	--
Net pension liabilities	--	9,958,539	10,338,172	20,296,711	--
Total governmental activities	<u>\$ 329,811,216</u>	<u>\$ 260,021,861</u>	<u>\$ (722,457)</u>	<u>\$ 212,617,944</u>	<u>\$ 2,790,204</u>
Long-term liabilities due in more than one year				<u>\$ 189,531,029</u>	

Bonded indebtedness of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. These bonds were issued as school building bonds and refunding bonds and the interest rates on the bonds ranged from 0.35 percent to 6.11 percent. Interest expense was \$9,930,820 for the year ended June 30, 2016.

Notes payable of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. The District approved the notes payable at an interest rate ranging from 5.00 percent to 5.20 percent. Interest expense was \$15,860 for the year ended June 30, 2016.

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2015-A, dated November 3, 2015, in the amount of \$21,186,873 of general obligation refunding bonds for a current refunding of \$21,198,878 of portions of various outstanding long-term debt issues, including \$126,878 in general obligation bonds, series 1997; \$420,000 in general obligation bonds, series 2005-A; and \$20,645,000 in general obligation bonds, series 2006. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$11,570,041. This amount was netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$4,218,008 and a reduction of \$6,606,507.

## BASTROP INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

The District issued the Bastrop Independent School District Unlimited Tax Refunding Bonds, Series 2016, dated April 12, 2016, in the amount of \$8,280,000 of general obligation refunding bonds for an advanced refunding of \$8,665,000 in general obligation bonds, series 2009. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$1,064,173. This amount was netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt. The transaction also resulted in an economic gain of \$1,550,253 and a reduction of \$1,983,873.

#### 2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,790,204	\$ 9,947,045	\$ 12,737,249
2018	2,879,459	9,803,051	12,682,510
2019	3,020,605	9,663,474	12,684,079
2020	2,571,730	10,107,330	12,679,060
2021	3,251,524	9,439,026	12,690,550
2022-2026	28,389,287	35,486,063	63,875,350
2027-2031	31,115,530	32,741,733	63,857,263
2032-2036	46,284,226	18,579,605	64,863,831
2037-2041	36,250,000	5,771,238	42,021,238
2042-2046	6,830,000	298,500	7,128,500
Totals	<u>\$ 163,382,566</u>	<u>\$ 141,837,063</u>	<u>\$ 305,219,629</u>

#### 3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2016, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

<u>Bond Issue</u>	<u>Amount</u>
Series 2007	\$ 56,395,000
Series 2009	8,035,000
Total	<u>\$ 64,430,000</u>

#### G. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	
Rental Expenditures in 2016	<u>\$ 212,947</u>

#### H. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

### **I. Pension Plan**

#### **1. Plan Description**

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

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

#### **2. Pension Plan Fiduciary Net Position**

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

#### **3. Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the 5 highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the 3 highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature, as noted in the plan description in (1.) above.

#### **4. Contributions**

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2016</u>
Member	6.7%	7.2%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2015 Employer Contributions	\$ 1,700,190	
District's 2015 Member Contributions	\$ 1,632,190	
NECE 2015 On-Behalf Contributions to District	\$ 2,561,238	

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

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

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

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

- 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 Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

5. Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8%
Long-term Expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the Year	None
Ad hoc Post-Employment Benefit Changes	None

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

6. Discount Rate

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

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



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2015 are summarized as follows:

<b>Teacher Retirement System of Texas</b>			
<b>Asset Allocation and Long-Term Expected Real Rate of Return</b>			
<b>As of August 31, 2015</b>			
	<b>Target Allocation</b>	<b>Long-term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-term Portfolio Returns *</b>
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Hedge Funds (Stable Value)	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflat. Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy & Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<b>100%</b>		<b>8.7%</b>

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

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 net pension liability.

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	\$ 31,801,131	\$ 20,296,711	\$ 10,714,256

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

At June 30, 2016, the District reported a liability of \$20,296,711 for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 20,296,711
State's proportionate share of the net pension liability associated with the District	<u>30,566,773</u>
Total	<u>\$ 50,863,484</u>

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 through August 31, 2015.

At August 31, 2015, the District's proportion of the collective net pension liability was 0.0574186%, which was an increase of 0.0201366% from its proportion measured as of August 31, 2014.

Changes Since the Prior Actuarial Valuation - The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*Economic Assumptions*

- a. The inflation assumption was decreased from 3.00% to 2.50%.
- b. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- c. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- d. The payroll growth assumption was lowered from 3.50% to 2.50%.

*Mortality Assumptions*

- e. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- f. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- g. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

*Other Demographic Assumptions*

- h. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities and, therefore, these 10% are no longer being counted as active members.
- i. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- j. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- k. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- l. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

- m. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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

For the year ended June 30, 2016, the District recognized pension expense of \$4,355,273 and revenue of \$4,355,273 for support provided by the State.

At June 30, 2016, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 128,087	\$ (780,021)
Changes in actuarial assumptions	538,351	(724,098)
Difference between projected and actual investment earnings	4,998,628	(2,282,802)
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	4,598,105	(2,171)
District contributions paid to TRS subsequent to the measurement date	<u>1,386,278</u>	<u>-</u>
Total	<u>\$ 11,649,449</u>	<u>\$ (3,789,092)</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

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

Year Ended June 30	Pension Expense
2017	\$ (1,147,321)
2018	(1,147,321)
2019	(1,147,321)
2020	(1,908,255)
2021	(650,611)
Thereafter	(473,250)
Total	<u>\$ (6,474,079)</u>

J. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

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

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1% for fiscal years 2016, 2015, and 2014. The active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2016, 2015, and 2014. For the years ended June 30, 2016, 2015, and 2014, the State's contributions to TRS-Care were \$43,329, \$40,185, and \$35,625, respectively; the active member contributions were \$357,277, \$338,672, and \$337,204, respectively; and the District's contributions were \$302,312, \$286,569, and \$285,327, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2016, 2015, and 2014, the subsidy payments received by TRS-Care on behalf of the District were \$140,656, \$212,460, and \$167,019, respectively.

## **BASTROP INDEPENDENT SCHOOL DISTRICT**

### *NOTES TO THE FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED JUNE 30, 2016*

#### K. Employee Health Care Coverage

During the year ended June 30, 2016, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$325 per pay period per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator is renewable July 1, 2016, and terms of coverage and premium costs are included in the contractual provisions.

#### L. Commitments and Contingencies

##### 1. Contingencies

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

##### 2. Litigation

No reportable litigation was pending against the District at June 30, 2016.

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### *Required Supplementary Information*

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2016

**EXHIBIT G-1**  
 Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 34,987,461	\$ 34,345,241	\$ 34,526,051	\$ 180,810
5800	State Program Revenues	44,694,093	46,694,831	46,757,104	62,273
5900	Federal Program Revenues	965,066	1,340,066	1,478,600	138,534
5020	Total Revenues	<u>80,646,620</u>	<u>82,380,138</u>	<u>82,761,755</u>	<u>381,617</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	50,629,735	50,680,103	50,170,155	509,948
0012	Instructional Resources and Media Services	804,793	816,293	799,061	17,232
0013	Curriculum and Staff Development	659,518	741,290	693,956	47,334
	Total Instruction & Instr. Related Services	<u>52,094,046</u>	<u>52,237,686</u>	<u>51,663,172</u>	<u>574,514</u>
Instructional and School Leadership:					
0021	Instructional Leadership	691,052	626,052	582,201	43,851
0023	School Leadership	4,719,860	4,812,919	4,810,801	2,118
	Total Instructional & School Leadership	<u>5,410,912</u>	<u>5,438,971</u>	<u>5,393,002</u>	<u>45,969</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	3,078,091	3,293,155	3,214,063	79,092
0032	Social Work Services	191,780	192,380	189,082	3,298
0033	Health Services	760,356	780,466	722,870	57,596
0034	Student (Pupil) Transportation	5,246,865	5,287,765	5,148,577	139,188
0036	Cocurricular/Extracurricular Activities	2,112,765	2,331,034	2,329,660	1,374
	Total Support Services - Student (Pupil)	<u>11,389,857</u>	<u>11,884,800</u>	<u>11,604,252</u>	<u>280,548</u>
Administrative Support Services:					
0041	General Administration	2,234,052	2,483,276	2,441,805	41,471
	Total Administrative Support Services	<u>2,234,052</u>	<u>2,483,276</u>	<u>2,441,805</u>	<u>41,471</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	8,415,506	8,465,308	8,267,951	197,357
0052	Security and Monitoring Services	472,487	597,487	550,940	46,547
0053	Data Processing Services	879,993	918,993	918,582	411
	Total Support Services - Nonstudent Based	<u>9,767,986</u>	<u>9,981,788</u>	<u>9,737,473</u>	<u>244,315</u>
Ancillary Services:					
0061	Community Services	89,459	259,459	252,785	6,674
	Total Ancillary Services	<u>89,459</u>	<u>259,459</u>	<u>252,785</u>	<u>6,674</u>
Capital Outlay:					
0081	Capital Outlay	54,000	54,000	53,664	336
	Total Capital Outlay	<u>54,000</u>	<u>54,000</u>	<u>53,664</u>	<u>336</u>
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	66,753	66,753	57,333	9,420
0099	Other Intergovernmental Charges	671,559	731,757	731,756	1
	Total Intergovernmental Charges	<u>738,312</u>	<u>798,510</u>	<u>789,089</u>	<u>9,421</u>
6030	Total Expenditures	<u>81,778,624</u>	<u>83,138,490</u>	<u>81,935,242</u>	<u>1,203,248</u>



**BASTROP INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(1,132,004)</u>	<u>(758,352)</u>	<u>826,513</u>	<u>1,584,865</u>
	Other Financing Sources (Uses):				
8911	Transfers Out	<u>(315,680)</u>	<u>(320,980)</u>	<u>(320,860)</u>	<u>120</u>
7080	Total Other Financing Sources and (Uses)	<u>(315,680)</u>	<u>(320,980)</u>	<u>(320,860)</u>	<u>120</u>
1200	Net Change in Fund Balance	<u>(1,447,684)</u>	<u>(1,079,332)</u>	<u>505,653</u>	<u>1,584,985</u>
0100	Fund Balance - Beginning	<u>14,715,870</u>	<u>14,715,870</u>	<u>14,704,153</u>	<u>(11,717)</u>
3000	Fund Balance - Ending	<u>\$ 13,268,186</u>	<u>\$ 13,636,538</u>	<u>\$ 15,209,806</u>	<u>\$ 1,573,268</u>

Notes to Required Supplementary Information:

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

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**BASTROP INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)  
 FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT G-2

	Measurement Year*	
	2015	2014
District's proportion of the net pension liability (asset)	0.0131955%	0.0372820%
District's proportionate share of the net pension liability (asset)	\$ 20,296,711	\$ 9,958,539
State's proportionate share of the net pension liability (asset) associated with the District	30,566,773	28,018,665
Total	<u>\$ 50,863,484</u>	<u>\$ 37,977,204</u>
District's covered employee payroll**	\$ 52,103,386	\$ 51,877,575
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	38.95%	19.20%
Plan fiduciary net position as a percentage of the total pension liability	78.43%	83.25%

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

\*\* As of the measurement date.

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

See notes to the financial statements (Defined Benefit Pension Plan, Teacher Retirement System disclosure) for changes.

*Changes in Benefits:*

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

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,662,971	\$ 1,632,190	\$ 945,201	\$ 801,168	\$ 663,332
Contributions in relation to the contractually required contribution	1,662,971	1,632,190	945,201	801,168	663,332
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered employee payroll	\$ 54,965,747	\$ 52,103,386	\$ 51,877,575	\$ 48,595,253	\$ 47,361,035
Contributions as a percentage of covered employee payroll	3.03%	3.13%	1.82%	1.65%	1.40%

EXHIBIT G-3

					Fiscal Year				
2011		2010		2009		2008		2007	
\$	815,670	\$	768,754	\$	759,376	\$	599,535	\$	515,400
	815,670		768,754		759,376		599,535		515,400
\$	--	\$	--	\$	--	\$	--	\$	--
\$	49,657,645	\$	49,188,059	\$	46,176,207	\$	43,496,216	\$	40,471,592
	1.64%		1.56%		1.64%		1.38%		1.27%

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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, 2016

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 810,596	\$ 102,782	\$ 192,453	\$ 1,105,831
1120	Current Investments	471,629	1,419,601	--	1,891,230
1240	Due from Other Governments	1,352,905	--	--	1,352,905
1290	Other Receivables	29,665	--	--	29,665
1300	Inventories	149,683	--	--	149,683
1000	Total Assets	<u>2,814,478</u>	<u>1,522,383</u>	<u>192,453</u>	<u>4,529,314</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 156,713	\$ --	\$ 30,180	\$ 186,893
2150	Payroll Deductions & Withholdings	86,785	--	--	86,785
2160	Accrued Wages Payable	558,257	--	--	558,257
2170	Due to Other Funds	790,787	--	--	790,787
2180	Due to Other Governments	1,145	--	--	1,145
2190	Due to Student Groups	3,251	--	--	3,251
2300	Unearned Revenue	68,729	--	--	68,729
2000	Total Liabilities	<u>1,665,667</u>	<u>--</u>	<u>30,180</u>	<u>1,695,847</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	149,683	--	--	149,683
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	620,194	--	--	620,194
3470	Capital Acquisitions & Contractual Obligations	--	1,522,383	--	1,522,383
3490	Other Restrictions of Fund Balance	378,934	--	162,273	541,207
3000	Total Fund Balances	<u>1,148,811</u>	<u>1,522,383</u>	<u>162,273</u>	<u>2,833,467</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,814,478</u>	<u>\$ 1,522,383</u>	<u>\$ 192,453</u>	<u>\$ 4,529,314</u>



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Fund Grants	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 1,501,144	\$ 3,012	\$ 158,764	\$ 1,662,920
5800 <i>State Program Revenues</i>	2,294,932	--	--	2,294,932
5900 <i>Federal Program Revenues</i>	13,043,021	--	--	13,043,021
5020 <b>Total Revenues</b>	<u>16,839,097</u>	<u>3,012</u>	<u>158,764</u>	<u>17,000,873</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	7,766,405	--	143,829	7,910,234
0012 <i>Instructional Resources and Media Services</i>	98	--	--	98
0013 <i>Curriculum and Staff Development</i>	1,460,859	--	--	1,460,859
0021 <i>Instructional Leadership</i>	393,747	--	--	393,747
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	1,072,067	--	--	1,072,067
0032 <i>Social Work Services</i>	84,328	--	--	84,328
0033 <i>Health Services</i>	26,057	--	--	26,057
0035 <i>Food Service</i>	5,447,429	--	--	5,447,429
0036 <i>Cocurricular/Extracurricular Activities</i>	54,742	--	--	54,742
0051 <i>Facilities Maintenance and Operations</i>	--	7,733	--	7,733
0061 <i>Community Services</i>	330,685	--	--	330,685
0081 <i>Capital Outlay</i>	--	6,585	--	6,585
6030 <b>Total Expenditures</b>	<u>16,636,417</u>	<u>14,318</u>	<u>143,829</u>	<u>16,794,564</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	202,680	(11,306)	14,935	206,309
1200 <b>Net Change in Fund Balances</b>	<u>202,680</u>	<u>(11,306)</u>	<u>14,935</u>	<u>206,309</u>
0100 Fund Balances - Beginning	946,131	1,533,689	147,338	2,627,158
3000 <b>Fund Balances - Ending</b>	<u>\$ 1,148,811</u>	<u>\$ 1,522,383</u>	<u>\$ 162,273</u>	<u>\$ 2,833,467</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2016

Data Control Codes	206 Homeless Education Project	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	320,186	17,158	216,997
1290	Other Receivables	3,597	--	2	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>3,597</u>	<u>320,186</u>	<u>17,160</u>	<u>216,997</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 1,383	\$ 2,965	\$ 817
2150	Payroll Deductions & Withholdings	--	28,457	1,547	25,688
2160	Accrued Wages Payable	--	201,028	6,817	180,880
2170	Due to Other Funds	3,597	89,318	5,831	9,612
2180	Due to Other Governments	--	--	--	--
2190	Due to Student Groups	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>3,597</u>	<u>320,186</u>	<u>17,160</u>	<u>216,997</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,597</u>	<u>\$ 320,186</u>	<u>\$ 17,160</u>	<u>\$ 216,997</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 306,007	\$ --	\$ --
--	--	471,629	--	--
3,772	128,160	65,279	--	49,648
--	--	903	--	700
--	--	149,683	--	--
<u>3,772</u>	<u>128,160</u>	<u>993,501</u>	<u>--</u>	<u>50,348</u>
\$ --	\$ --	\$ 77,063	\$ --	\$ 29,279
415	--	1,848	--	2,325
2,588	--	--	--	10,907
769	128,160	159,045	--	7,837
--	--	--	--	--
--	--	--	--	--
<u>3,772</u>	<u>128,160</u>	<u>237,956</u>	<u>--</u>	<u>50,348</u>
--	--	149,683	--	--
--	--	605,862	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>755,545</u>	<u>--</u>	<u>--</u>
\$ <u>3,772</u>	\$ <u>128,160</u>	\$ <u>993,501</u>	\$ <u>--</u>	\$ <u>50,348</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2016

Data Control Codes	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	289 Texas Literacy Initiative	386 Regional Day School for the Deaf	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	29,006	17,622	319,465	182,616
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>29,006</u>	<u>17,622</u>	<u>319,465</u>	<u>182,616</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 48	\$ 3,586	\$ (348)	\$ 332
2150	Payroll Deductions & Withholdings	2,075	1,156	11,200	11,767
2160	Accrued Wages Payable	5,427	2,285	71,526	67,442
2170	Due to Other Funds	21,456	10,595	237,087	103,075
2180	Due to Other Governments	--	--	--	--
2190	Due to Student Groups	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>29,006</u>	<u>17,622</u>	<u>319,465</u>	<u>182,616</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 29,006</u>	<u>\$ 17,622</u>	<u>\$ 319,465</u>	<u>\$ 182,616</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook Fund	411 Technology Allotment	426 Texas Educator Excellence Award Program
\$ 2,534	\$ 17,496	\$ 66,900	\$ --	\$ --
--	--	--	--	--
--	--	2,996	--	--
--	--	--	--	--
<u>2,534</u>	<u>17,496</u>	<u>69,896</u>	<u>--</u>	<u>--</u>
\$ --	\$ --	\$ 6,934	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	17,496	51,233	--	--
<u>--</u>	<u>17,496</u>	<u>58,167</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
2,534	--	11,729	--	69
--	--	--	--	(69)
<u>2,534</u>	<u>--</u>	<u>11,729</u>	<u>--</u>	<u>--</u>
\$ <u>2,534</u>	\$ <u>17,496</u>	\$ <u>69,896</u>	\$ <u>--</u>	\$ <u>--</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

Data Control Codes	429 State Funded Special Revenue Fund	459 Bastrop County Bootcamp
<b>ASSETS:</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,145	\$ --
1120 <i>Current Investments</i>	--	--
1240 <i>Due from Other Governments</i>	--	--
1290 <i>Other Receivables</i>	--	24,463
1300 <i>Inventories</i>	--	--
1000 Total Assets	<u>1,145</u>	<u>24,463</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ --
2150 <i>Payroll Deductions &amp; Withholdings</i>	--	210
2160 <i>Accrued Wages Payable</i>	--	6,597
2170 <i>Due to Other Funds</i>	--	14,405
2180 <i>Due to Other Governments</i>	1,145	--
2190 <i>Due to Student Groups</i>	--	3,251
2300 <i>Unearned Revenue</i>	--	--
2000 Total Liabilities	<u>1,145</u>	<u>24,463</u>
<b>FUND BALANCES:</b>		
Nonspendable Fund Balances:		
3410 <i>Inventories</i>	--	--
Restricted Fund Balances:		
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,145</u>	<u>\$ 24,463</u>

461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 416,298	\$ 216	\$ 810,596
--	--	471,629
--	--	1,352,905
--	--	29,665
--	--	149,683
<u>416,298</u>	<u>216</u>	<u>2,814,478</u>
\$ 34,654	\$ --	\$ 156,713
97	--	86,785
2,760	--	558,257
--	--	790,787
--	--	1,145
--	--	3,251
--	--	68,729
<u>37,511</u>	<u>--</u>	<u>1,665,667</u>
--	--	149,683
--	--	620,194
378,787	216	378,934
<u>378,787</u>	<u>216</u>	<u>1,148,811</u>
<u>\$ 416,298</u>	<u>\$ 216</u>	<u>\$ 2,814,478</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, 2016

Data Control Codes	206 Homeless Education Project	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	224 IDEA-B Formula
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	3,597	1,763,098	102,746	1,698,229
5020 <b>Total Revenues</b>	<u>3,597</u>	<u>1,763,098</u>	<u>102,746</u>	<u>1,698,229</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	3,597	1,444,175	18,388	597,032
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	242,580	--	1,045
0021 <i>Instructional Leadership</i>	--	--	--	34,963
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	--	1,053,379
0032 <i>Social Work Services</i>	--	--	84,328	--
0033 <i>Health Services</i>	--	--	30	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	11,810
0061 <i>Community Services</i>	--	76,343	--	--
6030 <b>Total Expenditures</b>	<u>3,597</u>	<u>1,763,098</u>	<u>102,746</u>	<u>1,698,229</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	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 1,395,462	\$ --	\$ --
--	--	29,788	--	--
19,567	128,160	4,227,766	111,911	321,412
<u>19,567</u>	<u>128,160</u>	<u>5,653,016</u>	<u>111,911</u>	<u>321,412</u>
19,289	102,133	--	111,911	--
--	--	--	--	--
--	--	--	--	321,412
--	--	--	--	--
278	--	--	--	--
--	--	--	--	--
--	26,027	--	--	--
--	--	5,447,429	--	--
--	--	--	--	--
--	--	--	--	--
<u>19,567</u>	<u>128,160</u>	<u>5,447,429</u>	<u>111,911</u>	<u>321,412</u>
--	--	205,587	--	--
--	--	205,587	--	--
--	--	549,958	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 755,545</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, 2016

Data Control Codes	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Centers	289 Texas Literacy Initiative	386 Regional Day School for the Deaf
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	549,275
5900 <i>Federal Program Revenues</i>	215,294	254,342	4,196,899	--
5020 <i>Total Revenues</i>	<u>215,294</u>	<u>254,342</u>	<u>4,196,899</u>	<u>549,275</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	83,228	--	3,077,097	528,127
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	132,066	--	761,018	2,738
0021 <i>Instructional Leadership</i>	--	--	358,784	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	--	18,410
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0061 <i>Community Services</i>	--	254,342	--	--
6030 <i>Total Expenditures</i>	<u>215,294</u>	<u>254,342</u>	<u>4,196,899</u>	<u>549,275</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook Fund	426 Texas Educator Excellence Award Program	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	13,956	1,697,088	29	1,385
--	--	--	--	--
<u>--</u>	<u>13,956</u>	<u>1,697,088</u>	<u>29</u>	<u>1,385</u>
--	13,956	1,697,088	--	1,385
--	--	--	98	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>13,956</u>	<u>1,697,088</u>	<u>98</u>	<u>1,385</u>
--	--	--	(69)	--
--	--	--	(69)	--
2,534	--	11,729	69	--
<u>\$ 2,534</u>	<u>\$ --</u>	<u>\$ 11,729</u>	<u>\$ --</u>	<u>\$ --</u>

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**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes	459 Bastrop County Bootcamp	461 Campus Activity Funds	480 NAESP Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 65,588	\$ 40,094	\$ --	\$ 1,501,144
5800	State Program Revenues	3,411	--	--	2,294,932
5900	Federal Program Revenues	--	--	--	13,043,021
5020	Total Revenues	<u>68,999</u>	<u>40,094</u>	<u>--</u>	<u>16,839,097</u>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	68,999	--	--	7,766,405
0012	Instructional Resources and Media Services	--	--	--	98
0013	Curriculum and Staff Development	--	--	--	1,460,859
0021	Instructional Leadership	--	--	--	393,747
0031	Guidance, Counseling, & Evaluation Services	--	--	--	1,072,067
0032	Social Work Services	--	--	--	84,328
0033	Health Services	--	--	--	26,057
0035	Food Service	--	--	--	5,447,429
0036	Cocurricular/Extracurricular Activities	--	42,932	--	54,742
0061	Community Services	--	--	--	330,685
6030	Total Expenditures	<u>68,999</u>	<u>42,932</u>	<u>--</u>	<u>16,636,417</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(2,838)	--	202,680
1200	Net Change in Fund Balances	--	(2,838)	--	202,680
0100	Fund Balances - Beginning	--	381,625	216	946,131
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ 378,787</u>	<u>\$ 216</u>	<u>\$ 1,148,811</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 JUNE 30, 2016

Data Control Codes	Enterprise Fund <u>Performing Arts Center</u>	Enterprise Fund <u>High School Bistro</u>
<b>ASSETS:</b>		
Current Assets:		
1110	\$ 13,352	\$ 2,784
	<u>13,352</u>	<u>2,784</u>
1000	<u>13,352</u>	<u>2,784</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110	\$ 610	\$ --
2150	14	--
2160	930	--
	<u>1,554</u>	<u>--</u>
2000	<u>1,554</u>	<u>--</u>
<b>NET POSITION:</b>		
3900	--	--
3000	<u>\$ 11,798</u>	<u>\$ 2,784</u>

EXHIBIT H-5

Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit D-1)
Community Education	STARS After School Program	Employee Child Care	
\$ 94,671	\$ 797,143	\$ 71,137	\$ 979,087
<u>94,671</u>	<u>797,143</u>	<u>71,137</u>	<u>979,087</u>
<u>94,671</u>	<u>797,143</u>	<u>71,137</u>	<u>979,087</u>
\$ 1,214	\$ 11,121	\$ 4,471	\$ 17,416
3	631	9,126	9,774
--	10,767	55,972	67,669
<u>1,217</u>	<u>22,519</u>	<u>69,569</u>	<u>94,859</u>
<u>1,217</u>	<u>22,519</u>	<u>69,569</u>	<u>94,859</u>
--	148,637	--	148,637
<u>\$ 93,454</u>	<u>\$ 774,624</u>	<u>\$ 1,568</u>	<u>\$ 884,228</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, 2016

Data Control Codes	Enterprise Fund Performing Arts Center	Enterprise Fund High School Bistro
<b>OPERATING REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 18,676	\$ --
5800 <i>State Program Revenues</i>	74	--
5020 <i>Total Revenues</i>	<u>18,750</u>	<u>--</u>
<b>OPERATING EXPENSES:</b>		
6100 <i>Payroll Costs</i>	1,126	--
6200 <i>Professional and Contracted Services</i>	11,033	--
6300 <i>Supplies and Materials</i>	4,800	--
6400 <i>Other Operating Costs</i>	1,791	--
6030 <i>Total Expenses</i>	<u>18,750</u>	<u>--</u>
1300 <i>Change in Net Position</i>	--	--
0100 <i>Total Net Position - Beginning</i>	11,798	2,784
3300 <i>Total Net Position - Ending</i>	<u>\$ 11,798</u>	<u>\$ 2,784</u>



EXHIBIT H-6

Enterprise Fund <u>Community Education</u>	Enterprise Fund <u>STARS After School Program</u>	Enterprise Fund <u>Employee Child Care</u>	Total Nonmajor Enterprise Funds (See Exhibit D-2)
\$ 72,167	\$ 804,840	\$ 471,873	\$ 1,367,556
1,898	26,879	27,410	56,261
<u>74,065</u>	<u>831,719</u>	<u>499,283</u>	<u>1,423,817</u>
23,026	491,103	474,613	989,868
33,626	34,652	596	79,907
14,211	60,809	22,113	101,933
3,202	96,518	1,961	103,472
<u>74,065</u>	<u>683,082</u>	<u>499,283</u>	<u>1,275,180</u>
--	148,637	--	148,637
93,454	625,987	1,568	735,591
<u>\$ 93,454</u>	<u>\$ 774,624</u>	<u>\$ 1,568</u>	<u>\$ 884,228</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	744 Performing Arts Center	746 High School Bistro	747 Community Education
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Miscellaneous Sources	\$ 18,750	\$ --	\$ 74,064
Cash Payments to Employees and Suppliers	(17,356)	--	(75,131)
Net Cash Provided (Used) by Operating Activities	<u>1,394</u>	<u>--</u>	<u>(1,068)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,394	--	(1,068)
Cash and Cash Equivalents at Beginning of Year	11,959	2,784	95,738
Cash and Cash Equivalents at End of Year	<u>\$ 13,352</u>	<u>\$ 2,784</u>	<u>\$ 94,671</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ --	\$ --	\$ --
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Decrease (Increase) in Receivables	--	--	--
Increase (Decrease) in Interfund Payables	944	--	(2,188)
Increase (Decrease) in Accounts Payable	450	--	1,120
Total Adjustments	<u>1,394</u>	<u>--</u>	<u>(1,068)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,394</u>	<u>\$ --</u>	<u>\$ (1,068)</u>

EXHIBIT H-7

748 STARS After School Program	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 831,719	\$ 499,283	\$ 1,423,815
<u>(680,047)</u>	<u>(484,562)</u>	<u>(1,257,096)</u>
<u>151,672</u>	<u>14,721</u>	<u>166,719</u>
151,672	14,721	166,719
645,471	56,416	812,368
<u>\$ 797,143</u>	<u>\$ 71,137</u>	<u>\$ 979,087</u>
\$ 148,637	\$ --	\$ 148,637
--	--	--
1,095	10,763	10,613
1,940	3,959	7,469
<u>151,672</u>	<u>14,721</u>	<u>166,719</u>
<u>\$ 151,672</u>	<u>\$ 14,721</u>	<u>\$ 166,719</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2016

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
<b>ASSETS:</b>			
Current Assets:			
1110	\$ 90,540	\$ 1,841,701	\$ 1,932,241
1120	--	1,295,502	1,295,502
	<u>90,540</u>	<u>3,137,203</u>	<u>3,227,743</u>
1000	<u>90,540</u>	<u>3,137,203</u>	<u>3,227,743</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	\$ 1,592	\$ --	\$ 1,592
2150	42	--	42
2200	--	616,056	616,056
	<u>1,634</u>	<u>616,056</u>	<u>617,690</u>
2000	<u>1,634</u>	<u>616,056</u>	<u>617,690</u>
<b>NET POSITION:</b>			
3900	17,099	85,182	102,281
3000	<u>\$ 88,906</u>	<u>\$ 2,521,147</u>	<u>\$ 2,610,053</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, 2016

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
<b>OPERATING REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 145,463	\$ 284,386	\$ 429,849
5800 <i>State Program Revenues</i>	2,266	--	2,266
5020 Total Revenues	<u>147,729</u>	<u>284,386</u>	<u>432,115</u>
<b>OPERATING EXPENSES:</b>			
6100 <i>Payroll Costs</i>	36,318	--	36,318
6200 <i>Professional and Contracted Services</i>	51,101	--	51,101
6300 <i>Supplies and Materials</i>	43,211	--	43,211
6400 <i>Other Operating Costs</i>	--	199,204	199,204
6030 Total Expenses	<u>130,630</u>	<u>199,204</u>	<u>329,834</u>
1300 Change in Net Position	17,099	85,182	102,281
0100 Total Net Position - Beginning	71,807	2,435,965	2,507,772
3300 Total Net Position - Ending	<u>\$ 88,906</u>	<u>\$ 2,521,147</u>	<u>\$ 2,610,053</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Miscellaneous Sources	\$ 147,728	\$ 281,641	\$ 429,369
Cash Received from Interest Earnings	--	2,746	2,746
Cash Payments to Employees and Suppliers	(130,301)	(199,204)	(329,506)
Net Cash Provided (Used) by Operating Activities	<u>17,427</u>	<u>85,182</u>	<u>102,609</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,427	85,182	102,610
Cash and Cash Equivalents at Beginning of Year	73,113	3,052,021	3,125,134
Cash and Cash Equivalents at End of Year	<u>\$ 90,540</u>	<u>\$ 3,137,203</u>	<u>\$ 3,227,743</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 17,099	\$ 85,182	\$ 102,281
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	292	--	292
Increase (Decrease) in Interfund Payables	36	--	36
Increase (Decrease) in Accrued Expenses	--	--	--
Total Adjustments	<u>328</u>	<u>--</u>	<u>328</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 17,427</u>	<u>\$ 85,182</u>	<u>\$ 102,609</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, 2016*

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2007 and Prior Years	\$ Various	\$ Various	\$ Various
2008	\$ 1.04	\$ .461	\$ 2,274,831,179
2009	\$ 1.04	\$ .441	\$ 2,450,924,781
2010	\$ 1.04	\$ .441	\$ 2,575,906,955
2011	\$ 1.04	\$ .441	\$ 2,531,191,897
2012	\$ 1.04	\$ .441	\$ 2,733,873,100
2013	\$ 1.04	\$ .441	\$ 2,679,022,564
2014	\$ 1.04	\$ .421	\$ 2,860,125,077
2015	\$ 1.04	\$ .401	\$ 3,024,433,431
2016 (School Year Under Audit)	\$ 1.04	\$ .401	\$ 3,215,583,598

1000 Totals

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



10 Beginning Balance 7/1/15	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/16
\$ 815,830	\$ --	\$ 69,026	\$ 29,270	\$ (45,918)	\$ 671,618
176,805	--	7,384	3,273	(10,466)	155,681
220,414	--	14,041	5,954	(11,340)	189,079
256,233	--	20,086	8,517	(13,725)	213,905
314,191	--	39,097	16,579	(13,401)	245,115
380,550	--	71,436	30,292	(10,628)	268,194
458,186	--	116,913	49,576	(6,115)	285,581
691,378	--	176,006	71,249	(9,240)	434,883
1,562,401	--	610,646	235,451	(163,006)	553,298
--	46,336,560	31,939,568	12,315,161	--	2,081,831
<u>\$ 4,875,988</u>	<u>\$ 46,336,560</u>	<u>\$ 33,064,205</u>	<u>\$ 12,765,320</u>	<u>\$ (283,839)</u>	<u>\$ 5,099,184</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**BASTROP INDEPENDENT SCHOOL DISTRICT**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT J-2

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 1,449,632	\$ 1,376,632	\$ 1,395,462	\$ 18,830
5800	State Program Revenues	29,100	29,100	29,788	688
5900	Federal Program Revenues	4,101,809	4,274,565	4,227,766	(46,799)
5020	Total Revenues	<u>5,580,541</u>	<u>5,680,297</u>	<u>5,653,016</u>	<u>(27,281)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	5,468,541	5,568,297	5,447,429	120,868
	Total Support Services - Student (Pupil)	<u>5,468,541</u>	<u>5,568,297</u>	<u>5,447,429</u>	<u>120,868</u>
6030	Total Expenditures	<u>5,468,541</u>	<u>5,568,297</u>	<u>5,447,429</u>	<u>120,868</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	112,000	112,000	205,587	93,587
1200	Net Change in Fund Balance	112,000	112,000	205,587	93,587
0100	Fund Balance - Beginning	549,958	549,958	549,958	--
3000	Fund Balance - Ending	<u>\$ 661,958</u>	<u>\$ 661,958</u>	<u>\$ 755,545</u>	<u>\$ 93,587</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2016

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
<b>REVENUES:</b>					
5700	<i>Local and Intermediate Sources</i>	\$ 13,128,951	\$ 12,786,423	\$ 12,971,082	\$ 184,659
5800	<i>State Program Revenues</i>	895,384	1,470,170	1,418,577	(51,593)
5020	Total Revenues	<u>14,024,335</u>	<u>14,256,593</u>	<u>14,389,659</u>	<u>133,066</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	<i>Principal on Long-Term Debt</i>	12,618,186	4,126,854	3,926,524	200,330
0072	<i>Interest on Long-Term Debt</i>	--	9,946,682	9,946,680	2
0073	<i>Bond Issuance Costs and Fees</i>	--	33,245,228	473,027	10,280
	Total Debt Service	<u>12,618,186</u>	<u>47,318,764</u>	<u>14,346,231</u>	<u>210,612</u>
6030	Total Expenditures	<u>12,618,186</u>	<u>47,318,764</u>	<u>47,108,151</u>	<u>(32,551,308)</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>1,406,149</u>	<u>(33,062,171)</u>	<u>(32,718,492)</u>	<u>(32,418,242)</u>
Other Financing Sources (Uses):					
7911	<i>Capital-Related Debt Issued (Regular Bonds)</i>	--	29,466,874	29,466,873	(1)
7915	<i>Transfers In</i>	--	320,860	320,860	--
7916	<i>Premium or Discount on Issuance of Bonds</i>	--	13,488,608	13,481,777	(6,831)
8949	<i>Other Uses</i>	--	(42,491,094)	(9,729,173)	32,761,921
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>785,248</u>	<u>33,540,337</u>	<u>32,755,089</u>
1200	Net Change in Fund Balance	<u>1,406,149</u>	<u>484,998</u>	<u>821,845</u>	<u>336,847</u>
0100	Fund Balance - Beginning	<u>6,176,163</u>	<u>6,176,163</u>	<u>6,176,163</u>	--
3000	Fund Balance - Ending	<u>\$ 7,582,312</u>	<u>\$ 6,661,161</u>	<u>\$ 6,998,008</u>	<u>\$ 336,847</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bastrop Independent School District's basic financial statements, and have issued our report thereon dated October 19, 2016.

**Internal Control Over Financial Reporting**

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

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

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

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### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Bellville, Texas  
October 19, 2016



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

To the Board of Trustees of the  
Bastrop Independent School District

**Report on Compliance for Each Major Federal Program**

We have audited Bastrop Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Bastrop Independent School District's major federal programs for the year ended June 30, 2016. Bastrop Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with 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 Bastrop Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Bastrop Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Bastrop Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Partners**

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## Report on Internal Control Over Compliance

Management of Bastrop Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bastrop Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Bastrop Independent School District's internal control over compliance.

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

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

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

Respectfully submitted,

 BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP  
Certified Public Accountants  
Bellville, Texas  
October 19, 2016



**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

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

Noncompliance material to financial statements noted?      Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?      Yes   X   No

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?   X   Yes      No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED JUNE 30, 2016*

<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, 2016**

**EXHIBIT K-1**  
Page 1 of 2

(1)	(2)	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number		Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010	16610101011901	\$ 1,714,227
<i>Title I 1003 (A) Priority &amp; Focus School Grant</i>	84.010	15610112011901100	11,501
<i>Title I 1003 (A) Priority &amp; Focus School Grant</i>	84.010	16610112011901000	37,370
			<u>48,871</u>
Total CFDA Number 84.010			<u>1,763,098</u>
<i>ESEA Title I Part C - Education of Migratory Children</i>	84.011	16615001011901	102,746
<i>IDEA-B Formula *</i>	84.027	166600010119016600	1,698,229
<i>IDEA-B Discretionary *</i>	84.027	16660006011901	128,160
Total CFDA Number 84.027			<u>1,826,389</u>
<i>Career and Technical - Basic Grant</i>	84.048	16420006011901	111,911
<i>IDEA-B Preschool *</i>	84.173	166610010119016610	19,567
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	156950167110004	20,851
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	166950167110004	233,490
Total CFDA Number 84.287			<u>254,342</u>
<i>Title III Part A English Language Acquisition &amp; Language Enhancement</i>	84.365	16671001011901	215,294
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367	15649501011901	66,361
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367	16694501011901	255,052
Total CFDA Number 84.367			<u>321,412</u>
Summer School LEP	84.369	69551502	2,226
<i>Texas Literacy Initiative</i>	84.371	146460037110005	531,014
<i>Texas Literacy Initiative</i>	84.371	156460037110005	2,264,385
<i>Texas Literacy Initiative</i>	84.371	166460037110005	1,401,501
Total CFDA Number 84.371			<u>4,196,899</u>
Total Passed Through State Department of Education			<u>8,813,884</u>
Passed Through Education Service Center - Region XIII			
<i>McKinney Homeless Educaiton Assistance Project</i>	84.196	16-042	2,635
<i>Project Pathways</i>	84.196	510898	962
Total CFDA Number 84.196			<u>3,597</u>
Total Passed Through Education Service Center - Region XIII			<u>3,597</u>
Total U. S. Department of Education			<u>8,817,481</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT K-1

Page 2 of 2

(1)	(2)	(2A) Pass-Through Entity Identifying Number	(3)  Federal Expenditures
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number		
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401601	793,531
National School Lunch Program *	10.555	71301601	3,063,374
USDA Donated Commodities *	10.565	011-901	370,861
Total Passed Through State Department of Education			<u>4,227,766</u>
Total U. S. Department of Agriculture			<u>4,227,766</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 13,045,247</u></u>

\* Indicates clustered program under OMB Uniform Guidance (2.CFR.200)

Federal Revenue per SEFA	\$ 13,045,247
General Fund SHARS & Medicare	1,312,986
Federal Revenue - Indirect Costs	157,159
Other Federal Revenue	6,229
<b>Total Federal Revenue</b>	<u><u>\$ 14,521,621</u></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, 2016*

Basis of Presentation

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2016

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 2,867,131
SF11	Net pension assets (object 1920) at fiscal year-end	\$ --
SF12	Net pension liabilities (object 2540) at fiscal year-end	\$ 20,296,711
SF13	Pension expense (object 6147) at fiscal year-end	\$ 1,864,987

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