

**BASTROP  
INDEPENDENT SCHOOL DISTRICT**

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED JUNE 30, 2019*

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Bastrop Independent School District  
Annual Financial Report  
For The Year Ended June 30, 2019

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*Introductory Section*

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CERTIFICATE OF BOARD

Bastrop Independent School District  
Name of School District

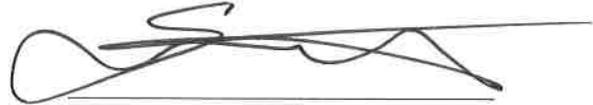
Bastrop  
County

011-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one)  approved  disapproved for the year ended June 30, 2019, at a meeting of the board of trustees of such school district on the 19th day of November, 2019.



Signature of Board Secretary



Signature of Board President

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

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*Financial Section*

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## Independent Auditors' Report

To the Board of Trustees of  
Bastrop Independent School District:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, 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, schedules of the District's proportionate share of the net pension and other postemployment benefit liability, and schedules of District contributions, identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of required responses to selected school first indicators are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted.

The logo features the names 'Belt Harris Pechacek' in a large, elegant, cursive script. Below the script, the text 'Belt Harris Pechacek, LLP' is written in a smaller, clean, sans-serif font.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
November 6, 2019

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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, 2019**

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, 2019. Please read it in conjunction with the independent auditors' report on page 4, and the District's Basic Financial Statements, which begin on page 17.

### **FINANCIAL HIGHLIGHTS**

- The District earned a rating of Superior Achievement by the Texas Education Agency (TEA) under its Financial Integrity Rating System of Texas (FIRST) for 2018-19 based on school year 2017-18 data.
- The District had a 1.6% increase in enrollment and a 1.3% increase in average daily attendance. The District continues to have large enrollment increase in the English Language Learners population, an increase of 9.4% in 2018-19. Property values increased by over 6.6%. Commercial investors and businesses continue to find Bastrop a popular choice.
- The District was able to maintain the Debt Service tax rate of 0.401 cents in 2018-19 due to increased property values. The District also made a prepayment of Series 2011 Bonds in the amount of \$2,130,000 for a total savings of \$1,363,200.
- The General Fund ended the year with a \$21,087,735 fund balance, \$5,484,668 more than the previous year.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities on pages 17 and 18. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements, starting on page 20, report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how services of the District were sold within the District or to external customers and how the sales revenues covered the expenses of the services.

The notes to the financial statements starting on page 29 provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

### **Reporting the District as a Whole**

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

The analysis of the District's overall financial condition and operations begins on page 17. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

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

**FOR THE YEAR ENDED JUNE 30, 2019**

These two statements report the District's net position and changes in it. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

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

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

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

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

The fund financial statements begin on page 20 and provide detailed information about the most significant funds – not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds – governmental and proprietary–use different accounting approaches.

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

### **The District as Trustee**

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

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

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

Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2019. Within Table 2, the prior year revenues and expenses have been updated to remove fund level on-behalf revenues and expenses (excluding Medicare Part D) for Teacher Retirement System of Texas (TRS) contributions for comparative purposes, as a result of current year recognition changes. This change has no impact on the change in net position. The District reported a decrease in net position from the prior year. Assets increased by \$2.0 million due to an increase in the general fund balance. Capital assets decreased slightly due to depreciation of capital assets. Long-term liabilities increased due to the increase in the net other postemployment benefits (OPEB) liability of \$30 million. Revenues decreased significantly in operating grants and contributions due to the decrease in on-behalf revenues related to the increase in the pension and OPEB liabilities. State foundation revenue increased due to receiving more State funding. Property tax revenues increased due to increased property values in 2018-19.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

In 2019, the net position of our business-type activities increased by \$138,311. This increase was due in part to an increase in the after-school program (STARS) and performing art center business activity.

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

Description	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 54,806	\$ 46,772	\$ 1,169	\$ 1,048	\$ 55,975	\$ 47,820
Capital assets	163,751	167,839	-	-	163,751	167,839
<b>Total Assets</b>	<b>218,557</b>	<b>214,611</b>	<b>1,169</b>	<b>1,048</b>	<b>219,726</b>	<b>215,659</b>
<b>Total Deferred Outflows of Resources</b>	<b>35,430</b>	<b>25,982</b>	<b>-</b>	<b>-</b>	<b>35,430</b>	<b>25,982</b>
Current liabilities	18,266	17,608	142	159	18,408	17,767
Long-term liabilities	249,670	242,419	-	-	249,670	242,419
<b>Total Liabilities</b>	<b>267,936</b>	<b>260,027</b>	<b>142</b>	<b>159</b>	<b>268,078</b>	<b>260,186</b>
<b>Total Deferred Inflows of Resources</b>	<b>14,219</b>	<b>16,546</b>	<b>-</b>	<b>-</b>	<b>14,219</b>	<b>16,546</b>
<b>Net Position:</b>						
Net invested in capital assets	(7,248)	11,192	-	-	(7,248)	11,192
Restricted	14,289	12,487	-	-	14,289	12,487
Unrestricted	(35,209)	(59,659)	1,027	889	(34,182)	(58,770)
<b>Total Net Position</b>	<b>\$ (28,168)</b>	<b>\$ (35,980)</b>	<b>\$ 1,027</b>	<b>\$ 889</b>	<b>\$ (27,141)</b>	<b>\$ (35,091)</b>

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

The total expenses of both governmental and business-type activities this year were \$124.3 million. The Statement of Activities on pages 18 and 19 show that the amount that our taxpayers ultimately financed for these activities through District taxes was only \$56.9 million.

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

	Governmental		Business-Type		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,347	\$ 1,111	\$ 1,473	\$ 1,455	\$ 2,820	\$ 2,566
Operating grants and contributions	23,286	(372)	72	3	23,358	(369)
General revenues:						
Maintenance and operations taxes	41,204	37,984	-	-	41,204	37,984
Debt service taxes	15,792	14,557	-	-	15,792	14,557
Grants and contributions not restricted to specific functions	47,238	46,812	-	-	47,238	46,812
Investment earnings	710	365	17	6	727	371
Miscellaneous	1,014	1,266	129	93	1,143	1,359
<b>Total Revenue</b>	<b>130,591</b>	<b>101,723</b>	<b>1,691</b>	<b>1,557</b>	<b>132,282</b>	<b>103,280</b>
<b>Expenses</b>						
Instruction, curriculum, and media serv	68,909	43,171	-	-	68,909	43,171
Instructional and school leadership	6,540	4,030	-	-	6,540	4,030
Student support services	13,091	9,082	-	-	13,091	9,082
Child nutrition	6,383	6,322	-	-	6,383	6,322
Co-curricular activities	3,595	2,691	-	-	3,595	2,691
General administration	2,797	1,753	-	-	2,797	1,753
Plant maintenance, security, and data processing	12,052	10,363	-	-	12,052	10,363
Community services	1,029	31	-	-	1,029	31
Debt services	6,802	7,038	-	-	6,802	7,038
Bond issuance costs	233	22	-	-	233	22
Capital outlay	-	37	-	-	-	37
Payments related to SSA	486	330	-	-	486	330
Other intergovernmental charges	862	798	-	-	862	798
Other business-type activities	-	-	1,554	1,615	1,554	1,615
<b>Total Expenses</b>	<b>122,779</b>	<b>85,668</b>	<b>1,554</b>	<b>1,615</b>	<b>124,333</b>	<b>87,283</b>
Net Position - Beginning	(35,980)	1,369	890	889	(35,090)	2,258
Net Position - Beginning as Restated	-	(52,035)	-	-	-	(52,035)
Ending Net Position	<b>\$ (28,168)</b>	<b>\$ (35,980)</b>	<b>\$ 1,027</b>	<b>\$ 889</b>	<b>\$ (27,141)</b>	<b>\$ (35,091)</b>

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

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019**

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

The Board of Trustees (the "Board") has a fund balance policy as follows:

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$35,936,441, an increase of \$6,304,152 due to an increase of \$5,484,668 in the general fund, an increase of \$1,875,968 in the debt service fund, an increase in food service of \$57,868, an increase in federal and state grant restrictions of \$42,536, a decrease in other restrictions of fund balance of \$106,611, and a decrease of \$1,008,282 in capital projects. The remainder of the fund balance is reserved or committed to indicate that it is not available for new spending because it has already been committed for:

- Inventory (\$51,933)
- Payment of debt service payments (\$12,589,074)
- Federal/State funds grant restrictions (\$432,960)
- Capital projects (\$502,692)
- Other restrictions of fund balance (\$1,276,707)
- Construction (\$1,810,919)
- Claims and judgments (\$100,000)
- Purchase of capital outlay (\$750,000)

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, unassigned fund balance of the general fund was \$18,374,883 while the total fund balance was \$21,087,735. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and unassigned fund balance, and total fund balance to the total fund expenditures. Unreserved, unassigned fund balance represents 20.3% of the total general fund expenditures, while total fund balance represents 23.3% of that same amount.

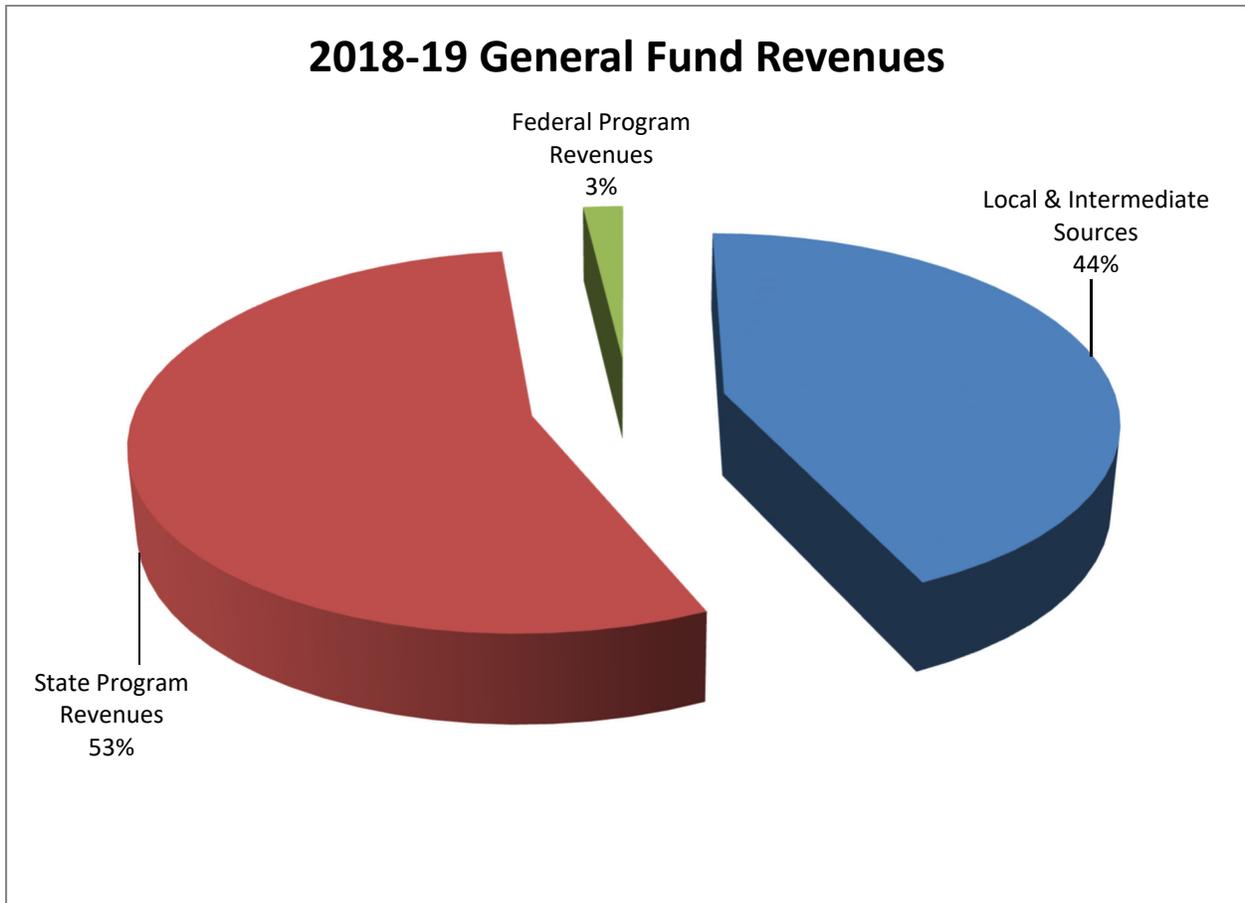
The total fund balance of the District's general fund budget increased by \$5,484,668. Key factors to this change are as follows:

- Increase in State aid due to an increase in average daily attendance
- Increase in investment revenue
- Increase in property taxes due to an increase in property values
- Increase in federal revenue due to two SHARS settle-up payments received in 2018-19

The debt service fund has a total fund balance of \$12,589,074, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$1,875,968.

The District's total general revenues were \$95 million. A portion, \$42.2 million or 44.5%, of the District's revenues come from taxes and other local revenue. The majority of the other 52.8% of revenues is from State program revenues and \$2.6 million or 2.7% was Federal program revenue.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED JUNE 30, 2019*



**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Amendment approved after the beginning of the new fiscal year to record E-Rate revenue received and expenditures associated with this award
- Amendment for change in campus and department allocations
- Amendment for additional transportation costs
- Amendment for change in special education coding
- Amendment for capital lease payments
- Amendment to increase tax revenue
- Amendment to local revenue for a one-time payment from maintenance provider
- Amendment to increase State aide
- Amendment for additional maintenance costs
- Amendment for employee daycare costs
- Amendment for safety and security
- Amendment to TRS on-behalf costs

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

The District made the following major amendments to budgeted revenues:

- \$ 665,006 increase in tax collections
- \$ 121,091 increase for E-rate award
- \$ 500,000 maintenance one-time payment
- \$ 275,000 investment revenue
- \$ 540,000 capital lease proceeds

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

- \$ 121,091 increase for E-rate expenditures
- \$ 100,000 increase in utilities
- \$ 175,000 increase in employee daycare costs
- \$ 232,700 increase in fuel costs and transportation contracted
- \$ 540,000 increase for purchase of security equipment realized
- \$ 90,000 increase for security equipment down payment
- \$ 411,409 increase for emergency maintenance repairs

**CAPITAL ASSETS**

At the end of the 2018-19 fiscal year, the District had \$164 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. More detailed information about the District's capital assets is presented in Note III B. to the financial statements.

**LONG-TERM DEBT**

At year-end, the District had \$150,727,273 in bonds and leases outstanding versus \$155,498,877 last year. The District's credit ratings are as follows: Moody's Investors Service underlying credit rating for the District is "Aa3" while Standard and Poor's upgraded the underlying rating for the District to "AA-" during 2014-15.

More detailed information about the District's long-term liabilities is presented in Note III C. 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 2019-20 budget and tax rates. The largest factor in planning for 2019-20 was the implementation of House Bill 3. Another factor is the economy. The District continues to see growth in residential and commercial property values. Bastrop County continues to be a growing area. Texas, being the home to the two largest producing oil reserves in the nation, has had a positive effect on growth in the central Texas area. The District had an 11% property value growth from 2018-19 fiscal year to the 2019-20 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 District estimated a 1.9% enrollment growth and a 2% average daily attendance growth. As of October 2019, there are 11,413 students enrolled, which is slightly higher than the 2019-20 budget projections. A recent demographic study predicts the District to have an enrollment of over 11,896 by 2022. An 11% growth in property value was used for budget purposes.

The 2019-20 tax rate approved at the September 2019 public hearing is \$1.441, with \$1.04 for maintenance and operations and \$0.401 for debt service. A bond defeasance was approved at the August 2019 Board meeting in the amount of \$3,300,000 for a total savings of \$1,927,400.

These indicators were taken into consideration when adopting the General Fund budget for 2019. Amounts available for appropriation in the General Fund budget are \$100.3 million. Budgeted expenditures are expected to be \$99.3 million. Teachers, librarians, counselors, and nurses received a 5% and 4.5% pay increase for the 2019-20 budget year in accordance with House Bill 3 requirements. Administrative staff and auxiliary staff received 4% and 5% of the mid-point raise, respectively. The District budgeted for 10 additional teaching staff due to enrollment growth. With continued growth in the English Language Learner population, the District increased the bilingual stipend to \$6,000 for recruiting appropriate staff. The District also budgeted for full-day Pre-K costs through the early education allotment implemented at two of our elementary schools, additional costs for increased state compensatory education, and bilingual and Career and Technology Education allotments. The District continues to place high priority in safety and security in year five of the District Police Department. The District added 3 officers for the 2019-20 school year. The District also continues to target attendance as a priority and has hired a student services director with attendance as a major focus. The

## **BASTROP INDEPENDENT SCHOOL DISTRICT**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019*

District also has a financial goal to increase fund balance by 10 percent by the 2020-21 fiscal year. With the increase in the 2018-19 fund balance, this goal is close to being met.

#### **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, 2019

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110	\$ 2,777,493	\$ 345,928	\$ 3,123,421
1120	31,311,979	823,613	32,135,592
1220	4,897,052	--	4,897,052
1230	(1,239,002)	--	(1,239,002)
1240	15,690,651	--	15,690,651
1290	1,268,856	--	1,268,856
1300	99,206	--	99,206
Capital Assets:			
1510	8,715,492	--	8,715,492
1520	154,275,326	--	154,275,326
1530	760,096	--	760,096
1000	<u>218,557,149</u>	<u>1,169,541</u>	<u>219,726,690</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
1700	18,556,266	--	18,556,266
1705	13,937,533	--	13,937,533
1706	2,936,750	--	2,936,750
1700	<u>35,430,549</u>	<u>--</u>	<u>35,430,549</u>
<b>LIABILITIES:</b>			
2110	2,991,696	25,730	3,017,426
2140	3,242,098	--	3,242,098
2165	9,034,857	115,973	9,150,830
2180	328,177	--	328,177
2190	16,925	--	16,925
Noncurrent Liabilities:			
2501	2,652,410	--	2,652,410
2502	187,923,594	--	187,923,594
2540	26,757,563	--	26,757,563
2545	34,989,064	--	34,989,064
2000	<u>267,936,380</u>	<u>141,703</u>	<u>268,078,087</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2605	3,126,490	--	3,126,490
2606	11,092,725	--	11,092,725
2600	<u>14,219,215</u>	<u>--</u>	<u>14,219,215</u>
<b>NET POSITION:</b>			
3200	(7,248,063)	--	(7,248,063)
Restricted For:			
3820	432,960	--	432,960
3850	12,589,074	--	12,589,074
3890	1,267,707	1,027,838	2,295,545
3900	(35,209,575)	--	(35,209,575)
3000	<u>\$ (28,167,897)</u>	<u>\$ 1,027,838</u>	<u>\$ (27,140,059)</u>

The accompanying notes are an integral part of this statement.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	Functions/Programs	1  Expenses	3  Program Revenues		4  Operating Grants and Contributions
			Charges for Services		
	Governmental Activities:				
11	<i>Instruction</i>	\$ 66,001,477	\$ 64,526		\$ 11,177,151
12	<i>Instructional Resources and Media Services</i>	1,060,412	421		93,435
13	<i>Curriculum and Staff Development</i>	1,847,876	475		818,013
21	<i>Instructional Leadership</i>	781,145	302		140,077
23	<i>School Leadership</i>	5,759,209	2,321		642,011
31	<i>Guidance, Counseling, and Evaluation Services</i>	5,510,069	1,512		2,070,918
32	<i>Social Work Services</i>	278,808	87		100,029
33	<i>Health Services</i>	861,214	355		83,689
34	<i>Student Transportation</i>	6,441,660	2,945		206,138
35	<i>Food Service</i>	6,383,296	1,059,238		5,170,322
36	<i>Cocurricular/Extracurricular Activities</i>	3,595,050	208,075		113,851
41	<i>General Administration</i>	2,797,425	1,231		230,152
51	<i>Facilities Maintenance and Operations</i>	10,291,442	4,692		289,654
52	<i>Security and Monitoring Services</i>	731,131	277		55,389
53	<i>Data Processing Services</i>	1,028,195	467		79,103
61	<i>Community Services</i>	1,028,644	95		787,782
72	<i>Interest on Long-term Debt</i>	6,802,031	--		664,909
73	<i>Bond Issuance Costs and Fees</i>	233,301	--		--
93	<i>Payments Related to Shared Services Arrangements</i>	486,291	33		563,918
99	<i>Other Intergovernmental Charges</i>	862,370	--		--
TG	Total Governmental Activities	<u>122,781,046</u>	<u>1,347,052</u>		<u>23,286,541</u>
	Business-type Activities:				
01	<i>Performing Arts Center</i>	36,015	--		933
03	<i>Community Education</i>	75,365	--		2,404
04	<i>STARS After School Program</i>	652,906	724,585		22,633
06	<i>Employee Child Care</i>	790,342	749,212		46,324
TB	Total Business-type Activities	<u>1,554,628</u>	<u>1,473,797</u>		<u>72,294</u>
TP	Total Primary Government	<u>\$ 124,335,674</u>	<u>\$ 2,820,849</u>		<u>\$ 23,358,835</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>
\$ (54,759,800)	\$ --	\$ (54,759,800)
(966,556)	--	(966,556)
(1,029,388)	--	(1,029,388)
(640,766)	--	(640,766)
(5,114,877)	--	(5,114,877)
(3,437,639)	--	(3,437,639)
(178,692)	--	(178,692)
(777,170)	--	(777,170)
(6,232,577)	--	(6,232,577)
(153,736)	--	(153,736)
(3,273,124)	--	(3,273,124)
(2,566,042)	--	(2,566,042)
(9,997,096)	--	(9,997,096)
(675,465)	--	(675,465)
(948,625)	--	(948,625)
(240,767)	--	(240,767)
(6,137,122)	--	(6,137,122)
(233,301)	--	(233,301)
77,660	--	77,660
(862,370)	--	(862,370)
<u>(98,147,453)</u>	<u>--</u>	<u>(98,147,453)</u>
--	(35,082)	(35,082)
--	(72,961)	(72,961)
--	94,312	94,312
--	5,194	5,194
<u>--</u>	<u>(8,537)</u>	<u>(8,537)</u>
<u>(98,147,453)</u>	<u>(8,537)</u>	<u>(98,155,990)</u>
41,204,432	--	41,204,432
15,792,028	--	15,792,028
710,475	17,452	727,927
47,238,564	--	47,238,564
1,014,213	129,366	1,143,579
<u>105,959,712</u>	<u>146,818</u>	<u>106,106,530</u>
7,812,259	138,281	7,950,540
(35,980,156)	889,557	(35,090,599)
<u>\$ (28,167,897)</u>	<u>\$ 1,027,838</u>	<u>\$ (27,140,059)</u>

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

JUNE 30, 2019

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	\$ 1,154,993	\$ 6,455	\$ 1,402,119	\$ 2,563,567
1120	Current Investments	14,426,725	12,702,758	973,320	28,102,803
1220	Property Taxes Receivable	3,505,628	1,391,424	--	4,897,052
1230	Allowance for Uncollectible Taxes	(874,753)	(364,249)	--	(1,239,002)
1240	Due from Other Governments	13,207,891	--	2,482,760	15,690,651
1260	Due from Other Funds	1,542,020	--	15,605	1,557,625
1290	Other Receivables	272,743	23,585	972,528	1,268,856
1300	Inventories	51,933	--	47,273	99,206
1000	Total Assets	<u>\$ 33,287,180</u>	<u>\$ 13,759,973</u>	<u>\$ 5,893,605</u>	<u>\$ 52,940,758</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 1,773,349	\$ --	\$ 1,216,558	\$ 2,989,907
2150	Payroll Deductions and Withholdings	717,931	--	76,770	794,701
2160	Accrued Wages Payable	7,054,165	--	604,767	7,658,932
2170	Due to Other Funds	6,200	--	1,551,425	1,557,625
2180	Due to Other Governments	--	143,724	184,453	328,177
2190	Due to Student Groups	16,925	--	--	16,925
2000	Total Liabilities	<u>9,568,570</u>	<u>143,724</u>	<u>3,633,973</u>	<u>13,346,267</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2600	Unavailable Revenue for Property Taxes	2,630,875	1,027,175	--	3,658,050
2600	Total Deferred Inflows of Resources	<u>2,630,875</u>	<u>1,027,175</u>	<u>--</u>	<u>3,658,050</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	51,933	--	47,273	99,206
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	432,960	432,960
3470	Capital Acquisitions and Contractual Obligations	--	--	502,692	502,692
3480	Retirement of Long-Term Debt	--	12,589,074	--	12,589,074
3490	Other Restrictions of Fund Balance	--	--	1,276,707	1,276,707
Committed Fund Balances:					
3510	Construction	1,810,919	--	--	1,810,919
3520	Claims and Judgments	100,000	--	--	100,000
3530	Capital Expenditures for Equipment	750,000	--	--	750,000
3600	Unassigned	18,374,883	--	--	18,374,883
3000	Total Fund Balances	<u>21,087,735</u>	<u>12,589,074</u>	<u>2,259,632</u>	<u>35,936,441</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,287,180</u>	<u>\$ 13,759,973</u>	<u>\$ 5,893,605</u>	<u>\$ 52,940,758</u>

The accompanying notes are an integral part of this statement.

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2019*

Total fund balances - governmental funds balance sheet	\$ 35,936,441
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.	163,750,914
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,658,050
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	2,840,087
Payables for bond principal which are not due in the current period are not reported in the funds.	(171,374,762)
Payables for capital leases which are not due in the current period are not reported in the funds.	(644,974)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,242,098)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(26,757,563)
Deferred inflows of resources related to the pension plan are not reported in the funds.	(3,126,490)
Deferred outflows of resources related to the pension plan are not reported in the funds.	13,937,533
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(34,989,064)
Deferred inflows of resources related to the OPEB plan are not reported in the funds.	(11,092,725)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	2,936,749
Rounding difference	<u>5</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (28,167,897)</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, 2019**

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>	\$ 42,268,132	\$ 15,954,953	\$ 1,557,244	\$ 59,780,329
5800 <i>State Program Revenues</i>	50,316,891	664,909	1,724,923	52,706,723
5900 <i>Federal Program Revenues</i>	2,610,687	--	12,155,875	14,766,562
5020 <b>Total Revenues</b>	<u>95,195,710</u>	<u>16,619,862</u>	<u>15,438,042</u>	<u>127,253,614</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	53,930,430	--	5,823,752	59,754,182
0012 <i>Instructional Resources and Media Services</i>	916,876	--	9,802	926,678
0013 <i>Curriculum and Staff Development</i>	1,031,689	--	680,251	1,711,940
0021 <i>Instructional Leadership</i>	656,872	--	9,505	666,377
0023 <i>School Leadership</i>	5,042,337	--	12,039	5,054,376
0031 <i>Guidance, Counseling, and Evaluation Services</i>	3,285,462	--	1,511,088	4,796,550
0032 <i>Social Work Services</i>	190,981	--	74,957	265,938
0033 <i>Health Services</i>	774,700	--	7,145	781,845
0034 <i>Student Transportation</i>	6,398,572	--	17,132	6,415,704
0035 <i>Food Service</i>	--	--	6,155,187	6,155,187
0036 <i>Cocurricular/Extracurricular Activities</i>	2,419,276	--	163,599	2,582,875
0041 <i>General Administration</i>	2,676,731	--	--	2,676,731
0051 <i>Facilities Maintenance and Operations</i>	9,384,419	--	66,514	9,450,933
0052 <i>Security and Monitoring Services</i>	1,171,072	--	--	1,171,072
0053 <i>Data Processing Services</i>	1,011,920	--	--	1,011,920
0061 <i>Community Services</i>	201,903	--	740,615	942,518
0071 <i>Principal on Long-term Debt</i>	160,999	3,020,605	--	3,181,604
0072 <i>Interest on Long-term Debt</i>	12,847	9,495,352	--	9,508,199
0073 <i>Bond Issuance Costs and Fees</i>	--	30,251	--	30,251
0073 <i>Payment to Escrow Agent</i>	--	2,197,686	--	2,197,686
0081 <i>Capital Outlay</i>	53,664	--	804,570	858,234
0093 <i>Payments to Shared Services Arrangements</i>	67,921	--	418,370	486,291
0099 <i>Other Intergovernmental Charges</i>	862,370	--	--	862,370
6030 <b>Total Expenditures</b>	<u>90,251,041</u>	<u>14,743,894</u>	<u>16,494,526</u>	<u>121,489,461</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>4,944,669</u>	<u>1,875,968</u>	<u>(1,056,484)</u>	<u>5,764,153</u>
Other Financing Sources and (Uses):				
7913 <i>Issuance of Capital Leases</i>	540,000	--	--	540,000
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>540,000</u>	<u>--</u>	<u>--</u>	<u>540,000</u>
1200 <b>Net Change in Fund Balances</b>	<u>5,484,669</u>	<u>1,875,968</u>	<u>(1,056,484)</u>	<u>6,304,153</u>
0100 <b>Fund Balances - Beginning</b>	<u>15,603,066</u>	<u>10,713,106</u>	<u>3,316,116</u>	<u>29,632,288</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 21,087,735</u>	<u>\$ 12,589,074</u>	<u>\$ 2,259,632</u>	<u>\$ 35,936,441</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, 2019*

Net change in fund balances - total governmental funds	\$ 6,304,152
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	593,664
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,681,927)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	287,870
Reversal of on-behalf revenues reported in the funds but not in the SOA.	(3,664,092)
Reversal of on-behalf expenditures reported in the funds but not in the SOA.	3,664,092
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,020,605
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	161,000
Deferred loss on refunding is amortized in the SOA but not in the funds.	(1,252,597)
The accretion of interest on capital appreciation bonds is not reported in the funds.	2,013,929
(Increase) decrease in accrued interest from beginning of period to end of period.	292,353
The net revenue (expense) of internal service funds is reported with governmental activities.	52,921
Partial cash defeasance is an expenditure in the funds but not in an expense in the SOA.	2,130,000
Bond premiums amortized in the SOA but not in the funds.	1,517,120
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(540,000)
GASB 68 on-behalf revenues.	4,886,347
The District's share of the net pension expenses.	(6,598,569)
GASB 75 on-behalf revenues.	1,829,791
The District's share of the net OPEB expenses.	(2,204,174)
GASB 75 federal funding recognized in the SOA.	(224)
	<hr/>
Change in net position of governmental activities - Statement of Activities	\$ <u>7,812,259</u>

The accompanying notes are an integral part of this statement.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

JUNE 30, 2019

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
<b>ASSETS:</b>			
Current Assets:			
1110	<i>Cash and Cash Equivalents</i>	\$ 345,928	\$ 213,924
1120	<i>Investments</i>	823,613	3,209,176
	Total Current Assets	<u>1,169,541</u>	<u>3,423,100</u>
1000	Total Assets	<u>1,169,541</u>	<u>3,423,100</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	<i>Accounts Payable</i>	25,730	1,789
2150	<i>Payroll Deduction and Withholdings</i>	12,982	45
2160	<i>Accrued Wages Payable</i>	102,991	--
2200	<i>Accrued Expenses</i>	--	581,179
	Total Current Liabilities	<u>141,703</u>	<u>583,013</u>
2000	Total Liabilities	<u>141,703</u>	<u>583,013</u>
<b>NET POSITION:</b>			
3800	<i>Restricted</i>	138,281	52,921
3000	Total Net Position	<u>\$ 1,027,838</u>	<u>\$ 2,840,087</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, 2019

Data Control Codes		Nonmajor Enterprise Funds	Internal Service Funds
	<b>OPERATING REVENUES:</b>		
5700	<i>Local and Intermediate Sources</i>	\$ 1,620,616	\$ 502,933
5800	<i>State Program Revenues</i>	72,294	2,511
5020	Total Revenues	<u>1,692,910</u>	<u>505,444</u>
	<b>OPERATING EXPENSES:</b>		
6100	<i>Payroll Costs</i>	1,328,036	38,977
6200	<i>Professional and Contracted Services</i>	51,430	52,056
6300	<i>Supplies and Materials</i>	75,918	41,656
6400	<i>Other Operating Costs</i>	99,244	319,833
6030	Total Expenses	<u>1,554,628</u>	<u>452,522</u>
1300	Change in Net Position	138,282	52,922
0100	Total Net Position - Beginning	889,556	2,787,165
3300	Total Net Position - Ending	<u>\$ 1,027,838</u>	<u>\$ 2,840,087</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, 2019

	Nonmajor Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 1,675,458	\$ 436,241
Cash Payments to Employees and Suppliers	(1,572,223)	(409,337)
Net Cash Provided (Used) by Operating Activities	<u>103,235</u>	<u>26,904</u>
<b>Cash Flows from Investing Activities:</b>		
Cash Received from Interest Earnings	<u>17,452</u>	<u>69,203</u>
Net Cash Provided (Used) by Investing Activities	<u>17,452</u>	<u>69,203</u>
Net Increase (Decrease) in Cash and Cash Equivalents	120,687	96,106
Cash and Cash Equivalents at Beginning of Year	1,048,856	3,326,994
Cash and Cash Equivalents at End of Year	<u>\$ 1,169,543</u>	<u>\$ 3,423,100</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 138,282	\$ 52,922
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
Increase (Decrease) in Interfund Payables	(2,235)	425
Increase (Decrease) in Accounts Payable	4,159	42,759
Increase (Decrease) in Accrued Wages Payable	(19,519)	--
Total Adjustments	<u>(17,595)</u>	<u>43,184</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 120,687</u>	<u>\$ 96,106</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, 2019

	Private- Scholarship Trust
<b>Additions:</b>	
Investment Income	\$ 5,826
Gifts and Bequests	--
Total Additions	<u>5,826</u>
<b>Deductions:</b>	
Scholarship Awards	<u>3,713</u>
Total Deductions	<u>3,713</u>
<b>Change in Net Position</b>	2,113
Net Position-Beginning of the Year	<u>261,223</u>
Net Position-End of the Year	<u>\$ 263,336</u>

The accompanying notes are an integral part of this statement.

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

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

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

### B. Government-Wide Financial Statements

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

### C. Basis of Presentation – Government-Wide Financial Statements

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

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

### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

#### General Fund

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

## **Debt Service Fund**

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

## **Capital Projects Fund**

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

## **Special Revenue Funds**

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

## **Permanent Funds**

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

## **Proprietary Funds**

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

The proprietary fund types used by the District includes the following:

### **Enterprise Funds**

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

### **Internal Service Funds**

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

## **Fiduciary Funds**

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

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

The District has the following type of fiduciary funds:

## **Agency Funds**

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

## **Trust Funds**

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

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

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

## **E. Measurement Focus and Basis of Accounting**

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

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

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

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

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

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

### **1. Cash and Cash Equivalents**

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

### **2. Investments**

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

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

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

### **3. Inventories and Prepaid Items**

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

### **4. Restricted Assets**

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

### **5. Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

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

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

## 6. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

## 7. Receivable and Payables Balances

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

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

## **8. Interfund Activity**

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

## **9. Long-Term Obligations**

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

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

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

## **10. Fund Balance Policies**

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

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

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

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

## **11. Net Position Flow Assumption**

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

## **12. Fund Balance Flow Assumptions**

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

## **13. Estimates**

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

## **14. Data Control Codes**

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

## **15. Pensions**

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

## **16. Other Postemployment Benefits**

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

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

### **2. Property Taxes**

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

# **BASTROP INDEPENDENT SCHOOL DISTRICT**

## *NOTES TO FINANCIAL STATEMENTS, Continued* *FOR THE YEAR ENDED JUNE 30, 2019*

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

### **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

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

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

### **III. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

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

##### **1. Cash Deposits**

At June 30, 2019, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,211,680 and the bank balance was \$4,693,277. The District's cash deposits at June 30, 2019, and during the year ended June 30, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

##### **2. Investments**

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

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

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

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

As of June 30, 2019, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Rating</u>	<u>Weighted Average Maturity (Years)</u>
Lone Star Investment Pool	\$ 22,607,209	AAA*	0.07
Texpool - Local Government Investment Pool	10,468,790	AAAm*	0.10
	<u>\$ 33,075,999</u>		
Portfolio weighted average maturity			0.07

\*Rated by Standard and Poor's Investor Services

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

*Credit risk.* The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/P1' as provided by two of the top nationally recognized rating agencies. As of June 30, 2019, the District's investments in TexPool and LoneStar were rated 'AAAm' and 'AAA', respectively, by Standard & Poor's. U.S. agency.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2019, fair market values of pledged securities and FDIC coverage exceeded bank balances.

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

## TexPool

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

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

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED JUNE 30, 2019

## Lone Star

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

## B. Capital Assets

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

<b>Governmental Activities:</b>	<u>Beginning Balances</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 8,715,492	\$ -	\$ -	\$ 8,715,492
Total capital assets not being depreciated	<u>8,715,492</u>	<u>-</u>	<u>-</u>	<u>8,715,492</u>
Other capital assets:				
Buildings and improvements	224,215,431	53,664	-	224,269,095
Equipment and Vehicles	4,132,772	540,000	-	4,672,772
Total other capital assets	<u>228,348,203</u>	<u>593,664</u>	<u>-</u>	<u>228,941,867</u>
Less accumulated depreciation for:				
Buildings and improvements	(65,423,161)	(4,570,608)	-	(69,993,769)
Equipment and Vehicles	(3,801,357)	(111,319)	-	(3,912,676)
Total accumulated depreciation	<u>(69,224,518)</u>	<u>(4,681,927)</u>	<u>-</u>	<u>(73,906,445)</u>
Other capital assets, net	<u>159,123,685</u>	<u>(4,088,263)</u>	<u>-</u>	<u>155,035,422</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 167,839,177</u>	<u>\$ (4,088,263)</u>	<u>\$ -</u>	<u>\$ 163,750,914</u>

Depreciation was charged to governmental functions as follows:

	<u>Governmental Activities</u>
11 Instruction	\$ 2,634,977
12 Instructional resources/media services	88,319
13 Curriculum and staff development	9,623
21 Instructional leadership	8,556
23 School leadership	353,362
31 Guidance, counseling, and evaluation services	150,908
33 Health services	53,104
34 Student (pupil) transportation	24,262
35 Food service	197,015
36 Extracurricular activities	1,013,455
41 General administration	25,866
51 Plant maintenance and operations	35,303
52 Security and monitoring services	79,296
61 Community services	7,881
<b>Total Depreciation Expense</b>	<u>\$ 4,681,927</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

## C. Long-Term Debt

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

Governmental Activities:	Original Issue	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
<b>Bonds payable:</b>						
Bldg & Refunding, Series 1997	\$ 32,593,420	\$ 2,609,102	\$ -	\$ (371,807)	\$ 2,237,295 *	\$ 890,688
Bldg & Refunding, Series 2002	40,925,404	438,797	-	(438,797)	-	-
Bldg Bonds, Series 2009	38,350,000	705,000	-	(705,000)	-	-
Refunding, Series 2011	8,829,226	8,309,226	-	(2,245,000)	6,064,226 *	150,000
Refunding, Series 2012	8,793,904	8,383,904	-	(145,000)	8,238,904 *	273,904
Refunding, Series 2013A	8,670,000	8,200,000	-	(70,000)	8,130,000 *	75,000
Refunding, Series 2013B	18,200,000	17,970,000	-	-	17,970,000 *	-
Refunding, Series 2014	7,990,000	5,835,000	-	(790,000)	5,045,000 *	-
Refunding, Series 2015	54,705,000	54,335,000	-	(385,000)	53,950,000 *	400,000
Refunding, Series 2015A	21,186,873	19,711,873	-	-	19,711,873 *	52,138
Refunding, Series 2016	8,280,000	8,155,000	-	-	8,155,000 *	-
Refunding, Series 2017	20,580,000	20,580,000	-	-	20,580,000 *	670,000
<b>Direct Borrowing/Placements:</b>						
Leases - Portables	-	265,975	-	(71,000)	194,975 *	74,935
Leases- Camera	540,000	-	540,000	(90,000)	450,000 *	65,745
	<u>269,643,827</u>	<u>155,498,877</u>	<u>540,000</u>	<u>(5,311,604)</u>	<u>150,727,273</u>	<u>\$ 2,652,410</u>
<b>Other liabilities:</b>						
Issuance premium/discount	-	23,989,002	-	(1,517,120)	22,471,882 *	-
Accreted interest	-	19,390,777	-	(2,013,928)	17,376,849 *	-
Net pension liability	-	16,209,215	10,548,348	-	26,757,563	-
Net OPEB liability	-	30,422,325	4,566,739	-	34,989,064	-
<b>Total Governmental Activities</b>	<u>\$ 269,643,827</u>	<u>\$ 245,510,196</u>	<u>\$ 15,655,087</u>	<u>\$ (8,842,652)</u>	<u>\$ 252,322,631</u>	<u>\$ 2,652,410</u>
					<u>Long-term liabilities due in more than one year</u>	<u>\$ 249,670,221</u>
					<u>*Debt associated with capital assets</u>	<u>\$ 190,576,004</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. Interest rates on Series 1997 bonds are 5.65% to 5.70%; Series 2002 bonds are 5.70% to 6.11%; Series 2009 bonds are 3.65% to 4.625%; Series 2011 bonds are 2.00% to 3.50%; Series 2012 bonds are 1.75% to 3.25%; Series 2013A bonds are 2.00% to 3.50%; Series 2013B are 4.00% to 5.00%; Series 2014 bonds are 2.00% to 4.00%; Series 2015 bonds are 2.00% to 5.00%; Series 2015A bonds are 1.45% to 5.00%; Series 2016 bonds are 4.00%; and Series 2017 are 4.00% to 5.00%. Interest expense was \$9,495,352 for the year ended June 30, 2019.

Lease agreements of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the general fund. The District approved the lease agreements at an interest rate of 4.80% to 5.545% for portables and 4.45% for camera leases. Interest expense was \$12,847 for the year ended June 30, 2019.

The District entered into a lease agreement for a camera lease in the amount of \$540,000 to be paid in six payments. The District paid a down payment during the year of \$90,000.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

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

Year Ended June 30	Bonds Payable		Total Requirements
	Principal	Interest	
2020	\$ 2,511,730	\$ 9,981,807	\$ 12,493,537
2021	3,196,524	9,313,713	12,510,237
2022	4,135,614	8,409,724	12,545,338
2023	5,809,071	6,783,216	12,592,287
2024	6,065,049	6,526,514	12,591,563
2025-2029	27,974,698	34,838,065	62,812,763
2030-2034	42,820,386	20,544,851	63,365,237
2035-2039	38,914,226	11,575,155	50,489,381
2040-2044	18,655,000	1,495,850	20,150,850
	<u>\$ 150,082,298</u>	<u>\$ 109,468,895</u>	<u>\$ 259,551,193</u>

**D. Capital Leases**

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2019 as follows:

Year Ended June 30	Capital Leases - Portables		Total Requirements
	Principal	Interest	
2020	\$ 74,935	\$ 8,228	\$ 83,163
2021	79,090	4,736	83,826
2022	40,950	1,236	42,186
Totals	<u>\$ 194,975</u>	<u>\$ 14,200</u>	<u>\$ 209,175</u>

The effective interest rate on the above capital leases are 4.80% and 5.545%.

Year Ended June 30	Camera Leases		Total Requirements
	Principal	Interest	
2020	\$ 65,745	\$ 23,618	\$ 89,364
2021	69,196	20,168	89,364
2022	72,828	16,536	89,364
2023	76,650	12,714	89,364
2024	80,673	8,691	89,364
2025	84,907	4,457	89,364
Totals	<u>\$ 450,000</u>	<u>\$ 86,183</u>	<u>\$ 536,183</u>

The effective interest rate on the above capital leases is 4.45%.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

**E. Commitments Under Noncapitalized Leases**

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

<u>Year Ended June 30</u>	<u>Future Minimum Payments</u>
2020	\$ 172,792
2021	172,792
2022	172,792
2023	172,792
2024	<u>172,792</u>
Total Minimum Rentals	<u>\$ 863,962</u>
Rental Expenditures in 2019	<u>\$ 283,057</u>

**F. Interfund Transactions**

The interfund balances and transfers at June 30, 2019 were as follows:

<u>Due To Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
Other Governmental Funds	Capital Projects Fund	\$ 9,405
Other Governmental Funds	General Fund	6,200
General Fund	Other Governmental Funds	<u>1,542,020</u>
		<u>\$ 1,557,625</u>

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Food Service Fund	\$ 2,500	To supplement revenue
	Total	<u>\$ 2,500</u>	

**IV. OTHER INFORMATION**

**A. Risk Management**

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

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

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

### C. Defined Benefit Pension Plan

#### Teacher Retirement System

##### Plan Description

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

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

##### Pension Plan Fiduciary Net Position

Detailed information about TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <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.

##### Benefits Provided

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

##### Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year. 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.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

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 85<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

<u>Contribution Rates</u>	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
NECE (State)	6.8%	6.8%
Employer	6.8%	6.8%

	<u>Measurement Year (2018)</u>	<u>Fiscal Year (2019)</u>
Employer contributions	\$ 1,637,636	\$ 1,561,311
Member contributions	\$ 4,447,745	\$ 4,566,797
NECE on-behalf contributions	\$ 3,019,718	\$ 2,982,596

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS 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 to which an employer is subject:

- 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 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 FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 and was determined using the following actuarial assumptions:

	August 31, 2017 rolled forward to August 31, 2018
Valuation date	2018
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Municipal bond rate	3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the three-year period ending August 31, 2017 and adopted in July 2018.

Discount Rate

The single discount rate used to measure the TPL was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from TRS members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2018**

	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns *</u>
<b>Global Equity</b>			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Returns	0.0%	0.0%	0.0%
Hedge Funds (Stable Value)	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation	0.0%		2.3%
Alpha	0.0%		-0.8%
<b>Total</b>	<u>100.0%</u>		<u>7.1%</u>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability (NPL) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the NPL:

	<u>1% Decrease in Discount Rate (5.907%)</u>	<u>Discount Rate (6.907%)</u>	<u>1% Increase in Discount Rate (7.907%)</u>
District's proportionate share of the net pension liability	<u>\$ 40,383,579</u>	<u>\$ 26,757,563</u>	<u>\$ 15,726,495</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

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

At August 31, 2018, the District reported a liability of \$26,757,563 for its proportionate share of the TRS's NPL. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 26,757,563
State's proportionate share that is associated with the District	49,370,329
<b>Total</b>	<b>\$ 76,127,892</b>

The NPL was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2017 through August 31, 2018.

At June 30, 2019, the District's proportion of the collective NPL was 0.0486126%, which was a decrease of 0.0001328% from its proportion measured as of August 31, 2017.

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

- The TPL as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions, including post-retirement mortality, termination rates, and rates of retirement, were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions, including rates of salary increase for individual participants, were updated based on the same experience study.
- The discount rate changed from 8.000% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.00% to 7.25%.
- The change in the long-term assumed rate of return, combined with the change in the single discount rate, was the primary reason for the increase in the NPL.

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

For the year ended June 30, 2019, the District recognized pension expense of \$4,886,347 and revenue of \$4,886,347 for support provided by the State.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 166,785	\$ (656,525)
Changes in actuarial assumptions	9,647,390	(301,481)
Difference between projected and actual investment earnings	-	(507,706)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,562,047	(1,660,778)
Contributions paid to TRS subsequent to the measurement date	1,561,311	-
<b>Total</b>	<b>\$ 13,937,533</b>	<b>\$ (3,126,490)</b>

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:

<b>Fiscal Year Ended June 30</b>	<b>Pension Expense</b>
2020	\$ 2,593,495
2021	1,525,068
2022	1,213,878
2023	1,394,412
2024	1,537,073
Thereafter	985,806
<b>Total</b>	<b>\$ 9,249,732</b>

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2019, 2018, and 2017, the subsidy payments received by TRS-Care on behalf of the District were \$224,106, \$180,142, and \$175,208, respectively.

**D. Defined Other Postemployment Benefit Plans**

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at [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.

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

Components of the net OPEB liability of TRS-Care as of August 31, 2018 are as follows:

Total OPEB liability	\$	50,729,490,103
Less: plan fiduciary net position		<u>798,574,633</u>
<b>Net OPEB Liability</b>	<b>\$</b>	<b><u>49,930,915,470</u></b>

Net position as a percentage of total OPEB liability 1.57%

## Benefits Provided

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

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

The premium rates for the Optional Health Insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage:

### **TRS-Care Plan Premium Rates** **Effective January 16 - December 31, 2017**

	<b>Medicare</b>	<b>Non-Medicare</b>
Retiree*	\$ 135	\$ 200
Retiree and spouse	\$ 529	\$ 689
Retiree* and children	\$ 468	\$ 408
Retiree and family	\$ 1,020	\$ 999

*\*or surviving spouse*

## Contributions

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

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

Texas Insurance Code, section 1575.202 establishes the State's contribution rate, which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate, which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to TRS-Care by type of contributor:

	Contribution Rates	
	Fiscal Year	
	2018	2019
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	Measurement	Fiscal
	Year (2018)	Year (2019)
Employer contributions	\$ 483,417	\$ 507,485
Member contributions	\$ 375,459	\$ 385,509
NECE on-behalf contributions	\$ 695,034	\$ 741,363

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

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$182.6 million in fiscal year 2018. The 85<sup>th</sup> Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-2019 biennium to continue to support TRS-Care. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

### Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

- A change was made in the measurement date of the total OPEB liability for the TRS 2018 fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This was the first year the roll-forward procedures were used.
- The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the TRS pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability; and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in the OPEB valuation were identical to those used in the respective TRS pension valuation.
- The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale.
- Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and an initial medical trend rate of 6.75% for non-Medicare retirees were used. The initial prescription drug trend rate was 11.00% for all retirees. The first-year trend rate increase for the Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.

# BASTROP INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2017 rolled forward to 8/31/2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	3.69%. Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 70% participation prior to age 65 and 75% participation after age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases*	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

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

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.5%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

### Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27% in the discount rate since the previous year. Because TRS-Care is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

## Sensitivity of the Net OPEB Liability

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

	<b>1% Decrease in Discount Rate (2.69%)</b>	<b>Current Single Discount Rate (3.69%)</b>	<b>1% Increase in Discount Rate (4.69%)</b>
District's proportionate share of net OPEB liability	\$ 4,649,008	\$ 34,989,064	\$ 29,720,620

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

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
District's proportionate share of net OPEB liability	\$ 29,058,988	\$ 34,989,064	\$ 42,799,103

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

At June 30, 2019, the District reported a liability of \$34,989,064 for its proportionate share of TRS-Care's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 34,989,064
State's proportionate share that is associated with the District	50,304,933
<b>Total</b>	<b>\$ 85,293,997</b>

The net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2017 through August 31, 2018.

At August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.0700750%, compared to 0.0699585% as of August 31, 2018.

## Changes Since the Prior Actuarial Valuation

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

- Adjustments were made for retirees that were known to have discontinued their healthcare coverage in fiscal year 2018. This change increased the total OPEB liability.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the HIF in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability by \$2.3 billion.

# BASTROP INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

The following are changes in benefit terms since the prior measurement date effective September 1, 2017 by the 85<sup>th</sup> Texas Legislature:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Adventure plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed TRS-Care to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,829,791 and revenue of \$1,829,791 for support provided by the State.

At June 30, 2019, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,856,740	\$ (552,179)
Changes in actuarial assumptions	583,873	(10,512,206)
Differences between projected and actual investment earnings	6,119	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	62,732	(28,340)
Contributions paid to TRS subsequent to the measurement date	427,285	-
<b>Total</b>	<b>\$ 2,936,749</b>	<b>\$ (11,092,725)</b>

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

<b>Fiscal Year Ended June 30</b>	<b>Pension Expense</b>
2020	\$ (1,373,594)
2021	(1,373,594)
2022	(1,373,594)
2023	(1,374,751)
2024	(1,375,413)
Thereafter	(1,712,315)
<b>Total</b>	<b>\$ (8,583,261)</b>

## **BASTROP INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

### **E. Employee Health Care Coverage**

During the year ended June 30, 2019, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$378 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2020 and terms of coverage and premiums costs are included in the contractual provisions.

### **F. Shared Services Arrangements**

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

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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, 2019

**EXHIBIT G-1**

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 39,985,777	\$ 41,599,508	\$ 42,268,132	\$ 668,624
5800	State Program Revenues	49,246,449	49,364,853	50,316,891	952,038
5900	Federal Program Revenues	1,315,385	1,319,385	2,610,687	1,291,302
5020	Total Revenues	<u>90,547,611</u>	<u>92,283,746</u>	<u>95,195,710</u>	<u>2,911,964</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	54,945,773	54,965,449	53,930,430	1,035,019
0012	Instructional Resources and Media Services	1,080,350	1,080,350	916,876	163,474
0013	Curriculum and Staff Development	1,079,526	1,137,967	1,031,689	106,278
	Total Instruction and Instr. Related Services	<u>57,105,649</u>	<u>57,183,766</u>	<u>55,878,995</u>	<u>1,304,771</u>
Instructional and School Leadership:					
0021	Instructional Leadership	795,460	660,072	656,872	3,200
0023	School Leadership	5,126,919	5,122,855	5,042,337	80,518
	Total Instructional and School Leadership	<u>5,922,379</u>	<u>5,782,927</u>	<u>5,699,209</u>	<u>83,718</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling, and Evaluation Services	3,497,034	3,579,809	3,285,462	294,347
0032	Social Work Services	200,552	200,852	190,981	9,871
0033	Health Services	827,054	834,177	774,700	59,477
0034	Student (Pupil) Transportation	5,908,795	6,489,395	6,398,572	90,823
0036	Cocurricular/Extracurricular Activities	2,455,702	2,463,757	2,419,276	44,481
	Total Support Services - Student (Pupil)	<u>12,889,137</u>	<u>13,567,990</u>	<u>13,068,991</u>	<u>498,999</u>
Administrative Support Services:					
0041	General Administration	2,758,623	2,858,623	2,676,731	181,892
	Total Administrative Support Services	<u>2,758,623</u>	<u>2,858,623</u>	<u>2,676,731</u>	<u>181,892</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	8,735,339	9,408,936	9,384,419	24,517
0052	Security and Monitoring Services	700,867	1,204,367	1,171,072	33,295
0053	Data Processing Services	1,068,754	1,069,254	1,011,920	57,334
	Total Support Services - Nonstudent Based	<u>10,504,960</u>	<u>11,682,557</u>	<u>11,567,411</u>	<u>115,146</u>
Ancillary Services:					
0061	Community Services	204,873	245,873	201,903	43,970
	Total Ancillary Services	<u>204,873</u>	<u>245,873</u>	<u>201,903</u>	<u>43,970</u>
Debt Service:					
0071	Principal on Long-Term Debt	--	161,001	160,999	2
0072	Interest on Long-Term Debt	--	12,847	12,847	--
	Total Debt Service	<u>--</u>	<u>173,848</u>	<u>173,846</u>	<u>2</u>
Capital Outlay:					
0081	Capital Outlay	115,500	53,664	53,664	--
	Total Capital Outlay	<u>115,500</u>	<u>53,664</u>	<u>53,664</u>	<u>--</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)	
	Budgeted Amounts		Actual		
	Original	Final			
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	\$ 66,753	\$ 487,323	\$ 67,921	\$ 419,402
0099	Other Intergovernmental Charges	861,105	883,605	862,370	21,235
	Total Intergovernmental Charges	<u>927,858</u>	<u>1,370,928</u>	<u>930,291</u>	<u>440,637</u>
6030	Total Expenditures	<u>90,428,979</u>	<u>92,920,176</u>	<u>90,251,041</u>	<u>2,669,135</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>118,632</u>	<u>(636,430)</u>	<u>4,944,669</u>	<u>5,581,099</u>
Other Financing Sources (Uses):					
7913	Issuance of Capital Leases	--	540,000	540,000	--
7080	Total Other Financing Sources and (Uses)	--	540,000	540,000	--
1200	Net Change in Fund Balance	<u>118,632</u>	<u>(96,430)</u>	<u>5,484,669</u>	<u>5,581,099</u>
0100	Fund Balance - Beginning	15,603,066	15,603,066	15,603,066	--
3000	Fund Balance - Ending	<u>\$ 15,721,698</u>	<u>\$ 15,506,636</u>	<u>\$ 21,087,735</u>	<u>\$ 5,581,099</u>

Notes to the Required Supplementary Information:

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

## BASTROP INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)  
FOR THE YEAR ENDED JUNE 30, 2019

	Measurement Year*			
	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0486126%	0.0506940%	0.0492569%	0.0131955%
District's proportionate share of the net pension liability (asset)	\$ 26,757,563	\$ 16,209,215	\$ 18,613,469	\$ 20,296,711
State's proportionate share of the net pension liability (asset) associated with the District	59,370,329	29,315,324	35,875,687	30,566,773
Total	\$ <u>86,127,892</u>	\$ <u>45,524,539</u>	\$ <u>54,489,156</u>	\$ <u>50,863,484</u>
District's covered payroll**	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747	\$ 52,103,386
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.32%	28.12%	33.86%	38.95%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%

\* Only five years' worth of information is currently available.

\*\* As of the measurement date.

### Notes to Required Supplementary Information:

#### *Changes in Assumptions:*

The total pension liability (TPL) as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Economic assumptions including rates of salary increase for the individual participants was updated on the same experience study.

The discount rate changed from 8.00% as of August 31, 2017 to 6.907% as of August 31, 2018.

The long-term assumed rate of return changed from 8.00% to 7.25%.

The change in the long-term assumed rate of return, combined with the change in the single discount rate, were the primary reasons for the increase in the net pension liability.

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

2014

0.0372820%

\$ 9,958,539

28,016,665  
\$ 37,975,204

\$ 51,877,575

19.20%

83.25%

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

	Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,561,311	\$ 1,631,479	\$ 1,746,426	\$ 1,662,971	\$ 1,632,190
Contributions in relation to the contractually required contribution	1,561,311	1,631,479	1,746,426	1,662,971	1,632,190
Contribution deficiency (excess)	<u>\$ --</u>				
District's covered payroll	\$ 59,309,058	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747	\$ 52,103,386
Contributions as a percentage of covered payroll	2.63%	2.39%	3.03%	3.03%	3.13%

**EXHIBIT G-3**

Fiscal Year				
2014	2013	2012	2011	2010
\$ 945,201	\$ 801,168	\$ 663,332	\$ 815,670	\$ 768,754
<u>945,201</u>	<u>801,168</u>	<u>663,332</u>	<u>815,670</u>	<u>768,754</u>
<u>\$ --</u>				
\$ 51,877,575	\$ 48,595,253	\$ 47,361,035	\$ 49,657,645	\$ 49,188,059
1.82%	1.65%	1.40%	1.64%	1.56%

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET OPEB LIABILITY*  
*TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)*  
*FOR THE YEAR ENDED JUNE 30, 2019*

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

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

\*\*As of the measurement date.

**Notes to Required Supplementary Information:**

*Changes in Assumptions:*

- Adjustments were made for retirees that were known to have discontinued their healthcare coverage in fiscal year 2018. This change increased the total OPEB liability.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the HIF in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability to \$2.3 billion.

*Changes in Benefits:*

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Adventure plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed TRS-Care to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 and through 2021, requiring members to contribute \$200 per month toward their health insurance premium.

**BASTROP INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF DISTRICT CONTRIBUTIONS**TEXAS PUBLIC RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)**FOR THE YEAR ENDED JUNE 30, 2019*

EXHIBIT G-5

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

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

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## *Combining Statements as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Grant Funds	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 1,071,663	\$ 112,186	\$ 218,270	\$ 1,402,119
1120	Current Investments	567,437	405,883	--	973,320
1240	Due from Other Governments	2,482,760	--	--	2,482,760
1260	Due from Other Funds	15,605	--	--	15,605
1290	Other Receivables	972,528	--	--	972,528
1300	Inventories	47,273	--	--	47,273
1000	Total Assets	<u>\$ 5,157,266</u>	<u>\$ 518,069</u>	<u>\$ 218,270</u>	<u>\$ 5,893,605</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 1,210,586	\$ 5,972	\$ --	\$ 1,216,558
2150	Payroll Deductions and Withholdings	76,770	--	--	76,770
2160	Accrued Wages Payable	604,767	--	--	604,767
2170	Due to Other Funds	1,551,425	9,405	--	1,551,425
2180	Due to Other Governments	184,453	--	--	184,453
2000	Total Liabilities	<u>3,628,001</u>	<u>15,377</u>	<u>--</u>	<u>3,633,973</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	47,273	--	--	47,273
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	432,960	--	--	432,960
3470	Capital Acquisitions and Contractual Obligations	--	502,692	--	502,692
3490	Other Restrictions of Fund Balance	1,058,437	--	218,270	1,276,707
3000	Total Fund Balances	<u>1,538,670</u>	<u>502,692</u>	<u>218,270</u>	<u>2,259,632</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,703,065</u>	<u>\$ 518,069</u>	<u>\$ 218,270</u>	<u>\$ 6,439,404</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Permanent Fund Bastrop Education Grant Funds	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 1,373,381	\$ 20,161	\$ 163,702	\$ 1,557,244
5800 <i>State Program Revenues</i>	1,724,923	--	--	1,724,923
5900 <i>Federal Program Revenues</i>	12,155,875	--	--	12,155,875
5020 <b>Total Revenues</b>	<u>15,254,179</u>	<u>20,161</u>	<u>163,702</u>	<u>15,438,042</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	5,694,642	--	129,110	5,823,752
0012 <i>Instructional Resources and Media Services</i>	--	--	9,802	9,802
0013 <i>Curriculum and Staff Development</i>	680,251	--	--	680,251
0021 <i>Instructional Leadership</i>	9,505	--	--	9,505
0023 <i>School Leadership</i>	12,039	--	--	12,039
0031 <i>Guidance, Counseling, and Evaluation Services</i>	1,511,088	--	--	1,511,088
0032 <i>Social Work Services</i>	74,957	--	--	74,957
0033 <i>Health Services</i>	7,145	--	--	7,145
0034 <i>Student Transportation</i>	17,132	--	--	17,132
0035 <i>Food Service</i>	6,155,187	--	--	6,155,187
0036 <i>Cocurricular/Extracurricular Activities</i>	6,200	157,399	--	163,599
0051 <i>Facilities Maintenance and Operations</i>	40	66,474	--	66,514
0061 <i>Community Services</i>	740,615	--	--	740,615
0081 <i>Capital Outlay</i>	--	804,570	--	804,570
0093 <i>Payments to Shared Services Arrangements</i>	418,370	--	--	418,370
6030 <b>Total Expenditures</b>	<u>15,327,171</u>	<u>1,028,443</u>	<u>138,912</u>	<u>16,494,526</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>(72,992)</u>	<u>(1,008,282)</u>	<u>24,790</u>	<u>(1,056,484)</u>
1200 <b>Net Change in Fund Balances</b>	<u>(72,992)</u>	<u>(1,008,282)</u>	<u>24,790</u>	<u>(1,056,484)</u>
0100 <b>Fund Balances - Beginning</b>	<u>1,611,662</u>	<u>1,510,974</u>	<u>193,480</u>	<u>3,316,116</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 1,538,670</u>	<u>\$ 502,692</u>	<u>\$ 218,270</u>	<u>\$ 2,259,632</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	206 Tx Education for Homeless Children and Youth	211 Title I Improving Basic Programs	212 Title I, Part C Migrant	224 IDEA-B Formula
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--
1240	Due from Other Governments	2,371	612,978	313,423
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	7,710	--
1300	Inventories	--	--	--
1000	Total Assets	<u>\$ 2,371</u>	<u>\$ 612,978</u>	<u>\$ 313,423</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 17	\$ 400,454	\$ 29,731
2150	Payroll Deductions and Withholdings	--	17,067	31,636
2160	Accrued Wages Payable	--	102,234	239,739
2170	Due to Other Funds	2,354	93,223	12,317
2180	Due to Other Governments	--	--	--
2000	Total Liabilities	<u>2,371</u>	<u>612,978</u>	<u>313,423</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>
4000	Total Liabilities and Fund Balances	<u>\$ 2,371</u>	<u>\$ 612,978</u>	<u>\$ 313,423</u>

225 IDEA-B Preschool Grant	226 IDEA - B High Cost	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II, Part A Supp. Effective Instruction
\$ --	\$ --	\$ 236,683	\$ --	\$ 2,500
--	--	258,582	--	--
3,980	671,005	70,534	--	70,140
--	--	--	--	--
--	--	936,831	--	--
--	--	47,273	--	--
<u>\$ 3,980</u>	<u>\$ 671,005</u>	<u>\$ 1,549,903</u>	<u>\$ --</u>	<u>\$ 72,640</u>
\$ 123	\$ --	\$ 211,057	\$ --	\$ 123
430	--	1,861	--	2,155
2,725	--	--	--	60,649
702	671,005	871,015	--	9,713
--	--	--	--	--
<u>3,980</u>	<u>671,005</u>	<u>1,083,933</u>	<u>--</u>	<u>72,640</u>
--	--	47,273	--	--
--	--	418,697	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>465,970</u>	<u>--</u>	<u>--</u>
<u>\$ 3,980</u>	<u>\$ 671,005</u>	<u>\$ 1,549,903</u>	<u>\$ --</u>	<u>\$ 72,640</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	263 Title III, Part A-ELA	265 21st Century Community Learning Centers	289 Title IV, Part A, Subpart 1	386 Regional Day School for the Deaf	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	130,019	199,406	12,738	380,652
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 130,019</u>	<u>\$ 199,406</u>	<u>\$ 12,738</u>	<u>\$ 380,652</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 103,707	\$ 20,247	\$ 702	\$ 4,794
2150	Payroll Deductions and Withholdings	1,223	7,206	788	11,728
2160	Accrued Wages Payable	885	79,766	6,098	88,246
2170	Due to Other Funds	24,204	92,187	5,150	275,884
2180	Due to Other Governments	--	--	--	--
2000	Total Liabilities	<u>130,019</u>	<u>199,406</u>	<u>12,738</u>	<u>380,652</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>\$ 130,019</u>	<u>\$ 199,406</u>	<u>\$ 12,738</u>	<u>\$ 380,652</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook	427 TXVSN Grants to Rural Schools	429 State Funded Special Revenue
\$ 2,534	\$ 3,945	\$ 615,521	\$ --	\$ 41
--	--	--	--	--
--	--	--	9,090	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 2,534</u>	<u>\$ 3,945</u>	<u>\$ 615,521</u>	<u>\$ 9,090</u>	<u>\$ 41</u>
\$ --	\$ 128	\$ 419,339	\$ 8,925	\$ --
--	--	--	--	41
--	--	--	--	--
--	--	--	165	--
--	--	184,453	--	--
<u>--</u>	<u>128</u>	<u>603,792</u>	<u>9,090</u>	<u>41</u>
--	--	--	--	--
2,534	--	11,729	--	--
--	3,817	--	--	--
<u>2,534</u>	<u>3,817</u>	<u>11,729</u>	<u>--</u>	<u>--</u>
<u>\$ 2,534</u>	<u>\$ 3,945</u>	<u>\$ 615,521</u>	<u>\$ 9,090</u>	<u>\$ 41</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	459 Bastrop County Bootcamp	461 Campus Activity
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ --	\$ 142,733
1120 Current Investments	--	308,855
1240 Due from Other Governments	--	--
1260 Due from Other Funds	--	6,200
1290 Other Receivables	27,987	--
1300 Inventories	--	--
1000 Total Assets	<u>\$ 27,987</u>	<u>\$ 457,788</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 86	\$ 10,202
2150 Payroll Deductions and Withholdings	963	120
2160 Accrued Wages Payable	8,990	3,429
2170 Due to Other Funds	17,948	--
2180 Due to Other Governments	--	--
2000 Total Liabilities	<u>27,987</u>	<u>13,751</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	--	444,037
3000 Total Fund Balances	<u>--</u>	<u>444,037</u>
4000 Total Liabilities and Fund Balances	<u>\$ 27,987</u>	<u>\$ 457,788</u>

480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 216	\$ 67,490	\$ 1,071,663
--	--	567,437
--	--	2,482,760
--	555,204	561,404
--	--	972,528
--	--	47,273
<u>\$ 216</u>	<u>\$ 622,694</u>	<u>\$ 5,703,065</u>
\$ --	\$ 270	\$ 1,210,586
--	945	76,770
--	11,112	604,767
--	--	2,087,819
--	--	184,453
<u>--</u>	<u>12,327</u>	<u>4,164,395</u>
--	--	47,273
--	--	432,960
216	610,367	1,058,437
<u>216</u>	<u>610,367</u>	<u>1,538,670</u>
<u>\$ 216</u>	<u>\$ 622,694</u>	<u>\$ 5,703,065</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, 2019

Data Control Codes	206 Tx Education for Homeless Children and Youth	211 Title I Improving Basic Programs	212 Title I, Part C Migrant	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>	18,975	2,174,869	23,936	2,049,911
5020 <b>Total Revenues</b>	<u>18,975</u>	<u>2,174,869</u>	<u>23,936</u>	<u>2,049,911</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	--	1,751,632	5,694	682,030
0013 <i>Curriculum and Staff Development</i>	--	300,156	1,388	330
0021 <i>Instructional Leadership</i>	--	8,583	--	922
0023 <i>School Leadership</i>	--	12,039	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	1,365,831
0032 <i>Social Work Services</i>	18,975	39,128	16,854	--
0033 <i>Health Services</i>	--	6,347	--	798
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0061 <i>Community Services</i>	--	56,984	--	--
0093 <i>Payments to Shared Services Arrangements</i>	--	--	--	--
6030 <b>Total Expenditures</b>	<u>18,975</u>	<u>2,174,869</u>	<u>23,936</u>	<u>2,049,911</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	226 IDEA-B High Cost	240 National School Breakfast/Lunch Program	244 Carl D. Perkins Basic Formula Grant	255 Title II, Part A Supp. Effective Instruction
\$ --	\$ --	\$ 1,070,139	\$ --	\$ --
--	--	27,714	--	--
27,308	671,005	5,115,783	111,828	243,793
<u>27,308</u>	<u>671,005</u>	<u>6,213,636</u>	<u>111,828</u>	<u>243,793</u>
27,308	235,503	--	111,828	9,433
--	--	--	--	234,360
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	17,132	--	--	--
--	--	6,155,187	--	--
--	--	--	--	--
--	--	40	--	--
--	--	--	--	--
--	418,370	--	--	--
<u>27,308</u>	<u>671,005</u>	<u>6,155,227</u>	<u>111,828</u>	<u>243,793</u>
--	--	58,409	--	--
--	--	58,409	--	--
--	--	407,561	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 465,970</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, 2019

Data Control Codes	263 Title III, Part A-ELA	265 21st Century Community Learning Centers	289 Title IV, Part A, Subpart 1	386 Regional Day School for the Deaf
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	780,859
5900 <i>Federal Program Revenues</i>	390,075	1,209,242	119,150	--
5020 <b>Total Revenues</b>	<u>390,075</u>	<u>1,209,242</u>	<u>119,150</u>	<u>780,859</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	360,308	527,435	11,837	777,698
0013 <i>Curriculum and Staff Development</i>	27,943	--	107,313	3,161
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0061 <i>Community Services</i>	1,824	681,807	--	--
0093 <i>Payments to Shared Services Arrangements</i>	--	--	--	--
6030 <b>Total Expenditures</b>	<u>390,075</u>	<u>1,209,242</u>	<u>119,150</u>	<u>780,859</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	--	--	--	--
1200 <b>Net Change in Fund Balances</b>	--	--	--	--
0100 <b>Fund Balances - Beginning</b>	--	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

393 Texas Successful Schools	397 Advanced Placement Incentives	410 State Textbook	427 TXVSN Grants to Rural Schools	429 State Funded Special Revenue
\$ --	\$ --	\$ --	\$ --	\$ --
--	5,600	890,905	17,745	2,100
--	--	--	--	--
<u>--</u>	<u>5,600</u>	<u>890,905</u>	<u>17,745</u>	<u>2,100</u>
--	--	890,905	17,745	2,100
--	5,600	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>5,600</u>	<u>890,905</u>	<u>17,745</u>	<u>2,100</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
2,534	3,817	11,729	--	--
<u>\$ 2,534</u>	<u>\$ 3,817</u>	<u>\$ 11,729</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, 2019

Data Control Codes	459 Bastrop County Bootcamp	461 Campus Activity
<b>REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 71,532	\$ 2,670
5800 <i>State Program Revenues</i>	--	--
5900 <i>Federal Program Revenues</i>	--	--
5020 <b>Total Revenues</b>	<u>71,532</u>	<u>2,670</u>
<b>EXPENDITURES:</b>		
Current:		
0011 <i>Instruction</i>	71,532	--
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--
0032 <i>Social Work Services</i>	--	--
0033 <i>Health Services</i>	--	--
0034 <i>Student Transportation</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	6,200
0051 <i>Facilities Maintenance and Operations</i>	--	--
0061 <i>Community Services</i>	--	--
0093 <i>Payments to Shared Services Arrangements</i>	--	--
6030 <b>Total Expenditures</b>	<u>71,532</u>	<u>6,200</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>		
1100 <b>Expenditures</b>	<u>--</u>	<u>(3,530)</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>(3,530)</u>
0100 <b>Fund Balances - Beginning</b>	<u>--</u>	<u>447,567</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ 444,037</u>

480 NAESP Grant	498 Michael and Susan Dell Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ 229,040	\$ 1,373,381
--	--	1,724,923
--	--	12,155,875
<u>--</u>	<u>229,040</u>	<u>15,254,179</u>
--	211,654	5,694,642
--	--	680,251
--	--	9,505
--	--	12,039
--	145,257	1,511,088
--	--	74,957
--	--	7,145
--	--	17,132
--	--	6,155,187
--	--	6,200
--	--	40
--	--	740,615
--	--	418,370
<u>--</u>	<u>356,911</u>	<u>15,327,171</u>
--	(127,871)	(72,992)
<u>--</u>	<u>(127,871)</u>	<u>(72,992)</u>
216	738,238	1,611,662
<u>\$ 216</u>	<u>\$ 610,367</u>	<u>\$ 1,538,670</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2019

Data Control Codes	Performing Arts Center	High School Bistro
<b>ASSETS:</b>		
Current Assets:		
1110 <i>Cash and Cash Equivalents</i>	\$ 44,503	\$ 2,784
1120 <i>Investments</i>	--	--
Total Current Assets	<u>44,503</u>	<u>2,784</u>
1000 Total Assets	<u>44,503</u>	<u>2,784</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	43	--
2150 <i>Payroll Deduction and Withholdings</i>	24	--
2160 <i>Accrued Wages Payable</i>	853	--
Total Current Liabilities	<u>920</u>	<u>--</u>
2000 Total Liabilities	<u>920</u>	<u>--</u>
<b>NET POSITION:</b>		
3800 <i>Restricted</i>	21,049	--
3000 Total Net Position	<u>\$ 43,583</u>	<u>\$ 2,784</u>

Community Education	STARS After School Program	Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-1)
\$ 75,047	\$ 118,918	\$ 104,676	\$ 345,928
--	823,613	--	823,613
<u>75,047</u>	<u>942,531</u>	<u>104,676</u>	<u>1,169,541</u>
<u>75,047</u>	<u>942,531</u>	<u>104,676</u>	<u>1,169,541</u>
4,147	20,379	1,161	25,730
66	934	11,958	12,982
720	16,623	84,795	102,991
<u>4,933</u>	<u>37,936</u>	<u>97,914</u>	<u>141,703</u>
<u>4,933</u>	<u>37,936</u>	<u>97,914</u>	<u>141,703</u>
274	111,764	5,194	138,281
<u>\$ 70,114</u>	<u>\$ 904,595</u>	<u>\$ 6,762</u>	<u>\$ 1,027,838</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, 2019

Data Control Codes		Performing Arts Center	High School Bistro
		<u>          </u>	<u>          </u>
	<b>OPERATING REVENUES:</b>		
5700	<i>Local and Intermediate Sources</i>	\$ 56,132	\$ --
5800	<i>State Program Revenues</i>	933	--
5020	Total Revenues	<u>57,065</u>	<u>--</u>
	<b>OPERATING EXPENSES:</b>		
6100	<i>Payroll Costs</i>	14,440	--
6200	<i>Professional and Contracted Services</i>	10,862	--
6300	<i>Supplies and Materials</i>	9,721	--
6400	<i>Other Operating Costs</i>	992	--
6030	Total Expenses	<u>36,015</u>	<u>--</u>
1300	Change in Net Position	21,050	--
0100	Total Net Position - Beginning	22,533	2,784
3300	Total Net Position - Ending	<u>\$ 43,583</u>	<u>\$ 2,784</u>

Community Education	STARS After School Program	Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-2)
\$ 73,235	\$ 742,037	\$ 749,212	\$ 1,620,616
2,404	22,633	46,324	72,294
<u>75,639</u>	<u>764,670</u>	<u>795,536</u>	<u>1,692,910</u>
34,456	520,871	758,269	1,328,036
35,557	4,785	226	51,430
3,685	37,936	24,576	75,918
1,667	89,314	7,271	99,244
<u>75,365</u>	<u>652,906</u>	<u>790,342</u>	<u>1,554,628</u>
274	111,764	5,194	138,282
69,840	792,831	1,568	889,556
<u>\$ 70,114</u>	<u>\$ 904,595</u>	<u>\$ 6,762</u>	<u>\$ 1,027,838</u>

# BASTROP INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	744 Performing Arts Center	746 High School Bistro	747 Community Education
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Miscellaneous Sources	\$ 57,064	\$ --	\$ 75,640
Cash Payments to Employees and Suppliers	(37,126)	--	(72,676)
Net Cash Provided (Used) by Operating Activities	<u>19,938</u>	<u>--</u>	<u>2,964</u>
<b>Cash Flows from Investing Activities:</b>			
Cash Received from Interest Earnings	--	--	--
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	19,938	--	2,964
Cash and Cash Equivalents at Beginning of Year	24,565	2,784	72,084
Cash and Cash Equivalents at End of Year	<u>\$ 44,503</u>	<u>\$ 2,784</u>	<u>\$ 75,048</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 21,049	\$ --	\$ 274
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities			
Increase (Decrease) in Interfund Payables	(21)	--	(4)
Increase (Decrease) in Accounts Payable	34	--	2,973
Increase (Decrease) in Accrued Wages Payable	(1,124)	--	(280)
Total Adjustments	<u>(1,111)</u>	<u>--</u>	<u>2,689</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 19,938</u>	<u>\$ --</u>	<u>\$ 2,964</u>

EXHIBIT H-7

748 STARS After School Program	749 Employee Child Care	Total Nonmajor Enterprise Funds (See Exhibit D-3)
\$ 747,218	\$ 795,535	\$ 1,675,457
<u>(669,813)</u>	<u>(792,607)</u>	<u>(1,572,223)</u>
<u>77,404</u>	<u>2,928</u>	<u>103,234</u>
17,452	--	17,452
<u>17,452</u>	<u>--</u>	<u>17,452</u>
77,404	2,928	103,234
847,675	101,748	1,048,856
<u>\$ 925,079</u>	<u>\$ 104,676</u>	<u>\$ 1,152,090</u>
\$ 111,764	\$ 5,194	\$ 138,281
(295)	(1,914)	(2,235)
771	381	4,159
<u>(17,383)</u>	<u>(732)</u>	<u>(19,519)</u>
<u>(16,908)</u>	<u>(2,265)</u>	<u>(17,595)</u>
<u>\$ 94,856</u>	<u>\$ 2,928</u>	<u>\$ 120,686</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2019

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)	
<b>ASSETS:</b>				
Current Assets:				
1110	Cash and Cash Equivalents	\$ 107,311	\$ 106,613	\$ 213,924
1120	Investments	--	3,209,176	3,209,176
	Total Current Assets	<u>107,311</u>	<u>3,315,789</u>	<u>3,423,100</u>
1000	Total Assets	<u>107,311</u>	<u>3,315,789</u>	<u>3,423,100</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	1,789	--	1,789
2150	Payroll Deduction and Withholdings	45	--	45
2200	Accrued Expenses	--	581,179	581,179
	Total Current Liabilities	<u>1,834</u>	<u>581,179</u>	<u>583,013</u>
2000	Total Liabilities	<u>1,834</u>	<u>581,179</u>	<u>583,013</u>
<b>NET POSITION:</b>				
3800	Restricted	31	52,890	52,921
3000	Total Net Position	<u>\$ 105,477</u>	<u>\$ 2,734,610</u>	<u>\$ 2,840,087</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, 2019

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>	\$ 130,210	\$ 372,723	\$ 502,933
5800 <i>State Program Revenues</i>	2,511	--	2,511
5020 <i>Total Revenues</i>	<u>132,721</u>	<u>372,723</u>	<u>505,444</u>
<b>OPERATING EXPENSES:</b>			
6100 <i>Payroll Costs</i>	38,977	--	38,977
6200 <i>Professional and Contracted Services</i>	52,056	--	52,056
6300 <i>Supplies and Materials</i>	41,656	--	41,656
6400 <i>Other Operating Costs</i>	--	319,833	319,833
6030 <i>Total Expenses</i>	<u>132,689</u>	<u>319,833</u>	<u>452,522</u>
1300 <i>Change in Net Position</i>	32	52,890	52,922
0100 <i>Total Net Position - Beginning</i>	105,445	2,681,720	2,787,165
3300 <i>Total Net Position - Ending</i>	<u>\$ 105,477</u>	<u>\$ 2,734,610</u>	<u>\$ 2,840,087</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	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	\$ 132,721	\$ 303,520	\$ 436,241
Cash Payments to Employees and Suppliers	(132,264)	(277,074)	(409,337)
Net Cash Provided (Used) by Operating Activities	<u>457</u>	<u>26,446</u>	<u>26,904</u>
<b>Cash Flows from Investing Activities:</b>			
Cash Received from Interest Earnings	--	69,203	69,203
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>69,203</u>	<u>69,203</u>
Net Increase (Decrease) in Cash and Cash Equivalents	457	95,649	96,106
Cash and Cash Equivalents at Beginning of Year	106,854	3,220,140	3,326,994
Cash and Cash Equivalents at End of Year	<u>\$ 107,311</u>	<u>\$ 3,315,789</u>	<u>\$ 3,423,100</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 32	\$ 52,890	\$ 52,922
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	425	--	425
Increase (Decrease) in Interfund Payables	--	42,759	42,759
Total Adjustments	<u>425</u>	<u>42,759</u>	<u>43,184</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 457</u>	<u>\$ 95,649</u>	<u>\$ 96,106</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, 2019*

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2010 and Prior Years	Various	Various	Various
2011	\$ 1.04	\$ .441	\$ 2,531,191,897
2012	\$ 1.04	\$ .441	\$ 2,733,873,100
2013	\$ 1.04	\$ .441	\$ 2,679,022,564
2014	\$ 1.04	\$ .421	\$ 2,860,125,077
2015	\$ 1.04	\$ .401	\$ 3,024,433,431
2016	\$ 1.04	\$ .401	\$ 3,215,583,598
2017	\$ 1.04	\$ .401	\$ 3,385,110,109
2018	\$ 1.04	\$ .401	\$ 3,635,450,117
2019 (School Year Under Audit)	\$ 1.04	\$ .401	\$ 3,912,309,226

1000 Totals

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

10 Beginning Balance 7/1/18	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/19
\$ 696,004	\$ --	\$ 139,261	\$ 58,808	\$ 61,016	\$ 558,951
172,416	--	6,652	2,821	(6,066)	156,878
172,567	--	10,460	4,435	(5,748)	151,923
169,658	--	13,778	5,843	(5,016)	145,021
229,889	--	19,306	8,186	(30,937)	171,460
238,913	--	32,480	13,773	26,390	219,050
439,304	--	73,575	29,784	(10,309)	325,637
680,605	--	167,110	64,434	(72,509)	376,553
1,805,722	--	721,925	206,385	(119,333)	758,078
--	56,376,376	39,235,293	15,104,487	(3,095)	2,033,500
<u>\$ 4,605,078</u>	<u>\$ 56,376,376</u>	<u>\$ 40,419,840</u>	<u>\$ 15,498,956</u>	<u>\$ (165,606)</u>	<u>\$ 4,897,052</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**BASTROP INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 1,356,660	\$ 975,060	\$ 1,070,139	\$ 95,080
5800	State Program Revenues	28,000	28,000	27,714	(286)
5900	Federal Program Revenues	4,019,573	5,291,573	5,115,783	(175,790)
5020	Total Revenues	<u>5,404,233</u>	<u>6,294,632</u>	<u>6,213,636</u>	<u>(80,996)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	5,331,365	6,236,765	6,155,187	81,578
	Total Support Services - Student (Pupil)	<u>5,331,365</u>	<u>6,236,765</u>	<u>6,155,187</u>	<u>81,578</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	--	--	40	(40)
	Total Support Services - Nonstudent Based	<u>--</u>	<u>--</u>	<u>40</u>	<u>(40)</u>
6030	Total Expenditures	<u>5,331,365</u>	<u>6,236,765</u>	<u>6,155,227</u>	<u>81,538</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	72,868	57,868	58,409	542
1200	Net Change in Fund Balance	<u>72,868</u>	<u>57,868</u>	<u>58,409</u>	<u>542</u>
0100	Fund Balance - Beginning	407,561	407,561	407,521	--
3000	Fund Balance - Ending	<u>\$ 480,429</u>	<u>\$ 465,429</u>	<u>\$ 465,970</u>	<u>\$ 542</u>

**BASTROP INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUNDS  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2019

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	\$ 14,851,499	\$ 14,851,499	\$ 15,954,953	\$ 1,103,455
5800	State Program Revenues	1,128,064	1,128,064	664,909	(463,155)
5020	Total Revenues	<u>15,979,563</u>	<u>15,979,563</u>	<u>16,619,862</u>	<u>640,300</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	3,020,605	3,042,668	3,020,605	22,063
0072	Interest on Long-Term Debt	9,537,652	9,537,652	9,495,352	42,300
0073	Bond Issuance Costs and Fees	50,000	30,081	30,081	--
0073	Payment to Escrow Agent	--	2,197,856	2,197,856	--
	Total Debt Service	<u>12,608,257</u>	<u>14,808,257</u>	<u>14,743,894</u>	<u>64,363</u>
6030	Total Expenditures	<u>12,608,257</u>	<u>14,808,257</u>	<u>14,743,894</u>	<u>64,363</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>3,371,306</u>	<u>1,171,306</u>	<u>1,875,968</u>	<u>704,663</u>
1200	Net Change in Fund Balance	<u>3,371,306</u>	<u>1,171,306</u>	<u>1,875,968</u>	<u>704,663</u>
0100	Fund Balance - Beginning	10,713,106	10,713,106	10,713,106	--
3000	Fund Balance - Ending	<u>\$ 14,084,412</u>	<u>\$ 11,884,412</u>	<u>\$ 12,589,074</u>	<u>\$ 704,663</u>

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*Federal Awards and Other Compliance Section*

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

To the Board of Trustees of  
Bastrop Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bastrop Independent School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and issued our report thereon dated November 6, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully submitted,

The logo features the names 'BELT HARRIS PECHACEK, LLLP' in a decorative, calligraphic font. The letters are intertwined and elegant, with 'BELT' and 'PECHACEK' in a larger, more prominent script, and 'HARRIS' and 'LLLP' in a smaller, simpler font between them.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
November 6, 2019



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

To the Board of Trustees of  
Bastrop Independent School District:

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

We have audited the Bastrop Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of finding and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Respectfully submitted,

The signature is written in a cursive, calligraphic style. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are smaller and more uniform in style. The signature reads 'BELT HARRIS PECHACEK, LLLP'.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
November 6, 2019

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

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

Noncompliance material to financial statements noted?      Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.173	IDEA B Cluster
84.287	Twenty-First Century Grant

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

Auditee qualified as low-risk auditee?   X   Yes      No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

<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, 2019**

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
<i>School Breakfast Program</i>	10.553	021558937	\$ 1,263,660
<i>National School Lunch Program</i>	10.555	021558937	3,454,432
Total Passed Through State Department of Education			4,718,092
Total U. S. Department of Agriculture			4,718,092
Total Child Nutrition Cluster			4,718,092
<b>FOOD DISTRIBUTION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
<i>USDA Donated Commodities</i>	10.565	021558937	397,691
Total Passed Through State Department of Education			397,691
Total U. S. Department of Agriculture			397,691
Total Food Distribution Cluster			397,691
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>IDEA-B Formula</i>	84.027	186600010119016600	485,895
<i>IDEA-B Formula</i>	84.027	196600010119016600	1,607,753
<i>IDEA-B Discretionary</i>	84.027	66001806	671,005
Total CFDA Number 84.027			2,764,653
<i>IDEA-B Preschool</i>	84.173	186610010119016610	10,961
<i>IDEA-B Preschool</i>	84.173	196610010119016610	16,804
Total CFDA Number 84.173			27,765
Total Passed Through State Department of Education			2,792,417
Total U. S. Department of Education			2,792,417
Total Special Education (IDEA) Cluster			2,792,417
<b>OTHER PROGRAMS:</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>Title I 1003 School Improvement</i>	84.010	18610123011901	35,897
<i>Title I 1003 School Improvement</i>	84.010	19610141011901	239,935
<i>ESSA Title I Part A - Improving Basic Programs</i>	84.010	18610101011901	48,625
<i>ESSA Title I Part A - Improving Basic Programs</i>	84.010	19610101011901	1,897,701
Total CFDA Number 84.010			2,222,157
<i>ESSA Title I Part C - Education of Migratory Children</i>	84.011	19615001227950	23,936
<i>Career and Technical - Basic Grant</i>	84.048	19420006011901	111,828
<i>Texas Education for Homeless Children and Youth</i>	84.196	194600057110009	19,343
<i>21st CCLC Cycle 10 Year 1</i>	84.287	196950267110005	1,234,966

**BASTROP INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
<i>Title III, Part - ELA</i>	84.365	18671001011901	\$ 21,971
<i>Title III, Part - ELA</i>	84.365	19671001011901	376,680
Total CFDA Number 84.365			<u>398,651</u>
<i>ESSA Title II Part A - Supporting Effective Instruction</i>	84.367	18694501011901	50,107
<i>ESSA Title II Part A - Supporting Effective Instruction</i>	84.367	19694501011901	198,915
Total CFDA Number 84.367			<u>249,022</u>
<i>Title I, Part A, Subpart 1</i>	84.424	18680101011901	6,768
<i>Emergency Impact Aid to LEAs</i>	84.424	19680101011901	115,001
Total CFDA Number 84.424			<u>121,769</u>
Total Passed Through State Department of Education			<u>4,381,673</u>
Total U. S. Department of Education			<u>4,381,673</u>
<b>Federal Communications Commission</b>			
Passed Through State Department of Education:			
<i>Universal E-Rate</i>	32.000	011-901	121,091
Total Passed Through State Department of Education			<u>121,091</u>
Total Federal Communications Commission			<u>121,091</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>12,410,964</u></b>
		Federal Revenue per SEFA	\$ 12,410,964
		General Fund SHARS and Medicare	2,267,147
		Other Federal Revenue	88,451
		Total Federal Revenue per C-2	<u>\$ 14,766,562</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, 2019*

Basis of Presentation

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

Summary of Significant Accounting Policies

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

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

**BASTROP INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2019

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 District make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the 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?	\$ 17,376,848
SF11	Net pension asset (object 1920) at fiscal year end	\$ --
SF12	Net pension liability (object 2540) at fiscal year end	\$ 26,757,563