



Bastrop

Independent School District

Annual Financial and Compliance Report

For the Year Ended June 30, 2026

BASTROP INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



Bastrop ISD

Their future is our focus.

CERTIFICATE OF BOARD

Bastrop Independent School District

Name of School District

Bastrop

County

011-901

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and ✓ **approved**/ **disapproved** for the year ended June 30, 2026, at a meeting of the Board of Trustees of such school district on October 20, 2026.



Signature of Board President



Signature of Board Secretary

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving is/are (attach list if necessary):



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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bastrop Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2026, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 combining fund financial statements and the required Texas Education Agency (TEA) compliance schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund financial statements and the required TEA compliance schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School First Indicators, Exhibit L-1, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026 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.

A handwritten signature in black ink that reads "Whitney Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
October 20, 2026



BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

As management of the Bastrop Independent School District (the "District"), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2026.

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. 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 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 provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The section labeled Required Texas Education Agency Compliance Schedules contains 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 is reported within the government-wide financial statements. 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 considered regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years (such as workers' compensation claims).

These two statements report the District's net position and changes in it. The District's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) 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 ADA or its property tax base and the condition of the District's facilities.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements 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 and the private purpose trust fund. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Summary

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, 2026. The District reported an increase in net position from the prior year.

Table 1
The District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Assets						
Current assets	\$ 271,613,274	\$ 301,983,251	\$ 2,251,338	\$ 2,638,766	\$ 273,864,612	\$ 304,622,017
Capital assets, net of accumulated depreciation	529,891,687	424,363,651	987,578	967,439	530,879,265	425,331,090
Total Assets	801,504,961	726,346,902	3,238,916	3,606,205	804,743,877	729,953,107
Deferred Outflows of Resources						
Deferred outflows	30,501,728	33,463,344	-	-	30,501,728	33,463,344
Total Deferred Outflows of Resources	30,501,728	33,463,344	-	-	30,501,728	33,463,344
Liabilities						
Current liabilities	38,349,889	49,639,628	248,973	316,343	38,598,862	49,955,971
Non-current liabilities	660,921,181	594,102,720	-	-	660,921,181	594,102,720
Total Liabilities	699,271,070	643,742,348	248,973	316,343	699,520,043	644,058,691
Deferred Inflows of Resources						
Deferred inflows	27,811,854	23,548,701	-	-	27,811,854	23,548,701
Total Deferred Inflows of Resources	27,811,854	23,548,701	-	-	27,811,854	23,548,701
Net Position						
Net investment in capital assets	87,850,774	77,507,787	987,578	967,439	88,838,352	78,475,226
Restricted	31,438,415	28,337,500	-	-	31,438,415	28,337,500
Unrestricted	(14,365,424)	(13,326,090)	2,002,365	2,322,423	(12,363,059)	(11,003,667)
Total Net Position	\$ 104,923,765	\$ 92,519,197	\$ 2,989,943	\$ 3,289,862	\$ 107,913,708	\$ 95,809,059

Governmental capital assets increased \$105.5 million, primarily because \$117.5 million of construction and land additions exceeded depreciation, amortization, and disposals. Liabilities increased primarily from the \$86.1 million Series 2025 bond issuance, partly offset by scheduled debt retirements and decreases in pension and OPEB liabilities.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 2
Changes in the District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Revenues						
Program Revenues:						
Charges for services	\$ 1,581,674	\$ 1,845,974	\$ 2,044,746	\$ 1,946,320	\$ 3,626,420	\$ 3,792,294
Operating grants & contributions	26,659,763	27,799,808	-	1,769	26,659,763	27,801,577
General Revenues:						
Property taxes	89,709,314	92,157,486	-	-	89,709,314	92,157,486
State aid (grants)	80,765,760	71,561,578	-	-	80,765,760	71,561,578
Investment earnings	11,338,386	16,297,598	-	-	11,338,386	16,297,598
Grants and contributions not restricted	577,900	762,912	-	-	577,900	762,912
Miscellaneous	933,103	406,827	151,744	260,205	1,084,847	667,032
Total Revenues	211,565,900	210,832,183	2,196,490	2,208,294	213,762,390	213,040,477
Expenses						
Instruction	89,821,286	82,836,473	-	-	89,821,286	82,836,473
Instructional resources and media services	1,329,103	1,145,089	-	-	1,329,103	1,145,089
Curriculum and staff development	2,795,065	3,619,761	-	-	2,795,065	3,619,761
Instructional leadership	2,199,501	1,554,884	-	-	2,199,501	1,554,884
School leadership	9,159,365	8,339,695	-	-	9,159,365	8,339,695
Guidance, counseling, and evaluation services	7,864,417	6,931,696	-	-	7,864,417	6,931,696
Social work services	608,080	494,180	-	-	608,080	494,180
Health services	1,574,094	1,417,366	-	-	1,574,094	1,417,366
Student transportation	11,587,318	10,055,948	-	-	11,587,318	10,055,948
Food service	9,537,389	10,567,454	-	-	9,537,389	10,567,454
Extracurricular activities	8,952,455	7,839,636	-	-	8,952,455	7,839,636
General administration	4,212,662	3,768,153	-	-	4,212,662	3,768,153
Facilities maintenance and operations	15,364,957	12,081,792	-	-	15,364,957	12,081,792
Security and monitoring services	3,757,861	3,702,733	-	-	3,757,861	3,702,733
Data processing services	3,667,186	2,954,246	-	-	3,667,186	2,954,246
Community services	178,373	43,508	-	-	178,373	43,508
Debt Service	611,403	1,304,580	-	-	611,403	1,304,580
Debt Service - Interest on long-term debt	24,170,871	27,812,212	-	-	24,170,871	27,812,212
Debt Service - Bond issuance cost and fees	18,200	30,144	-	-	18,200	30,144
Facility repairs and maintenance	40,124	313,491	-	-	40,124	313,491
Payments related to shared services arrangements	-	797,441	-	-	-	797,441
Payments to JJAEP	106,265	95,520	-	-	106,265	95,520
Other intergovernmental charges	1,605,357	1,584,579	-	-	1,605,357	1,584,579
Performing Arts Center	-	-	144,646	151,723	144,646	151,723
Community Education	-	-	84,890	51,714	84,890	51,714
STARS After School Program	-	-	1,241,421	930,083	1,241,421	930,083
Employee Child Care	-	-	1,025,452	1,057,249	1,025,452	1,057,249
Total Expenses	199,161,332	189,290,581	2,496,409	2,190,769	201,657,741	191,481,350
Change in Net Position	12,404,568	21,541,602	(299,919)	17,525	12,104,649	21,559,127
Beginning Net Position	92,519,197	70,977,595	3,289,862	3,272,337	95,809,059	74,249,932
Ending Net Position	\$ 104,923,765	\$ 92,519,197	\$ 2,989,943	\$ 3,289,862	\$ 107,913,708	\$ 95,809,059

Property tax revenues decreased \$2.4 million due to decreased property values in 2025-2026. State foundation revenue increased \$9.2 million due to decreased property tax revenues in the current year.

Instruction expenses increased \$7.0 million due to pay increases (including the state-funded Teacher Retention Allotments) as well as opening Adelson Elementary. Facilities maintenance and operations expenses increased \$3.3 due to rising utility costs and expansions to the district's footprint. Debt service expenses for interest on long-term debt decreased \$3.0 million but there was a similar increase to principal costs for the year.

In 2026, the net position of our business-type activities decreased by \$299,919 as a result of small deficits run by the STARS after-school program as well as the Child Development Center. The total expenses of both governmental and business-type activities this year were \$201.7 million. The Statement of Activities shows that the amount that our taxpayers ultimately financed for these activities through District taxes was only \$89.7 million.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Detailed Analysis

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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 unassigned fund balance in the general operating fund that is approximately 45 to 90 days of the current operating budget.

As of June 30, 2026, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$231.8 million, a decrease of \$17.1 million from the prior year. The decrease is a result of several factors across the capital projects fund – series 2021 and capital projects fund – series 2023. The debt service fund had an overall increase in fund balance of \$3.1 million due to decreased interest expenses in the current year as a result of prior year bond refunding. The capital projects fund – series 2021 fund balance decreased \$10.8 million as prior bond proceeds were expended on facilities acquisition and construction. The capital projects fund – series 2023 fund balance decreased as a result of \$86.1 million in bond issuances offset by \$106.7 million in facilities acquisition and construction.

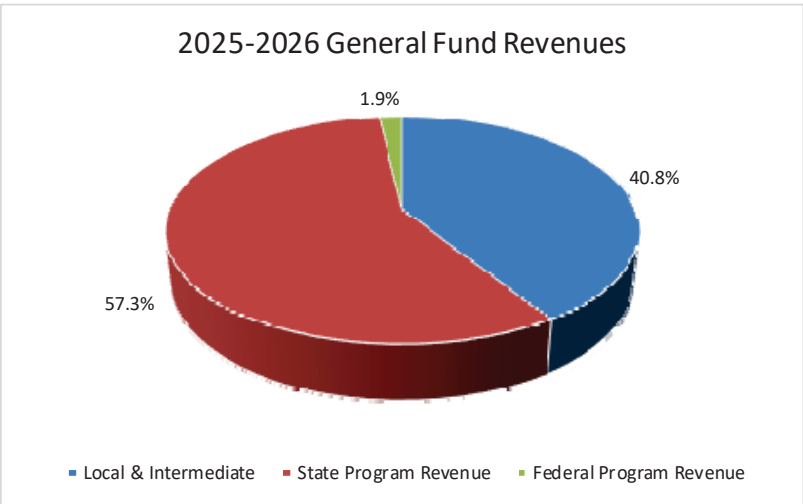
A recap of total fund balance for all governmental funds is as follows:

Nonspendable:	
Inventories	\$ 68,672
Restricted for:	
Grants	5,429,796
Capital acquisitions and contractual obligations	141,972,047
Debt service	32,101,974
Other	488,042
Committed for:	
Construction, repairs, renovation	1,810,919
Claims and judgments	100,000
Capital expenditures for equipment	750,000
Campus activity funds	956,946
Assigned for other purposes	11,102,000
Unassigned	37,127,763
	<u><u>\$ 231,908,159</u></u>

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$37.1 million while the total fund balance was \$51.0 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 26% of the total general fund actual expenditures for fiscal year 2026, while total fund balance represents 35% of that same amount.

The District's total general fund revenues were \$144.7 million. A portion, \$59.1 million or 40.8%, of the District's revenues come from taxes and other local revenue. The majority of the other 57.3% of revenues is from State program revenues and \$2.7 million or 1.9% was from Federal program revenue.

BASTROP INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)



The debt service fund has a total fund balance of \$32.1 million, all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$3.1 million, due to higher than anticipated tax collections.

The capital projects fund – series 2021 has a total fund balance of \$32.0 million, all of which is restricted for capital acquisitions and contractual obligations. The change in fund balance during the period in the capital projects funds was a decrease of \$10.8 million due to capital outlay expenditures incurred in carrying out the District’s bond program.

The capital projects fund – series 2023 has a total fund balance of \$109.9 million, all of which is restricted for capital acquisitions and contractual obligations. The change in fund balance during the period in the capital projects funds was a decrease of \$10.8 million due to the use of school building bonds during the fiscal year.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

At the year end of the 2025-2026 fiscal year, the District had \$530.9 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. More detailed information about the District’s capital assets is presented in Note III B. to the financial statements. Capital assets increased as a result of \$121.6 million in additions, offset by \$4.1 million in net disposals and \$12.0 million in depreciation and amortization.

Long-Term Financing Activity

At year end, the District had \$539.3 million in bonds, leases, and subscriptions outstanding versus \$467.8 million last year. The District’s credit ratings are as follows: Moody’s Investors Service underlying credit rating for the District is “Aa2,” while Standard and Poor’s confirmed its underlying rating for the District at “AA-”. The increase in long term liabilities is due to the issuance of \$86.1 million in bonds, offset by \$13.5 million in current year principal payments.

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

Currently Known Facts, Decisions or Conditions

The District’s School Board considered many factors when setting the fiscal year 2025-2026 budget and tax rates. Some of the largest factors in planning for 2025-26- was the opening of Adelton Elementary in August 2025 and continuing to provide competitive compensation packages compared with peer districts in order to attract and retain employees across the District.

BASTROP INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The District continues to see growth in residential and commercial property values though lower than the spike experienced in 2022. Bastrop County continues to be a high-growth area. Commercial businesses continue to open enhancing the economy and property values.

In 2025, Bastrop County experienced significant economic growth driven by major corporate investments as well the expansion of the film and creative industries and continued residential development. This growth is fueled by a spillover from the Austin area, attracting new businesses, increasing the demand for housing and retail, and raising property values, which remain lower than in Austin.

Specific project updates in the County include:

- SpaceX and Starlink have finalized plans for a massive \$280 million expansion, scaling their local footprint by over one million square feet and creating more than 400 high-tech jobs. Elon Musk has also expanded his direct land holdings to roughly 2,000 acres in Bastrop County.
- The \$1.4 billion EdgeConneX data center campus in Cedar Creek has reached its phase-one building completion. Simultaneously, Pacifico Energy has announced its intention to proceed with their \$2.2 billion Cedar Creek campus.
- The development of major film studio projects is projected to have a significant economic impact and is supported by state incentives, designating the entire county as a media production zone. Ground has broken for both the 75-acre Wyldwood Studios (projecting a \$200 million annual economic impact) and the 545-acre Line 204 Texas studio lot along the Colorado River.
- A rapidly increasing population is spurring a surge in residential construction and a corresponding increase in demand for retail and commercial spaces, with dozens of new businesses opening or planning to open.

The District estimated an enrollment of 13,500 and estimated ADA at 12,100. As of October 2026, the district is anticipating over 13,600 students enrolled, which is 100 students higher than the prior year. A recent demographic study predicts the District to have an enrollment of over 15,000 by 2028-29. A 3% growth in property value was used for budget planning purposes, but any change in value is offset by a corresponding increase/decrease in state aid, effectually keeping revenues flat.

For 2026-27, the Board adopted a \$1.66MM deficit budget for the year as a result of lower-than-expected enrollment and rising inflationary pressure. The decision to use a small amount of available reserves to fund employee pay raises (among other needs) was made with the expectation that the enrollment dip was temporary and would rebound in future budget cycles. The District continues to place high priority on safety and security in year twelve of the District Police Department. The District added (2) police officers for the 2026-27 school year to comply with new state mandates. The District maintains a goal of fund balance of at least 90 days of operating expenses - even with the approved deficit, the district would still maintain over 120 days of reserved funding.

The 2026-27 tax rate approved at the August 2025 public hearing was \$1.0809 with \$0.6799 for maintenance and operations and \$0.401 for debt service. This rate exceeded the rate allowable without voter approval by three (golden) pennies, thereby triggering a November 2026 Voter-Approval Tax Rate Election. If the tax rate were approved by voters the district would yield \$6MM in additional revenues.

Contacting The District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at the District's service center at Bastrop Independent School District, 906 Farm Street, Bastrop, Texas 78602. Financial information is available on the District website (www.bisdtx.org).



BASIC FINANCIAL STATEMENTS



BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2026
Exhibit A-1

Data Control Codes		1	2	3
		Governmental Activities	Business-type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 6,353,752	\$ -	\$ 6,353,752
1120	Investments	231,988,556	834,121	232,822,677
1220	Delinquent property taxes receivables	7,958,724	-	7,958,724
1230	Allowance for uncollectable taxes (credit)	(1,034,635)	-	(1,034,635)
1240	Due from other governments	27,616,929	-	27,616,929
1260	Internal balances	(1,417,157)	1,417,157	-
1290	Other receivables (net)	78,433	60	78,493
1300	Inventories	68,672	-	68,672
Capital Assets, not subject to depreciation/amortization:				
1510	Land	12,896,249	-	12,896,249
1580	Construction in progress	161,124,540	-	161,124,540
Capital Assets, net of accumulated depreciation/amortization:				
1520	Buildings and improvements, net	338,942,087	987,578	339,929,665
1530	Furniture and equipment, net	14,875,519	-	14,875,519
1550	Right-to-use lease assets, net	1,581,736	-	1,581,736
1553	Subscription assets, net	471,556	-	471,556
1000	Total Assets	801,504,961	3,238,916	804,743,877
Deferred Outflows of Resources				
	Deferred charge on refunding	1,579,291	-	1,579,291
	Deferred outflows - pension	15,045,955	-	15,045,955
	Deferred outflows - OPEB	13,876,482	-	13,876,482
1700	Total Deferred Outflows of Resources	30,501,728	-	30,501,728
Liabilities				
2110	Accounts payable	15,946,818	66,912	16,013,730
2140	Interest payable	8,974,910	-	8,974,910
2150	Payroll deductions and withholdings	1,384,009	23,012	1,407,021
2160	Accrued wages payable	11,825,079	159,049	11,984,128
2180	Due to other governments	15,000	-	15,000
2190	Due to Student Groups	653	-	653
2200	Accrued expenses	109,722	-	109,722
2300	Unearned revenue	93,698	-	93,698
Noncurrent Liabilities:				
2501	Due within one year	18,468,943	-	18,468,943
2502	Due in more than one year	579,430,324	-	579,430,324
2540	Net pension liability	41,877,530	-	41,877,530
2545	Net OPEB liability	21,144,384	-	21,144,384
2000	Total Liabilities	699,271,070	248,973	699,520,043
Deferred Inflows of Resources				
	Deferred inflows - pension	4,348,083	-	4,348,083
	Deferred inflows - OPEB	23,463,771	-	23,463,771
2600	Total Deferred Inflows of Resources	27,811,854	-	27,811,854
Net Position				
3200	Net investment in capital assets	87,850,774	987,578	88,838,352
Restricted for:				
3820	Federal and state programs	5,429,796	-	5,429,796
3850	Debt service	25,613,648	-	25,613,648
3890	Other purposes	394,971	-	394,971
3900	Unrestricted	(14,365,424)	2,002,365	(12,363,059)
3000	Total Net Position	\$ 104,923,765	\$ 2,989,943	\$ 107,913,708

See notes to the financial statements.

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Exhibit B-1

Page 1 of 2

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 89,821,286	\$ 96,000	\$ 8,175,907
12	Instructional resources and media services	1,329,103	-	8,246
13	Curriculum and staff development	2,795,065	-	950,278
21	Instructional leadership	2,199,501	-	38,984
23	School leadership	9,159,365	-	182,828
31	Guidance, counseling, and evaluation services	7,864,417	-	2,340,917
32	Social work services	608,080	-	275,961
33	Health services	1,574,094	-	1,515,640
34	Student transportation	11,587,318	-	60,612
35	Food service	9,537,389	-	10,665,746
36	Extracurricular activities	8,952,455	1,474,497	622,826
41	General administration	4,212,662	-	658,253
51	Facilities maintenance and operations	15,364,957	11,177	56,007
52	Security and monitoring services	3,757,861	-	315,361
53	Data processing services	3,667,186	-	586,908
61	Community services	178,373	-	103,151
71	Debt service	611,403	-	-
72	Interest expense	24,170,871	-	102,138
73	Debt issuance costs and fees	18,200	-	-
81	Facility repairs and maintenance	40,124	-	-
95	Payments to JJAEP	106,265	-	-
99	Other intergovernmental charges	1,605,357	-	-
TG	Total Governmental Activities	<u>\$ 199,161,332</u>	<u>\$ 1,581,674</u>	<u>\$ 26,659,763</u>
	Business-type Activities			
02	Performing Arts Center	144,646	190,600	-
03	Community Education	84,890	99,731	-
04	STARS After School Program	1,241,421	880,709	-
05	Employee Child Care	1,025,452	873,706	-
TB	Total Business-type Activities	<u>2,496,409</u>	<u>2,044,746</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 201,657,741</u>	<u>\$ 3,626,420</u>	<u>\$ 26,659,763</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Exhibit B-1
Page 2 of 2

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
		Governmental Activities	Business-type Activities	Total
	Governmental Activities:			
11	Instruction	\$ (81,549,379)	\$ -	\$ (81,549,379)
12	Instructional resources and media services	(1,320,857)	-	(1,320,857)
13	Curriculum and staff development	(1,844,787)	-	(1,844,787)
21	Instructional leadership	(2,160,517)	-	(2,160,517)
23	School leadership	(8,976,537)	-	(8,976,537)
31	Guidance, counseling, and evaluation services	(5,523,500)	-	(5,523,500)
32	Social work services	(332,119)	-	(332,119)
33	Health services	(58,454)	-	(58,454)
34	Student transportation	(11,526,706)	-	(11,526,706)
35	Food service	1,128,357	-	1,128,357
36	Extracurricular activities	(6,855,132)	-	(6,855,132)
41	General administration	(3,554,409)	-	(3,554,409)
51	Facilities maintenance and operations	(15,297,773)	-	(15,297,773)
52	Security and monitoring services	(3,442,500)	-	(3,442,500)
53	Data processing services	(3,080,278)	-	(3,080,278)
61	Community services	(75,222)	-	(75,222)
71	Debt service	(611,403)	-	(611,403)
72	Interest expense	(24,068,733)	-	(24,068,733)
73	Debt issuance costs and fees	(18,200)	-	(18,200)
81	Facility repairs and maintenance	(40,124)	-	(40,124)
95	Payments to JJAEP	(106,265)	-	(106,265)
99	Other intergovernmental charges	(1,605,357)	-	(1,605,357)
TG	Total Governmental Activities	(170,919,895)	-	(170,919,895)
	Business-type Activities			
02	Performing Arts Center	-	45,954	45,954
03	Community Education	-	14,841	14,841
04	STARS After School Program	-	(360,712)	(360,712)
05	Employee Child Care	-	(151,746)	(151,746)
TB	Total Business-type Activities	-	(451,663)	(451,663)
TP	Total Primary Government	(170,919,895)	(451,663)	(171,371,558)
	General Revenues:			
	Taxes:			
MT	Property taxes, levied for general purposes	56,073,967	-	56,073,967
DT	Property taxes, levied for debt service	33,635,347	-	33,635,347
SF	State-aid formula grants	80,765,760	-	80,765,760
GC	Grants and contributions not restricted	577,900	-	577,900
IE	Investment earnings	11,338,386	-	11,338,386
MI	Miscellaneous	933,103	151,744	1,084,847
TR	Total General Revenues	183,324,463	151,744	183,476,207
CN	Change in net position	12,404,568	(299,919)	12,104,649
NB	Net Position - Beginning	92,519,197	3,289,862	95,809,059
NE	Net Position - Ending	\$ 104,923,765	\$ 2,989,943	\$ 107,913,708

BASTROP INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund - Series 2021	Capital Projects Fund - Series 2023
Assets					
1110	Cash and cash equivalents	\$ 5,645,219	\$ 31,953,059	\$ 156,116	\$ -
1120	Current investments	24,490,089	-	33,962,763	124,398,725
	Receivables:				
1220	Delinquent property taxes receivables	5,100,581	2,858,143	-	-
1230	Allowance for uncollectible taxes (credit)	(663,076)	(371,559)	-	-
1240	Receivables from other governments	17,821,656	148,915	-	-
1260	Due from other funds	21,247,964	-	20,237	-
1290	Other receivables	78,433	-	-	-
1300	Inventories	68,672	-	-	-
1000	Total Assets	\$ 73,789,538	\$ 34,588,558	\$ 34,139,116	\$ 124,398,725
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 1,214,742	\$ -	\$ 1,958,022	\$ 11,706,792
2150	Payroll deduction and withholdings payable	1,244,328	-	-	-
2160	Accrued wages payable	10,668,845	-	-	-
2170	Due to other funds	5,258,229	-	173,710	2,791,132
2180	Due to other governments	-	-	-	-
2190	Due to student groups	653	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	18,386,797	-	2,131,732	14,497,924
Deferred Inflows of Resources					
	Unavailable revenue - property taxes	4,437,505	2,486,584	-	-
2600	Total Deferred Inflows of Resources	4,437,505	2,486,584	-	-
Fund Balances:					
	Nonspendable:				
3410	Inventories	68,672	-	-	-
	Restricted for:				
3450	Grants	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	32,007,384	109,900,801
3480	Debt service	-	32,101,974	-	-
3490	Other	-	-	-	-
	Committed for:				
3510	Construction, repairs, renovation	1,810,919	-	-	-
3520	Claims and judgments	100,000	-	-	-
3530	Capital expenditures for equipment	750,000	-	-	-
3545	Campus activity funds	-	-	-	-
3590	Assigned for other purposes	11,102,000	-	-	-
3600	Unassigned	37,133,645	-	-	-
3000	Total Fund Balances	50,965,236	32,101,974	32,007,384	109,900,801
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 73,789,538	\$ 34,588,558	\$ 34,139,116	\$ 124,398,725

BASTROP INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

Exhibit C-1
Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Assets			
1110	Cash and cash equivalents	\$ 10,939,916	\$ 48,694,310
1120	Current investments	4,867,367	187,718,944
	Receivables:		
1220	Delinquent property taxes receivables	-	7,958,724
1230	Allowance for uncollectible taxes (credit)	-	(1,034,635)
1240	Receivables from other governments	9,646,358	27,616,929
1260	Due from other funds	3,074,035	24,342,236
1290	Other receivables	-	78,433
1300	Inventories	-	68,672
1000	Total Assets	<u>\$ 28,527,676</u>	<u>\$ 295,443,613</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
2110	Accounts payable	\$ 1,063,907	\$ 15,943,463
2150	Payroll deduction and withholdings payable	139,636	1,383,964
2160	Accrued wages payable	1,156,234	11,825,079
2170	Due to other funds	19,126,438	27,349,509
2180	Due to other governments	15,000	15,000
2190	Due to student groups	-	653
2300	Unearned revenue	93,697	93,697
2000	Total Liabilities	<u>21,594,912</u>	<u>56,611,365</u>
Deferred Inflows of Resources			
	Unavailable revenue - property taxes	-	6,924,089
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>6,924,089</u>
Fund Balances:			
	Nonspendable:		
3410	Inventories	-	68,672
	Restricted for:		
3450	Grants	5,429,796	5,429,796
3470	Capital acquisitions and contractual obligations	63,862	141,972,047
3480	Debt service	-	32,101,974
3490	Other	488,042	488,042
	Committed for:		
3510	Construction, repairs, renovation	-	1,810,919
3520	Claims and judgments	-	100,000
3530	Capital expenditures for equipment	-	750,000
3545	Campus activity funds	956,946	956,946
3590	Assigned for other purposes	-	11,102,000
3600	Unassigned	(5,882)	37,127,763
3000	Total Fund Balances	<u>6,932,764</u>	<u>231,908,159</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,527,676</u>	<u>\$ 295,443,613</u>



BASTROP INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
June 30, 2026

Exhibit C-2

<u>Data Control Codes</u>		
	Total Fund Balance, Governmental Funds (from C-1)	\$ 231,908,159
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost (\$646,895,643), net of accumulated depreciation/amortization (\$117,003,956), where applicable.	529,891,687
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes (net of allowance for uncollectible accounts) are deferred in the fund financial statements.	6,924,089
3	Deferred outflows related to TRS pension	15,045,955
4	Deferred outflows related to OPEB	13,876,482
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
5	General obligation bonds	(542,958,617)
6	Premium on bonds	(46,266,686)
7	Leases payable	(1,329,772)
	SBITAs payable	(485,793)
8	Net pension liability	(41,877,530)
9	Net OPEB liability	(21,144,384)
10	Accrued interest payable	(8,974,910)
11	Deferred inflows related to TRS pension	(4,348,083)
12	Deferred inflows related to OPEB	(23,463,771)
13	Deferred charge on refunding	1,579,291
14	Addition of internal service funds net position	3,406,047
15	Arbitrage Liability	<u>(6,858,399)</u>
29	Total Net Position - Governmental Activities (see A-1)	<u>\$ 104,923,765</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit C-3

Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund - Series 2021	Capital Projects Fund - Series 2023
Revenues					
5700	Local, intermediate, and out-of-state	\$ 59,096,563	\$ 34,669,813	\$ 1,645,530	\$ 6,422,805
5800	State program revenues	82,899,699	5,094,177	8,211	6,193
5900	Federal program revenues	2,686,927	-	-	-
5020	Total Revenues	144,683,189	39,763,990	1,653,741	6,428,998
Expenditures					
Current:					
0011	Instruction	78,011,478	-	-	-
0012	Instructional resources and media services	1,081,694	-	-	-
0013	Curriculum and staff development	1,931,864	-	-	-
0021	Instructional leadership	2,238,892	-	-	-
0023	School leadership	8,441,092	-	-	-
0031	Guidance, counseling and evaluation services	5,728,543	-	-	-
0032	Social work services	338,478	-	-	-
0033	Health services	1,473,849	-	-	-
0034	Student transportation	11,456,953	-	-	-
0035	Food services	49,508	-	-	-
0036	Extracurricular activities	5,108,365	-	-	-
0041	General administration	4,408,407	-	-	-
0051	Facilities maintenance and operations	13,765,437	-	-	-
0052	Security and monitoring services	3,301,709	-	-	-
0053	Data processing services	3,461,646	-	-	-
0061	Community services	98,432	-	-	-
Debt service:					
0071	Principal on long-term debt	2,034,157	13,480,000	-	-
0072	Interest on long-term debt	91,588	23,167,763	-	-
0073	Bond issuance costs and fees	-	18,200	-	751,869
Capital outlay:					
0081	Facilities acquisition and construction	258,832	-	12,493,236	106,675,599
Intergovernmental:					
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	106,265	-	-	-
0099	Other intergovernmental charges	1,605,358	-	-	-
6030	Total Expenditures	144,992,547	36,665,963	12,493,236	107,427,468
1100	Excess (deficiency) of revenues over expenditures	(309,358)	3,098,027	(10,839,495)	(100,998,470)
Other Financing Sources (Uses)					
7911	Capital-related debt issued	-	-	-	86,120,000
7913	Proceeds from right to use leased assets and SBITAs	293,917	-	-	-
7915	Transfers in	350,000	13,256	-	-
7916	Premium or discount on issuance of bonds	-	-	-	4,044,125
8911	Transfers out	(151,744)	-	-	(13,256)
7080	Total Other Financing Sources (Uses)	492,173	13,256	-	90,150,869
1200	Net change in fund balances	182,815	3,111,283	(10,839,495)	(10,847,601)
0100	Fund Balance - Beginning	50,782,421	28,990,691	42,846,879	120,748,402
3000	Fund Balance - Ending	\$ 50,965,236	\$ 32,101,974	\$ 32,007,384	\$ 109,900,801

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit C-3

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 2,796,724	\$ 104,631,435
5800	State program revenues	4,027,265	92,035,545
5900	Federal program revenues	18,436,010	21,122,937
5020	Total Revenues	25,259,999	217,789,917
Expenditures			
Current:			
0011	Instruction	8,413,545	86,425,023
0012	Instructional resources and media services	34	1,081,728
0013	Curriculum and staff development	1,012,309	2,944,173
0021	Instructional leadership	9,663	2,248,555
0023	School leadership	86,574	8,527,666
0031	Guidance, counseling and evaluation services	2,208,942	7,937,485
0032	Social work services	266,280	604,758
0033	Health services	1,934	1,475,783
0034	Student transportation	60,612	11,517,565
0035	Food services	9,564,098	9,613,606
0036	Extracurricular activities	1,577,901	6,686,266
0041	General administration	4,412	4,412,819
0051	Facilities maintenance and operations	154,611	13,920,048
0052	Security and monitoring services	292,792	3,594,501
0053	Data processing services	93,000	3,554,646
0061	Community services	82,940	181,372
Debt service:			
0071	Principal on long-term debt	102,138	15,616,295
0072	Interest on long-term debt	-	23,259,351
0073	Bond issuance costs and fees	-	770,069
Capital outlay:			
0081	Facilities acquisition and construction	-	119,427,667
Intergovernmental:			
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	-	106,265
0099	Other intergovernmental charges	-	1,605,358
6030	Total Expenditures	23,931,785	325,510,999
1100	Excess (deficiency) of revenues over expenditures	1,328,214	(107,721,082)
Other Financing Sources (Uses)			
7911	Capital-related debt issued	-	86,120,000
7913	Proceeds from right to use leased assets and SBITAs	-	293,917
7915	Transfers in	-	363,256
7916	Premium or discount on issuance of bonds	-	4,044,125
8911	Transfers out	-	(165,000)
7080	Total Other Financing Sources (Uses)	-	90,656,298
1200	Net change in fund balances	1,328,214	(17,064,784)
0100	Fund Balance - Beginning	5,604,550	248,972,943
3000	Fund Balance - Ending	\$ 6,932,764	\$ 231,908,159

BASTROP INDEPENDENT SCHOOL DISTRICT**Exhibit C-4****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES****For the Year Ended June 30, 2026**

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (from C-3)	\$ (17,064,784)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
1	Governmental funds report capital outlays (\$121,567,903) as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization (\$11,975,818) expense. This is the amount by which depreciation/amortization exceeded capital outlays.	109,592,085
2	Governmental funds report the entire net sales price (proceeds) from sale or disposal of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the disposal of the assets. Thus, the change in net position differs from the change in fund balance by the net value of the asset disposed.	(4,064,049)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(337)
4	Repayment of bonds payable, loan payable, right to use leases payable, and SBITA principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	14,916,381
	Long-term liability proceeds are reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	
5	Issuance of debt - leases	(65,964)
6	Issuance of debt - SBITAs	(227,953)
7	Issuance of debt - bonds	(86,120,000)
8	Premium received from issuance of long-term debt	(4,044,125)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in the governmental funds:	
9	Amortization of premiums and discounts on issuance of bonds	2,193,560
10	Increase in interest payable not recognized in fund statements	(1,415,091)
11	Changes in net pension liabilities and related deferred outflows and inflows of resources	(1,239,643)
12	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	2,145,992
13	Change in arbitrage liability	(1,601,478)
14	Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(600,026)
	Change in Net Position of Governmental Activities (see B-1)	\$ 12,404,568

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2026

Exhibit D-1

<u>Data Control Codes</u>		<u>Business-type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Assets			
Current Assets:			
1110	Cash and cash equivalents	\$ -	\$ 6,420
1120	Investments	834,121	1,922,634
	Receivables:		
1260	Due from other funds	1,532,574	2,359,069
1290	Other receivables	60	-
	Total Current Assets	<u>2,366,755</u>	<u>4,288,123</u>
Noncurrent Assets:			
1520	Building and improvements	1,152,457	-
1570	Accumulated depreciation	(164,879)	-
	Total Noncurrent Assets	<u>987,578</u>	<u>-</u>
1000	Total Assets	<u>3,354,333</u>	<u>4,288,123</u>
Liabilities			
Current Liabilities:			
2110	Accounts payable	66,912	3,356
2150	Payroll deductions and withholdings	23,012	45
2160	Accrued wages payable	159,049	-
2170	Due to other funds	115,417	768,953
2200	Accrued expenses	-	109,722
2000	Total Liabilities	<u>364,390</u>	<u>882,076</u>
Net Position			
3200	Investment in capital assets	987,578	-
3900	Unrestricted net position	2,002,365	3,406,047
3000	Total Net Position	<u>\$ 2,989,943</u>	<u>\$ 3,406,047</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2026

Exhibit D-2

Data Control Codes		Business-type Activities	Governmental Activities
		Nonmajor Enterprise Funds	Internal Service Funds
	Operating Revenues		
5700	Local and intermediate sources	\$ 2,044,746	\$ 243,771
5020	Total Operating Revenues	<u>2,044,746</u>	<u>243,771</u>
	Operating Expenses		
6100	Payroll costs	2,176,325	49,953
6200	Purchased and contracted services	94,419	-
6300	Supplies and materials	90,853	44,992
6400	Other operating expenses	86,518	398,852
6500	Depreciation	48,294	-
6030	Total Operating Expenses	<u>2,496,409</u>	<u>493,797</u>
1200	Operating Income (Loss)	<u>(451,663)</u>	<u>(250,026)</u>
	Income (Loss) Before Noncapital Subsidies	<u>(451,663)</u>	<u>(250,026)</u>
	Noncapital Subsidies		
7915	Transfers in	151,744	-
8911	Transfers out	-	(350,000)
	Total Noncapital Subsidies	<u>151,744</u>	<u>(350,000)</u>
1200	Change in Net Position	(299,919)	(600,026)
0100	Net Position - July 1 (Beginning)	<u>3,289,862</u>	<u>4,006,073</u>
3000	Net Position - June 30 (Ending)	<u>\$ 2,989,943</u>	<u>\$ 3,406,047</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2026

Exhibit D-3

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 2,044,686	\$ 137,178
Cash receipts (payments) for interfund services provided	(1,532,447)	(1,483,465)
Cash payments to suppliers for goods and services	(228,840)	(898,257)
Cash payments to employees	(2,171,355)	(49,953)
Net Cash Provided by (Used for) Operating Activities	(1,887,956)	(2,294,497)
Cash Flows from Non-Capital Financing Activities:		
Advances from other funds	151,744	-
Transfers to other funds	-	(350,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	151,744	(350,000)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(68,433)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(68,433)	-
Net increase (decrease) in cash and cash equivalents	(1,804,645)	(2,644,497)
Cash and Cash Equivalents - Beginning	1,804,645	2,650,917
Cash and Cash Equivalents - Ending	\$ -	\$ 6,420
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (451,663)	\$ (250,026)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	48,294	-
Change in Assets and Liabilities:		
(Increase) decrease in interfund receivables	(1,532,574)	(2,358,808)
(Increase) decrease in other receivables	(60)	-
Increase (decrease) in accounts payable	43,426	(35,602)
Increase (decrease) in interfund payable	(349)	768,750
Increase (decrease) in accrued wages payable	6,751	-
Increase (decrease) in payroll deductions and withholdings	(1,781)	-
Increase (decrease) in accrued expenses	-	(418,811)
Total Adjustments	(1,436,293)	(2,044,471)
Net Cash Provided by (Used for) Operating Activities	\$ (1,887,956)	\$ (2,294,497)

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2026

Exhibit E-1

	Private-Purpose Trust Fund	Custodial Fund
	Private Scholarship Trust	Student Activity Fund
Assets		
Cash and cash equivalents	\$ -	\$ 45,137
Investments	281,902	-
Other receivables	-	2,176
Total Assets	<u>281,902</u>	<u>47,313</u>
Liabilities		
Due to other funds	<u>7,600</u>	<u>15,005</u>
Total Liabilities	<u>7,600</u>	<u>15,005</u>
Net Position		
Held in trust	274,302	-
Restricted for other purposes	-	32,308
Total Net Position	<u>\$ 274,302</u>	<u>\$ 32,308</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2026

Exhibit E-2

	Private-Purpose Trust Fund Private Scholarship Trust	Custodial Fund Student Activity Fund
Additions		
Investment income	\$ 13,521	\$ -
Student group fundraising activities	-	41,546
Total Additions	<u>13,521</u>	<u>41,546</u>
Deductions		
Scholarship awards	8,099	-
Student activities	-	51,765
Total Deductions	<u>8,099</u>	<u>51,765</u>
Change in fiduciary net position	5,422	(10,219)
Total Net Position July 1 (Beginning)	<u>268,880</u>	<u>42,527</u>
Total Net Position June 30 (Ending)	<u>\$ 274,302</u>	<u>\$ 32,308</u>



I. Summary Of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably 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.

I. Summary Of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

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.

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 Funds

The capital projects funds are 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. Bond Series 2021 and Bond Series 2023 funds are considered major funds for reporting purposes.

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.

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 include 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.

I. Summary Of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

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 and workers' compensation risk management and print shop activity. 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 government-wide financial statements.

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as a custodian 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.

The District has the following type of fiduciary funds:

Custodial Funds

The custodial funds report resources, not in a trust, that are held by the District for other parties outside of the District. Custodial funds are accounted for using the accrual basis of accounting. This fund is used to account for the District's student activity funds.

Private-Purpose Trust Funds

The private-purpose trust fund is used to report resources held in trust. The trust fund is accounted for using the accrual basis of accounting. This fund is used to account for the District's scholarship 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.

I. Summary Of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting (continued)

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

I. Summary Of Significant Accounting Policies (continued)

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

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, equipment, and leases and SBITAs, 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, or \$100,000 for leases and SBITAs, 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.

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

Asset Class	Years
Buildings	50
Building Improvements	20
Portables	25
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15
Right-to-use Assets	Lease term
Subscriptions	Subscription term

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.

I. Summary Of Significant Accounting Policies (continued)

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

6. Deferred Outflows/Inflows of Resources (continued)

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 Payable Balances

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

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

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.

I. Summary Of Significant Accounting Policies (continued)

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

9. Long-Term Obligations (continued)

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 is 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 a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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.

I. Summary Of Significant Accounting Policies (continued)

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

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 ensure 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 (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, 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.

I. Summary Of Significant Accounting Policies (continued)

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

17. Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided; the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

18. Subscription-Based Information Technology Arrangements (SBITA)

The District is under contracts for SBITA for various educational software. The agreements/contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$100,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

I. Summary Of Significant Accounting Policies (continued)

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

18. Subscription-Based Information Technology Arrangements (SBITA) (continued)

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

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.

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.

H. Implementation of New Accounting Standards

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The requirements of this statement were implemented in 2026 and the impact is reflected in the financial statements.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The requirements of this statement were implemented in 2026 but had no impact on the financial statements. See Note B for more information.

II. Stewardship, Compliance, and Accountability

Annual budgets are adopted on a basis consistent with generally accepted accounting practices. 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 applicable State law, 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 funds 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.

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, 2026, the carrying amount of the District's deposits (cash, certificates of deposit, and interest bearing savings accounts included in temporary investments) was \$6,398,889 and the bank balance was \$8,278,409. The District's cash deposits at June 30, 2026, 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; 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.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments

2. Investments (continued)

As of June 30, 2026, the District had the following investments:

	<u>Carrying Value</u>	<u>Rating</u>	<u>Weighted Average Maturity (Days)</u>
Cash and Deposits:			
Governmental Activities	\$ 6,353,752		
Fiduciary Funds	<u>45,137</u>		
Total Cash and Deposits	<u>6,398,889</u>		
Investments			
Governmental Activities:			
TexPool Investment Pool	194,581,104	AAAm*	47
Lone Star Investment Pool	37,407,452	AAA*	45
Business-type Activities:			
TexPool Investment Pool	834,121	AAAm*	47
Fiduciary Funds:			
TexPool Investment Pool	<u>281,902</u>	AAAm*	<u>47</u>
Total Investments	<u>233,104,579</u>		<u>47</u>
Total Cash and Investments	<u><u>\$ 239,503,468</u></u>		

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 'AAAm'. 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, 2026, the District's investments in TexPool and LoneStar were rated 'AAAm' and 'AAA', respectively, by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2026, 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.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments

2. Investments (continued)

Detailed Notes on All Funds

TexPool

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

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

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

III. Detailed Notes on All Funds (continued)

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated/Amortized					
Land	\$ 12,158,825	\$ 737,424	\$ -	\$ -	\$ 12,896,249
Construction in progress	128,507,175	116,760,000	(84,142,635)	-	161,124,540
Total Capital Assets, Not Being Depreciated/Amortized	<u>140,666,000</u>	<u>117,497,424</u>	<u>(84,142,635)</u>	<u>-</u>	<u>174,020,789</u>
Capital Assets, Being Depreciated/Amortized					
Buildings and improvements	369,730,986	750,424	84,142,635	(8,462,049)	446,161,996
Equipment and vehicles	22,840,435	3,026,138	-	(4,465,796)	21,400,777
Subscription assets	683,216	227,953	-	(235,793)	675,376
Lease assets:					
Equipment	4,570,741	65,964	-	-	4,636,705
Total Capital Assets, Being Depreciated/Amortized	<u>397,825,378</u>	<u>4,070,479</u>	<u>84,142,635</u>	<u>(13,163,638)</u>	<u>472,874,854</u>
Less Accumulated Depreciation/Amortization					
Buildings and improvements	(102,999,961)	(9,231,027)	-	5,011,079	(107,219,909)
Equipment and vehicles	(8,797,583)	(1,580,392)	-	3,852,717	(6,525,258)
Subscription assets	(299,711)	(139,902)	-	235,793	(203,820)
Lease assets:					
Equipment	(2,030,472)	(1,024,497)	-	-	(3,054,969)
Total Accumulated Depreciation/Amortization	<u>(114,127,727)</u>	<u>(11,975,818)</u>	<u>-</u>	<u>9,099,589</u>	<u>(117,003,956)</u>
Governmental Activities (Net) Capital Assets	<u>\$ 424,363,651</u>	<u>\$ 109,592,085</u>	<u>\$ -</u>	<u>\$ (4,064,049)</u>	<u>\$ 529,891,687</u>

Depreciation and amortization was charged to governmental functions as follows:

<u>Function</u>	<u>Depreciation/ Amortization Expense</u>
Instruction	\$ 6,532,536
Instructional resources and media services	207,391
Curriculum and staff development	23,917
Instructional leadership	45,960
School leadership	736,545
Guidance, counseling and evaluation services	316,998
Social work services	29,984
Health services	142,116
Student transportation	52,080
Food Services	805,187
Extracurricular activities	1,859,208
General administration	94,227
Facilities maintenance and operations	555,769
Security and monitoring services	333,642
Data processing services	166,484
Community services	56,211
Facilities repairs and maintenance	17,563
Total Depreciation Expense - Governmental Activities	<u><u>\$ 11,975,818</u></u>

III. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated/Amortized					
Buildings and improvements	\$ 1,084,024	\$ -	\$ -	\$ -	\$ 1,084,024
Furniture and equipment	-	68,433	-	-	68,433
Total Capital Assets, Being Depreciated/Amortized	<u>1,084,024</u>	<u>68,433</u>	<u>-</u>	<u>-</u>	<u>1,152,457</u>
Less Accumulated Depreciation/Amortization					
Buildings and improvements	(116,585)	(41,978)			(158,563)
Furniture and equipment	-	(6,316)			(6,316)
Total Accumulated Depreciation/Amortization	<u>(116,585)</u>	<u>(48,294)</u>	<u>-</u>	<u>-</u>	<u>(164,879)</u>
Business-Type Activities (Net) Capital Assets	<u>\$ 967,439</u>	<u>\$ 20,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987,578</u>

Depreciation expense totaling \$48,294 was charged for business-type activities.

The District's net investment in capital assets calculation is shown below and is presented on the Statement of Net Position.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets, Net of Depreciation/Amortization	\$ 529,891,687	\$ 987,578
Less:		
General obligation bonds	(537,510,000)	-
Premiums	(46,266,686)	-
Leases and SBITAs	(1,815,565)	-
Capital-related payables	(16,629,656)	-
Plus:		
Deferred charge on refunding	1,579,291	-
Unspent bond proceeds	158,601,703	-
Net Investment in Capital Assets Per Exhibit A-1	<u>\$ 87,850,774</u>	<u>\$ 987,578</u>

III. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

Construction Commitments

The District has active construction projects as of June 30, 2026. At year end, the District's commitments with contractors are as follows:

	Authorized Contract	Construction in Progress	Remaining Commitment
Bastrop High School	\$ 48,269,142	\$ 29,758,604	\$ 18,510,538
Cedar Creek High School	13,999,658	13,932,569	67,089
CRCA	1,538,747	391,911	1,146,836
Gateway	1,272,378	741,106	531,272
Bastrop Middle School	5,326,705	3,953,749	1,372,956
Mina	12,376,094	7,885,892	4,490,202
Bastrop Intermediate/Riverside MS	29,174,834	26,392,353	2,782,481
Cedar Creek Middle School	5,116,296	3,743,910	1,372,386
Cedar Creek Intermediate/Creekside MS	24,960,027	22,793,190	2,166,837
ES #9/Adelton Elem	37,382,957	37,311,481	71,476
ES #10	47,800,771	4,731,374	43,069,397
Police/Ops	9,817,037	7,972,591	1,844,446
Memorial Track	781,532	206,532	575,000
Fuel Tank	532,774	479,608	53,166
BBE Playground	179,398	99,462	79,936
CCHS Softball Field	1,543,918	365,104	1,178,814
CCHS Baseball Field	1,543,918	365,104	1,178,814
	<u>\$ 241,616,186</u>	<u>\$ 161,124,540</u>	<u>\$ 80,491,646</u>

III. Detailed Notes on All Funds (continued)

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.

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026	Due Within One Year
Refunding, Series 2013A	\$ 990,000	\$ -	\$ (350,000)	\$ 640,000	\$ -
Refunding, Series 2015A	625,000	-	(625,000)	-	-
Refunding, Series 2016	8,155,000	-	-	8,155,000	-
Refunding, Series 2017	16,230,000	-	(895,000)	15,335,000	930,000
Building, Series 2021	150,630,000	-	(3,645,000)	146,985,000	3,835,000
Refunding, Series 2021A	6,475,000	-	(3,175,000)	3,300,000	3,300,000
Building, Series 2023	211,315,000	-	(4,790,000)	206,525,000	940,000
Refunding, Series 2024	70,450,000	-	-	70,450,000	1,865,000
Building, Series 2025	-	86,120,000	-	86,120,000	1,475,000
Total Bonds Payable	464,870,000	86,120,000	(13,480,000)	537,510,000	12,345,000
Issuance premium/discount	44,660,407	4,044,125	(2,437,846)	46,266,686	-
Arbitrage liability	10,705,538	1,601,478	-	12,307,016	5,448,617
Lease Payable	2,568,120	65,964	(1,304,312)	1,329,772	537,784
SBITAs Payable	389,909	227,953	(132,069)	485,793	137,542
Net pension liability	43,639,479	-	(1,761,949)	41,877,530	-
Net OPEB liability	27,269,267	-	(6,124,883)	21,144,384	-
Total Long-Term Liabilities	\$ 594,102,720	\$ 92,059,520	\$ (25,241,059)	\$ 660,921,181	\$ 18,468,943

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 2013A bonds are 2.00% to 3.50%; Series 2015A bonds are 1.45% to 5.00%; Series 2016 bonds are 4.00%; Series 2017 bonds are 4.00% to 5.00%; Series 2021 3.00% to 5.00%; Series 2021A are 4.00%; Series 2023 are 5.00%, Series 2024 are 5.00% and Series 2025 are 5.25%. Interest expense was \$23,791,038 for the year ended June 30, 2026.

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

Year Ending June 30,	Principal	Interest	Total
2027	\$ 12,345,000	\$ 24,066,051	\$ 36,411,051
2028	13,445,000	23,440,601	36,885,601
2029	14,125,000	22,819,851	36,944,851
2030	14,835,000	22,124,251	36,959,251
2031	15,565,000	21,393,701	36,958,701
2032 - 2036	88,025,000	95,482,920	183,507,920
2037 - 2041	102,810,000	74,678,701	177,488,701
2042 - 2046	107,625,000	51,461,501	159,086,501
2047 - 2051	127,865,000	27,046,925	154,911,925
2052 - 2056	40,870,000	2,315,250	43,185,250
	\$ 537,510,000	\$ 364,829,752	\$ 902,339,752

III. Detailed Notes on All Funds (continued)

C. Long-Term Debt (continued)

In the current fiscal year, the District issued \$86,120,000 in Building Bonds, Series 2025 at an interest rate of 5.25%, at a premium of \$4,044,125, with a maturity date of 2053. Proceeds from the sale of the bonds will be used for the purchase, construction, and reconstruction of buildings.

Lease Payable

Lease agreements of the District are 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 interest rates of 4.80% to 5.545% for portables, 4.45% for camera leases, 4.450% for wireless displays, 0.21212% for computers, 5% for WebEx equipment, 3.5% for MicroShare, and 2.115% for copiers. Interest expense was \$44,674 for the year ended June 30, 2026.

Commitments under lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2026 as follows:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 537,784	\$ 31,432	\$ 569,216
2028	547,994	17,616	565,610
2029	243,994	5,619	249,613
	<u>\$ 1,329,772</u>	<u>\$ 54,667</u>	<u>\$ 1,384,439</u>

SBITAs Payable

Subscription based IT agreements of the District are 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 SBITA agreements at interest rates of 3.5%. Interest expense was \$24,299 for the year ended June 30, 2026.

Commitments under SBITA agreements provide for minimum future lease payments as of June 30, 2026 as follows:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 137,542	\$ 11,563	\$ 149,105
2028	143,246	9,407	152,653
2029	65,998	7,175	73,173
2030	68,308	4,865	73,173
2031	70,699	2,474	73,173
	<u>\$ 485,793</u>	<u>\$ 35,484</u>	<u>\$ 521,277</u>

III. Detailed Notes on All Funds (continued)

D. Interfund Transactions

The interfund balances and transfers at June 30, 2026 were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 21,247,964	\$ 5,258,229
Capital Projects 2021	20,237	173,710
Capital Projects 2023	-	2,791,132
Non-major governmental	3,074,035	19,126,438
Enterprise Funds	1,532,574	115,417
Internal Service Funds	2,359,069	768,953
	<u>\$ 28,233,879</u>	<u>\$ 28,233,879</u>

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

Transfers Out	Transfers In	Amount	Purpose
General Fund	Employee Child Care	\$ 151,744	Net Loss
Capital Projects Fund - Series 2023	Debt Service Fund	13,256	Interest Expense
Insurance Fund	General fund	350,000	Expense Reimbursement

E. Fund Balance

At June 30, 2026, fund balance was committed and assigned in the District's governmental funds for the following purposes:

	General Fund	Campus Activity Fund
Committed Fund Balance:		
Construction, repairs, renovation	\$ 1,810,919	\$ -
Claims and judgments	100,000	-
Capital expenditures for equipment	750,000	-
Campus activity funds	-	956,946
	<u>\$ 2,660,919</u>	<u>\$ 956,946</u>
Assigned Fund Balance:		
Economic stabilization	\$ 7,102,000	\$ -
Major maintenance and repairs	4,000,000	-
	<u>\$ 11,102,000</u>	<u>\$ -</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

Grants

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.

Claims and Judgments

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.

Arbitrage

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. At June 30, 2026 the District had \$12,307,016 recorded in arbitrage liabilities.

C. Defined Benefit Pension Plan

Teacher Retirement System

Plan Description

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

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

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications, or by writing to TRS at attention Finance Division, P.O. BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

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

Texas Government Code section 821.006 prohibits benefit improvement, 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. Actuarial implications of the funding provided in this manner are determined by TRS's actuary.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402.

	Contribution Rates	
	September 1, to June 30, 2026	January 0, 1900 to August 31,
Active Employee	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
District	8.25%	8.25%

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Contributions (continued)

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

	Current Fiscal Year
	Contributions
Active Employee	\$ 8,339,299
Non-employer Contributing Entity	
On-behalf Contributions (State)	5,449,544
District	4,543,504

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Assumptions

Valuation Date	August 31, 2024, rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2025	5.23% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2124
Inflation	2.30%
Salary Increases	3.20% to 9.20% including inflation
Benefit Changes During the Year	None
Ad hoc post-employment benefit changes	None

* 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".

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

Effective with the measurement date of August 31, 2025, the salary increase assumption was modified to reflect anticipated changes in future contribution levels resulting from the enactment of House Bill 2 (HB2) by the 2025 Texas Legislature. Except for the change in salary increase assumption, the actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2024. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2024.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2026 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount Rate (continued)

The long-term expected rate of return on TRS investments is 7.00%. The long-term expected rate of return on TRS investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2025 are summarized below:

Asset Class	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
All Country	39.00%	4.14%	2.18%
USA	0.00%	3.85%	0.00%
Non-U.S. Developed	5.00%	4.60%	0.31%
Emerging Markets	1.00%	4.71%	0.07%
Private Equity	12.00%	6.80%	1.19%
Stable Value			
Government Bonds - Nominal	10.00%	2.59%	0.33%
Government Bonds - Real	6.00%	1.97%	0.13%
Absolute Return ¹	0.00%	3.91%	0.00%
Stable Value Hedge Funds	5.00%	1.68%	0.09%
Real Return			
Real Estate	15.00%	4.60%	0.86%
Energy, Natural Resources & Infrastructure	6.00%	4.86%	0.36%
Commodities	0.00%	2.96%	0.00%
Risk Parity	5.00%	4.38%	0.26%
Asset Allocation Leverage			
Cash	2.00%	0.51%	0.01%
Asset Allocation Leverage	-6.00%	0.81%	-0.05%
Inflation Expectation			2.30%
Volatility Drag ⁴			-0.71%
Expected Return	<u>100.00%</u>		<u>7.33%</u>

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2025 policy model.

³ Capital Market Assumptions (CMA) come from Meketa Investment Group's 2025 CMAs.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportional share of the net pension liability	\$ 64,908,790	\$ 41,877,530	\$ 20,527,475

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

On June 30, 2026, the District reported a liability of \$41,877,530 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 41,877,530
State's proportionate share that is associated with the District	<u>53,100,685</u>
Total	<u>\$ 94,978,215</u>

The net pension liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2024 through August 31, 2025.

At the measurement year ended August 31, 2025, the District's proportion of the collective net pension liability was 0.0665%, which was an increase of 0.0049% from its proportion measured as of August 31, 2024.

Changes Since the Prior Actuarial Valuation

The 2025 Texas Legislature passed HB2, which modified the future compensation structure for active employees covered by the System. As a result, a new salary increase assumption was adopted for determining the Net Pension Liability as of the August 31, 2025 measurement date. All other actuarial assumptions and methods remain the same as used in the determination of the prior year's Net Pension Liability.

IV. Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2026, the District recognized pension expense of \$5,782,951. The District also recognized on-behalf pension expense and revenue of \$4,929,688 for support provided by the State.

On June 30, 2026, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,512,537	\$ (146,735)
Changes of assumption	4,016,147	-
Net difference between projected and actual earnings on pension plan investments	-	(1,903,142)
Changes in proportion and differences between District contributions and proportionate share of contributions	4,637,987	(2,298,206)
District contributions subsequent to the measurement date of the net pension liability	3,879,284	-
Total	<u><u>\$ 15,045,955</u></u>	<u><u>\$ (4,348,083)</u></u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount	Balance of Deferred Outflows (Inflows)
2027	\$ 5,569,049	\$ 1,249,539
2028	1,446,335	(196,796)
2029	(466,813)	270,017
2030	93,873	176,144
2031	176,143	1
Thereafter	1	-
	<u><u>\$ 6,818,588</u></u>	

The District will continue to make the required pension contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the Net Pension Liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/learning-resources/publications>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The 88th Legislature amended the Texas Insurance Code Chapter 1575 via Senate Bill 1854 allowing TRS to offer coverage for dental and vision care to retirees. In accordance with Chapter 1575.1601, TRS established the TRS-Care Dental and TRS-Care Vision plans. TRS-Care Dental and TRS-Care Vision are optional plans that are available to retirees who are eligible for TRS-Care. This includes their dependents, surviving spouses, and surviving dependent children. Retirees do not have to be enrolled in TRS-Care medical and pharmacy plans to be eligible TRS-Care Dental and TRS-Care Vision. The first enrollment period for the plans began in October 2024 and coverage started in January 2025.

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$381,400,000 as of August 31, 2025.

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

Benefits Provided (continued)

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates				
	Medicare	Non-Medicare	TRS-Care Dental	TRS-Care Vision
Retiree or Surviving Spouse	\$ 75	\$ 200	\$ 41.64	\$ 6.89
Retiree and Spouse	280	689	83.29	13.79
Retiree or Surviving Spouse and Children	408	408	87.45	15.57
Retiree and Family	613	999	129.93	24.08

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

Contributions

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 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2026. Employee contribution rates are set in state statute, Texas Government Code 825.402. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	September 1, 2025 to June 30, 2026	July 1, 2025 to August 31, 2025
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
District:		
District, Excluding Federal/Private Funding	0.75%	0.75%
Federal/Private Funding	1.25%	1.25%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

Contributions (continued)

Contributions for all contributors were as follows:

	Current Fiscal Year Contributions
Active Employee	\$ 657,052
Non-employer Contributing Entity	
On-behalf Contributions (State)	2,004,100
District	886,069

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS-Care OPEB program). 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 of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2024. Update procedures were used to roll forward the total OPEB liability to August 31, 2025. The actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2024, rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate*	5.23% as of August 31, 2025
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death"
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.20% to 9.20% including inflation
Healthcare Trend Rates	The initial medical trend rate was 7.35% for non-Medicare retirees and 9.00% for Medicare retirees. The initial prescription drug trend rate was 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 14 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

Actuarial Assumptions(continued)

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the TRS pension actuarial valuation: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Discount Rate

A single discount rate of 5.23 percent was used to measure the total OPEB liability. There was an increase of 1.36 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2026 and thereafter.

The source for the rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2025 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability

Discount Rate – 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 (5.23%) in measuring the net OPEB liability.

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	4.23%	5.23%	6.23%
District's proportional share of the net OPEB liability	\$ 24,831,865	\$ 21,144,384	\$ 18,105,641

Healthcare Cost Trend Rates – The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 17,483,434	\$ 21,144,384	\$ 25,792,710

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

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

On June 30, 2026, the District reported a liability of \$21,144,384 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	\$ 21,144,384
State's proportionate share that is associated	
with (employer)	<u>28,052,701</u>
Total	<u><u>\$ 49,197,085</u></u>

The net OPEB liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 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, 2024 through August 31, 2025.

On June 30, 2026, the employer's proportion of the collective net OPEB liability was 0.0848%, compared to 0.0898% as of June 30, 2025.

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 (TOL) since the prior measurement period:

- The single discount rate changed from 3.87% as of August 31, 2024, to 5.23% as of August 31, 2025.
- The salary increase rates were revised to match those used in the pension valuation, and the health care trend rates were reset to reflect the plan's anticipated experience.

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2026, the District recognized negative OPEB expense of \$1,259,795. The District also recognized negative on-behalf OPEB expense and revenue of \$3,241,262 for support provided by the State.

On June 30, 2026, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,136,670	\$ (12,592,688)
Changes of assumption	2,614,682	(8,684,562)
Net difference between projected and actual earnings on OPEB plan investments	-	(130,041)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,370,613	(2,056,480)
District contributions subsequent to the measurement date of the net OPEB liability	754,517	-
Total	\$ 13,876,482	\$ (23,463,771)

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2027. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2027	\$ (2,189,299)
2028	(2,558,805)
2029	(2,199,864)
2030	(1,217,276)
2031	(1,174,903)
Thereafter	(1,001,659)
	\$ (10,341,806)

The District will continue to make the required OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the Net OPEB Liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

IV. Other Information (continued)

D. Defined Other Postemployment Benefits Plan (continued)

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, 2026, 2025, and 2024, the subsidy payments received by TRS-Care on behalf of the District were \$834,704, \$660,282, and \$510,091, respectively.

E. Employee Health Care Coverage

During the year ended June 30, 2026, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$376 or \$364 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, 2026 and terms of coverage and premiums costs are included in the contractual provisions.

F. Shared Service Arrangements

Fiscal Agent

The District is the fiscal agent for a shared service arrangement (SSA), Innovative Services for Student with Autism, which provides services to the member district, McDade Independent School District. All services are provided by the fiscal agent. The member district will provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and accounted for using Model 3 in the SSA section of the Resource Guide.

Membership

The District participates in a shared services arrangement (SSA) for the education of migratory students funded under the 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.



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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2026

Exhibit G-1

Data Control Codes		Budgeted Amounts		Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
		Original	Final			
	Revenues					
5700	Local and intermediate sources	\$ 65,104,000	\$ 59,444,000	\$ (5,660,000)	\$ 59,096,563	\$ (347,437)
5800	State program revenues	80,131,000	83,603,852	3,472,852	82,899,699	(704,153)
5900	Federal program revenues	1,113,000	1,776,148	663,148	2,686,927	910,779
5020	Total Revenues	146,348,000	144,824,000	(1,524,000)	144,683,189	(140,811)
	Expenditures					
	Current:					
0011	Instruction	83,447,000	76,927,500	(6,519,500)	78,011,478	(1,083,978)
0012	Instructional resources and media services	1,174,000	1,175,000	1,000	1,081,694	93,306
0013	Curriculum and staff development	1,886,000	2,129,000	243,000	1,931,864	197,136
0021	Instructional leadership	1,917,000	2,305,000	388,000	2,238,892	66,108
0023	School leadership	8,457,000	8,500,000	43,000	8,441,092	58,908
0031	Guidance, counseling and evaluation services	4,886,844	5,724,000	837,156	5,728,543	(4,543)
0032	Social work services	458,500	350,500	(108,000)	338,478	12,022
0033	Health services	1,463,000	1,600,000	137,000	1,473,849	126,151
0034	Student transportation	10,183,000	11,900,000	1,717,000	11,456,953	443,047
0035	Food services	-	-	-	49,508	(49,508)
0036	Extracurricular activities	4,975,143	5,400,000	424,857	5,108,365	291,635
0041	General administration	4,932,000	4,850,000	(82,000)	4,408,407	441,593
0051	Facilities maintenance and operations	14,547,606	13,411,627	(1,135,979)	13,765,437	(353,810)
0052	Security and monitoring services	3,055,000	3,238,873	183,873	3,301,709	(62,836)
0053	Data processing services	1,940,697	3,533,447	1,592,750	3,461,646	71,801
0061	Community services	277,000	120,000	(157,000)	98,432	21,568
	Debt Service:					
0071	Principal on long-term debt	985,000	1,551,553	566,553	2,034,157	(482,604)
0072	Interest on long-term debt	65,000	65,000	-	91,588	(26,588)
	Capital outlay:					
0081	Facilities acquisition and construction	-	250,000	250,000	258,832	(8,832)
	Intergovernmental:					
0093	Payments to Member Districts of SSA	436,000	-	(436,000)	-	-
0095	Payments to Juvenile Justice Alternative Ed. Program	91,000	100,000	9,000	106,265	(6,265)
0099	Other intergovernmental charges	1,605,000	1,610,000	5,000	1,605,358	4,642
6030	Total Expenditures	146,781,790	144,741,500	(2,040,290)	144,992,547	(251,047)
1100	Excess (deficiency) of revenues over expenditures	(433,790)	82,500	516,290	(309,358)	(391,858)
	Other Financing Sources (Uses)					
7913	Proceeds from right to use leased assets and SBITAs	-	-	-	293,917	293,917
7915	Transfers in	-	-	-	350,000	350,000
8911	Transfers out	-	-	-	(151,744)	(151,744)
7080	Total Other Financing Sources (Uses)	-	-	-	492,173	492,173
1200	Net change in fund balances	(433,790)	82,500	516,290	182,815	100,315
0100	Fund Balances - Beginning	50,782,421	50,782,421	-	50,782,421	-
3000	Fund Balances - Ending	\$ 50,348,631	\$ 50,864,921	\$ 516,290	\$ 50,965,236	\$ 100,315

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON NOTES

General Fund Budgetary Highlights

The District revised the general fund budget several times during the year ended June 30, 2026. Budget revenue amendments totaling \$1.5 million (net) were approved by the Board resulting in a decrease in revenues. The amendment constituted an increase to state and federal revenue, and a decrease to local revenue. Budgeted local revenue decreased by \$5.7 million due to lower than expected taxable values which caused budgeted State revenue to increase by \$3.5 million as a result, and budgeted Federal revenue increased by \$0.7 million due to increased SHARS and e-rate revenue.

Budgeted appropriations for expenditures in the general fund also increased as budget revisions were submitted and approved by the Board at various times during the 2025-2026 fiscal year. The main expenditure areas that were impacted involved instruction due to enrollment shortfall, student transportation due to increased contractor costs, data processing related to employee classifications in technology staff, counseling due to changes in used of federal funded staff, and general maintenance due to rising costs of maintenance and repairs of district facilities.

- 1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 2. For the year ended June 30, 2026, expenditures exceeded appropriations in the following functions:
 - a. 11 – Instruction \$1,083,978
 - b. 31 – Guidance, counseling and evaluation services \$4,543
 - c. 35 – Food services \$49,508
 - d. 51 – Facilities maintenance and operations \$374,047
 - e. 52 – Security and monitoring \$62,836
 - f. 71 – Principal on long-term debt \$482,604
 - g. 72 – Interest on Long-term debt \$26,588
 - h. 81 – Facilities acquisition and construction \$8,832
 - i. 95 – Payments to JJAEP \$6,265

BASTROP INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teacher Retirement System of Texas

Last Ten Measurement Years

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	0.0665275%	0.0714415%	0.0648282%	0.0573780%	0.0547625%
District's proportionate share of the net pension liability	\$ 41,877,530	\$ 43,639,479	\$ 44,530,700	\$ 34,063,855	\$ 13,946,080
State's proportionate share of the net pension liability associated with the District	53,100,685	51,546,864	56,590,105	50,471,168	22,705,850
Total	\$ 94,978,215	\$ 95,186,343	\$ 101,120,805	\$ 84,535,023	\$ 36,651,930
District's covered payroll (for Measurement Year)	\$ 90,496,365	\$ 89,908,388	\$ 79,513,558	\$ 72,452,747	\$ 68,497,962
District's proportionate share of the net pension liability as a percentage of its covered payroll	46.28%	48.54%	56.00%	47.02%	20.36%
Plan fiduciary net position as a percentage of the total pension liability *	78.24%	77.51%	73.15%	75.62%	88.79%
Plan's net pension liability as a percentage of covered payroll *	101.96%	102.39%	122.32%	51.08%	110.36%
	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0499455%	0.0535172%	0.0486126%	0.0506940%	0.0492569%
District's proportionate share of the net pension liability	\$ 26,749,791	\$ 27,819,906	\$ 26,757,563	\$ 16,209,215	\$ 18,613,469
State's proportionate share of the net pension liability associated with the District	47,111,251	42,855,473	59,370,329	29,315,324	35,875,687
Total	\$ 73,861,042	\$ 70,675,379	\$ 86,127,892	\$ 45,524,539	\$ 54,489,156
District's covered payroll (for Measurement Year)	\$ 64,131,096	\$ 59,841,633	\$ 57,762,926	\$ 57,638,548	\$ 54,965,747
District's proportionate share of the net pension liability as a percentage of its covered payroll	41.71%	46.49%	46.32%	28.12%	33.86%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	75.24%	73.74%	82.17%	78.00%
Plan's net pension liability as a percentage of covered payroll *	114.93%	126.11%	75.93%	92.75%	91.94%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
Teacher Retirement System of Texas
Last Ten Fiscal Years

Exhibit G-3

	2026	2025	2024	2023	2022
Contractually required contributions	\$ 4,543,504	\$ 3,843,930	\$ 3,979,216	\$ 2,902,311	\$ 2,610,314
Contributions in relation to the contractual required contributions	4,543,504	3,843,930	3,979,216	2,902,311	2,610,314
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 101,048,462	\$ 89,955,578	\$ 88,770,581	\$ 78,273,013	\$ 71,517,256
Contributions as a percentage of covered payroll	4.50%	4.27%	4.48%	3.71%	3.65%
	2021	2020	2019	2018	2017
Contractually required contributions	\$ 2,296,451	\$ 2,036,409	\$ 1,561,311	\$ 1,631,479	\$ 1,746,426
Contributions in relation to the contractual required contributions	2,296,451	2,036,409	1,561,311	1,631,479	1,746,426
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 68,037,534	\$ 63,255,930	\$ 59,309,058	\$ 57,762,926	\$ 57,638,548
Contributions as a percentage of covered payroll	3.38%	3.22%	2.63%	2.82%	3.03%

BASTROP INDEPENDENT SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN****Changes of Assumptions**

Measurement	
Year	Changes
2017	None
2018	The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
2019	None
2020	The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.
2021	The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.
2022	Demographic and economic assumptions were updated based on experience study performed for TRS for the period ending August 31, 2021. The primary change was the lowering of the discount rate from 7.25% to 7.00%.
2023	None
2024	None
2025	Salary increase assumption updated to reflect impact of 2025 legislation.

BASTROP INDEPENDENT SCHOOL DISTRICT
Exhibit G-4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Teacher Retirement System of Texas
Last Nine Measurement Years

	2025	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.0848242%	0.0898448%	0.0868162%	0.0790286%	0.0767731%
District's proportionate share of the net OPEB liability	\$ 21,144,384	\$ 27,269,267	\$ 19,219,645	\$ 18,922,608	\$ 29,614,802
State's proportionate share of the net OPEB liability associated with the District	28,052,701	34,168,022	23,191,456	23,082,608	39,677,235
Total	<u>\$ 49,197,085</u>	<u>\$ 61,437,289</u>	<u>\$ 42,411,101</u>	<u>\$ 42,005,216</u>	<u>\$ 69,292,037</u>
District's covered payroll (for Measurement Year)	\$ 90,496,365	\$ 89,908,388	\$ 79,513,558	\$ 72,452,747	\$ 68,497,962
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	23.36%	30.33%	24.17%	26.12%	43.23%
Plan fiduciary net position as a percentage of the total OPEB liability *	18.26%	13.70%	14.94%	11.52%	6.18%
Plan's net OPEB liability as a percentage of covered payroll *	54.93%	67.98%	51.86%	59.10%	100.13%
	2020	2019	2018	2017	
District's proportion of the net OPEB liability	0.0731420%	0.0725201%	0.0700750%	0.0699585%	
District's proportionate share of the net OPEB liability	\$ 27,804,562	\$ 34,295,647	\$ 34,989,064	\$ 30,422,325	
State's proportionate share of the net OPEB liability associated with the District	37,362,666	45,571,242	50,304,933	45,626,872	
Total	<u>\$ 65,167,228</u>	<u>\$ 79,866,889</u>	<u>\$ 85,293,997</u>	<u>\$ 76,049,197</u>	
District's covered payroll (for Measurement Year)	\$ 64,131,096	\$ 59,841,633	\$ 57,762,926	\$ 57,638,548	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	43.36%	57.31%	60.57%	52.78%	
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%	
Plan's net OPEB liability as a percentage of covered payroll *	101.46%	135.21%	146.64%	132.55%	

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

BASTROP INDEPENDENT SCHOOL DISTRICT*Exhibit G-5***SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS****Texas Public School Retired Employees Group Insurance Program (TRS-Care)****Last Nine Fiscal Years**

	2026	2025	2024	2023	2022
Contractually required contributions	\$ 886,069	\$ 778,637	\$ 808,518	\$ 731,172	\$ 637,587
Contributions in relation to the contractual required contributions	886,069	778,637	808,518	731,172	637,587
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 101,048,462	\$ 89,955,578	\$ 88,770,581	\$ 78,273,013	\$ 71,517,256
Contributions as a percentage of covered payroll	0.88%	0.87%	0.91%	0.93%	0.89%
	2021	2020	2019	2018	
Contractually required contributions	\$ 594,546	\$ 549,186	\$ 507,485	\$ 464,562	
Contributions in relation to the contractual required contributions	594,546	549,186	507,485	464,562	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 68,037,534	\$ 63,255,930	\$ 59,309,058	\$ 57,762,926	
Contributions as a percentage of covered payroll	0.87%	0.87%	0.86%	0.80%	

Note: Only nine years' worth of information is currently available.

BASTROP INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN

Changes in Assumptions:

Measurement Year	Discount Rate	Other Changes
2017	3.42%	Updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.
2018	3.69%	Lowered the participation rates and updated the health care trend rate assumption.
2019	2.63%	Lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.
2020	2.33%	Lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.
2021	1.95%	N/A
2022	3.91%	Lowered the participation rates, and updated the healthcare trend rate assumption.
2023	4.13%	Revised demographic and economic assumptions based on the TRS experience study.
2024	3.87%	The tables used to model the impact of aging on the underlying claims were revised.
2025	5.23%	Revised the salary increase rates to match those used in the TRS pension valuation and updates to the health care trend assumptions.



COMBINING FUND FINANCIAL STATEMENTS

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, 2026

Exhibit H-1
Page 1 of 7

		206	211	212	224
		Education for Homeless Children & Youth	Title I, Part A - Improving Basic Programs	Title I, Part C- Education of Migratory Children	IDEA - Part B, Formula
Data Control Codes					
	Assets				
1110	Cash and cash equivalents	\$ 19,436	\$ 2,012,668	\$ 30,081	\$ 1,338,309
1120	Current investments	-	-	-	-
	Receivables:				
1240	Receivables from other governments	54,630	2,270,069	32,144	2,684,668
1260	Due from other funds	-	-	-	-
1000	Total Assets	<u>\$ 74,066</u>	<u>\$ 4,282,737</u>	<u>\$ 62,225</u>	<u>\$ 4,022,977</u>
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 800	\$ -	\$ 77,124
2150	Payroll deduction and withholdings payable	-	16,123	588	46,177
2160	Accrued wages payable	-	102,526	-	406,616
2170	Due to other funds	74,066	4,163,288	61,637	3,493,060
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>74,066</u>	<u>4,282,737</u>	<u>62,225</u>	<u>4,022,977</u>
	Fund Balance:				
	Restricted:				
3450	Grants	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
3490	Other	-	-	-	-
	Committed:				
3545	Campus activity funds	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 74,066</u>	<u>\$ 4,282,737</u>	<u>\$ 62,225</u>	<u>\$ 4,022,977</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
Page 2 of 7

Data Control Codes		225	226	240	244
		IDEA - Part B, Preschool	IDEA - Part B, Discretionary	School Breakfast Program and National School Lunch Program	Career and Technical Education - Basic Grant
	Assets				
1110	Cash and cash equivalents	\$ 32,088	\$ 797,441	\$ 5,509,172	\$ 50,936
1120	Current investments	-	-	-	-
	Receivables:				
1240	Receivables from other governments	26,853	1,149,698	813,605	169,716
1260	Due from other funds	-	-	25,016	-
1000	Total Assets	\$ 58,941	\$ 1,947,139	\$ 6,347,793	\$ 220,652
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 4,271	\$ -
2150	Payroll deduction and withholdings payable	138	-	38,524	-
2160	Accrued wages payable	-	-	319,725	-
2170	Due to other funds	58,803	1,947,139	621,112	220,652
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	58,941	1,947,139	983,632	220,652
	Fund Balance:				
	Restricted:				
3450	Grants	-	-	5,364,161	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
3490	Other	-	-	-	-
	Committed:				
3545	Campus activity funds	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	-	-	5,364,161	-
4000	Total Liabilities and Fund Balances	\$ 58,941	\$ 1,947,139	\$ 6,347,793	\$ 220,652

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
Page 3 of 7

		255	263	281
		Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language	ESSER II - CRRSA Act
Data Control Codes				
	Assets			
1110	Cash and cash equivalents	\$ 270,839	\$ 878,563	\$ -
1120	Current investments	-	-	-
	Receivables:			
1240	Receivables from other governments	377,230	141,279	-
1260	Due from other funds	-	-	1,888
1000	Total Assets	<u>\$ 648,069</u>	<u>\$ 1,019,842</u>	<u>\$ 1,888</u>
	Liabilities and Fund Balance			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ -	\$ 1,661	\$ -
2150	Payroll deduction and withholdings payable	2,816	1,264	-
2160	Accrued wages payable	41,507	2,771	-
2170	Due to other funds	603,746	1,014,146	1,888
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	<u>648,069</u>	<u>1,019,842</u>	<u>1,888</u>
	Fund Balance:			
	Restricted:			
3450	Grants	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-
3490	Other	-	-	-
	Committed:			
3545	Campus activity funds	-	-	-
3600	Unassigned	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 648,069</u>	<u>\$ 1,019,842</u>	<u>\$ 1,888</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
Page 4 of 7

		282	289	386
Data Control Codes		ESSER III - ARP Act	Other Federal Special Revenue Funds	Regional Day School for the Deaf
Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Current investments	-	284,470	-
	Receivables:			
1240	Receivables from other governments	-	179,853	714,689
1260	Due from other funds	2,978	-	1,302,601
1000	Total Assets	\$ 2,978	\$ 464,323	\$ 2,017,290
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ 1,093	\$ 780,701
2150	Payroll deduction and withholdings payable		2,331	17,820
2160	Accrued wages payable	-	20,470	138,909
2170	Due to other funds	2,978	440,429	1,079,860
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	2,978	464,323	2,017,290
Fund Balance:				
Restricted:				
3450	Grants	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-
3490	Other	-	-	-
Committed:				
3545	Campus activity funds	-	-	-
3600	Unassigned	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 2,978	\$ 464,323	\$ 2,017,290

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
Page 5 of 7

		393	397	410	429
Data Control Codes		Texas Successful Schools Program	Advanced Placement Incentives	State Instructional Materials Fund	State Funded Special Revenue Funds
Assets					
1110	Cash and cash equivalents	\$ -	\$ 1,159	\$ -	\$ -
1120	Current investments	-	-	1,313,584	2,295,852
	Receivables:				
1240	Receivables from other governments	-	-	137,092	110,858
1260	Due from other funds	2,534	4,060	127,895	71
1000	Total Assets	\$ 2,534	\$ 5,219	\$ 1,578,571	\$ 2,406,781
Liabilities and Fund Balance					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 12,553	\$ 3,654
2150	Payroll deduction and withholdings payable	-	-	-	1,027
2160	Accrued wages payable	-	-	-	7,875
2170	Due to other funds	-	-	1,409,220	2,400,717
2180	Due to other governments	-	-	-	15,000
2300	Unearned revenue	-	-	93,697	-
2000	Total Liabilities	-	-	1,515,470	2,428,273
Fund Balance:					
Restricted:					
3450	Grants	2,534	-	63,101	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
3490	Other	-	5,219	-	(21,492)
Committed:					
3545	Campus activity funds	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	2,534	5,219	63,101	(21,492)
4000	Total Liabilities and Fund Balances	\$ 2,534	\$ 5,219	\$ 1,578,571	\$ 2,406,781

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
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		459	461	480	498
Data Control Codes		Innovative Serv. Students w/ Autism	Campus Activity Funds	NAESP Grant	Mr. & Mrs. Randy Haydon Choir Scholarship
Assets					
1110	Cash and cash equivalents	\$ -	\$ (3,899)	\$ -	\$ -
1120	Current investments	840,395	-	-	-
	Receivables:				
1240	Receivables from other governments	783,974	-	-	-
1260	Due from other funds	19,505	1,036,645	216	-
1000	Total Assets	<u>\$ 1,643,874</u>	<u>\$ 1,032,746</u>	<u>\$ 216</u>	<u>\$ -</u>
Liabilities and Fund Balance					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 71,098	\$ 50,167	\$ -	\$ -
2150	Payroll deduction and withholdings payable	9,320	632	-	-
2160	Accrued wages payable	66,555	24,467	-	-
2170	Due to other funds	1,502,783	534	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>1,649,756</u>	<u>75,800</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Restricted:					
3450	Grants	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
3490	Other	-	-	216	-
Committed:					
3545	Campus activity funds	-	956,946	-	-
3600	Unassigned	<u>(5,882)</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Total Fund Balances	<u>(5,882)</u>	<u>956,946</u>	<u>216</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,643,874</u>	<u>\$ 1,032,746</u>	<u>\$ 216</u>	<u>\$ -</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Exhibit H-1
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		499	698	
Data Control Codes		Local Grants	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
1110	Cash and cash equivalents	\$ 3,123	\$	\$ 10,939,916
1120	Current investments	-	133,066	4,867,367
	Receivables:			
1240	Receivables from other governments	-	-	9,646,358
1260	Due from other funds	547,835	2,791	3,074,035
1000	Total Assets	\$ 550,958	\$ 135,857	\$ 28,527,676
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ 18,009	\$ 42,776	\$ 1,063,907
2150	Payroll deduction and withholdings payable	2,876	-	139,636
2160	Accrued wages payable	24,813	-	1,156,234
2170	Due to other funds	1,161	29,219	19,126,438
2180	Due to other governments	-	-	15,000
2300	Unearned revenue	-	-	93,697
2000	Total Liabilities	46,859	71,995	21,594,912
Fund Balance:				
Restricted:				
3450	Grants	-	-	5,429,796
3470	Capital acquisitions and contractual obligations	-	63,862	63,862
3490	Other	504,099	-	488,042
Committed:				
3545	Campus activity funds	-	-	956,946
3600	Unassigned	-	-	(5,882)
3000	Total Fund Balances	504,099	63,862	6,932,764
4000	Total Liabilities and Fund Balances	\$ 550,958	\$ 135,857	\$ 28,527,676

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2

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		206	211	212	224
Data Control Codes		Education for Homeless Children & Youth	Title I, Part A - Improving Basic Programs	Title I, Part C- Education of Migratory Children	IDEA - Part B, Formula
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	52,831	2,574,764	41,657	3,003,572
5020	Total Revenues	<u>52,831</u>	<u>2,574,764</u>	<u>41,657</u>	<u>3,003,572</u>
Expenditures					
Current:					
0011	Instruction	-	1,950,202	-	883,449
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	470,659	-	-
0021	Instructional leadership	-	294	-	-
0023	School leadership	-	85,293	-	-
0031	Guidance, counseling and evaluation services	-	-	-	2,120,123
0032	Social work services	52,831	-	41,657	-
0033	Health services	-	502	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	67,814	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
6030	Total Expenditures	<u>52,831</u>	<u>2,574,764</u>	<u>41,657</u>	<u>3,003,572</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2

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Data Control Codes		225	226	240	244
		IDEA - Part B, Preschool	IDEA - Part B, Discretionary	School Breakfast Program and National School Lunch Program	Career and Technical Education - Basic Grant
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 592,656	\$ -
5800	State program revenues	-	-	44,701	-
5900	Federal program revenues	26,853	1,149,698	10,072,537	169,716
5020	Total Revenues	26,853	1,149,698	10,709,894	169,716
Expenditures					
Current:					
0011	Instruction	26,853	1,089,086	-	169,716
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	60,612	-	-
0035	Food service	-	-	9,564,098	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
6030	Total Expenditures	26,853	1,149,698	9,564,098	169,716
1200	Net change in fund balances	-	-	1,145,796	-
0100	Fund Balance - July 1 (Beginning)	-	-	4,218,365	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 5,364,161	\$ -

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2
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		255	263	281
Data Control Codes		Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language	ESSER II - CRRSA Act
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	418,087	673,264	-
5020	Total Revenues	418,087	673,264	-
Expenditures				
Current:				
0011	Instruction	203,516	441,856	-
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	211,081	214,859	-
0021	Instructional leadership	2,240	1,423	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	1,250	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	15,126	-
Debt service:				
0071	Principal on long-term debt	-	-	-
6030	Total Expenditures	418,087	673,264	-
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2
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		282	289	386
Data Control Codes		ESSER III - ARP Act	Other Federal Special Revenue Funds	Regional Day School for the Deaf
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	1,195,921
5900	Federal program revenues	-	253,031	-
5020	Total Revenues		253,031	1,195,921
Expenditures				
Current:				
0011	Instruction	-	60,669	1,195,921
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	17,448	-
0021	Instructional leadership	-	1,690	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	171,792	-
0033	Health services	-	1,432	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Debt service:				
0071	Principal on long-term debt	-	-	-
6030	Total Expenditures		253,031	1,195,921
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2

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		393	397	410	429
Data Control Codes		Texas Successful Schools Program	Advanced Placement Incentives	State Instructional Materials Fund	State Funded Special Revenue Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	1,160	1,450,481	342,050
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>-</u>	<u>1,160</u>	<u>1,450,481</u>	<u>342,050</u>
Expenditures					
Current:					
0011	Instruction	-	-	1,348,343	68,345
0012	Instruction resources and media services	-	-	-	34
0013	Curriculum and instructional staff development	-	1,160	-	-
0021	Instructional leadership	-	-	-	754
0023	School leadership	-	-	-	1,281
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	453
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	292,792
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	102,138	-
6030	Total Expenditures	<u>-</u>	<u>1,160</u>	<u>1,450,481</u>	<u>363,659</u>
1200	Net change in fund balances	-	-	-	(21,609)
0100	Fund Balance - July 1 (Beginning)	<u>2,534</u>	<u>5,219</u>	<u>63,101</u>	<u>117</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 2,534</u>	<u>\$ 5,219</u>	<u>\$ 63,101</u>	<u>\$ (21,492)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2

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		459	461	480	498
<u>Data Control Codes</u>		<u>Innovative Serv. Students w/ Autism</u>	<u>Campus Activity Funds</u>	<u>NAESP Grant</u>	<u>Mr. & Mrs. Randy Haydon Choir Scholarship</u>
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ 1,409,661	\$ -	\$ -
5800	State program revenues	992,952	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>992,952</u>	<u>1,409,661</u>		
Expenditures					
Current:					
0011	Instruction	905,259	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	3,350	-	-	-
0021	Instructional leadership	3,262	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	88,819	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	1,363,883	-	-
0041	General administration	-	-	-	2,709
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
6030	Total Expenditures	<u>1,000,690</u>	<u>1,363,883</u>	<u>-</u>	<u>2,709</u>
1200	Net change in fund balances	(7,738)	45,778	-	(2,709)
0100	Fund Balance - July 1 (Beginning)	<u>1,856</u>	<u>911,168</u>	<u>216</u>	<u>2,709</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ (5,882)</u>	<u>\$ 956,946</u>	<u>\$ 216</u>	<u>\$ -</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Exhibit H-2
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		499	698	
Data Control Codes				Total Nonmajor Governmental
		Local Grants	Capital Projects Fund	Funds
Revenues				
5700	Local, intermediate, and out-of-state	\$ 787,998	\$ 6,409	\$ 2,796,724
5800	State program revenues	-	-	4,027,265
5900	Federal program revenues	-	-	18,436,010
5020	Total Revenues	787,998	6,409	25,259,999
Expenditures				
Current:				
0011	Instruction	70,330	-	8,413,545
0012	Instruction resources and media services	-	-	34
0013	Curriculum and instructional staff development	93,752	-	1,012,309
0021	Instructional leadership	-	-	9,663
0023	School leadership	-	-	86,574
0031	Guidance, counseling and evaluation services	-	-	2,208,942
0032	Social work services	-	-	266,280
0033	Health services	-	-	1,934
0034	Student transportation	-	-	60,612
0035	Food service	-	-	9,564,098
0036	Extracurricular activities	214,018	-	1,577,901
0041	General administration	-	-	4,412
0051	Facilities maintenance and operations	-	154,611	154,611
0052	Security and monitoring services	-	-	292,792
0053	Data processing services	93,000	-	93,000
0061	Community services	-	-	82,940
Debt service:				
0071	Principal on long-term debt	-	-	102,138
6030	Total Expenditures	471,100	154,611	23,931,785
1200	Net change in fund balances	316,898	(148,202)	1,328,214
0100	Fund Balance - July 1 (Beginning)	187,201	212,064	5,604,550
3000	Fund Balance - June 30 (Ending)	\$ 504,099	\$ 63,862	\$ 6,932,764

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2026

Exhibit H-3
Page 1 of 2

Data Control Codes		744	746	747	748
		Performing Arts Center	High School Bistro	Community Education	STARS After School Program
	Assets				
	Current Assets:				
1120	Investments	\$ -	\$ -	\$ -	\$ 834,121
	Receivables:				
1260	Due from other funds	214,221	2,784	187,529	863,090
1290	Other receivables	-	-	-	60
	Total Current Assets	<u>214,221</u>	<u>2,784</u>	<u>187,529</u>	<u>1,697,271</u>
	Noncurrent Assets:				
1520	Building and improvements	31,171	-	-	1,121,286
1570	Accumulated depreciation	(4,453)	-	-	(160,426)
	Total Noncurrent Assets	<u>26,718</u>	<u>-</u>	<u>-</u>	<u>960,860</u>
1000	Total Assets	<u>240,939</u>	<u>2,784</u>	<u>187,529</u>	<u>2,658,131</u>
	Liabilities				
	Current Liabilities:				
2110	Accounts payable	780	-	13,145	52,986
2150	Payroll deductions and withholdings	-	-	91	1,211
2160	Accrued wages payable	-	-	1,914	24,201
2170	Due to other funds	529	-	47	4,536
2000	Total Liabilities	<u>1,309</u>	<u>-</u>	<u>15,197</u>	<u>82,934</u>
	Net Position				
3200	Investment in capital assets	26,718	-	-	960,860
3900	Unrestricted net position	212,912	2,784	172,332	1,614,337
3000	Total Net Position	<u>\$ 239,630</u>	<u>\$ 2,784</u>	<u>\$ 172,332</u>	<u>\$ 2,575,197</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2026

Exhibit H-3
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		749	
Data Control Codes		Employee Child Care	Total
Assets			
Current Assets:			
1120	Investments	\$ -	\$ 834,121
Receivables:			
1260	Due from other funds	264,950	1,532,574
1290	Other receivables	-	60
Total Current Assets		264,950	2,366,755
Noncurrent Assets:			
1520	Building and improvements	-	1,152,457
1570	Accumulated depreciation	-	(164,879)
Total Noncurrent Assets		-	987,578
1000	Total Assets	264,950	3,354,333
Liabilities			
Current Liabilities:			
2110	Accounts payable	1	66,912
2150	Payroll deductions and withholdings	21,710	23,012
2160	Accrued wages payable	132,934	159,049
2170	Due to other funds	110,305	115,417
2000	Total Liabilities	264,950	364,390
Net Position			
3200	Investment in capital assets	-	987,578
3900	Unrestricted net position	-	2,002,365
3000	Total Net Position	\$ -	\$ 2,989,943

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2026

Exhibit H-4

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Data Control Codes		744	746	747	748
		Performing Arts Center	High School Bistro	Community Education	STARS After School Program
	Operating Revenues				
5700	Local and intermediate sources	\$ 190,600	\$ -	\$ 99,731	\$ 880,709
5020	Total Operating Revenues	<u>190,600</u>	<u>-</u>	<u>99,731</u>	<u>880,709</u>
	Operating Expenses				
6100	Payroll costs	97,299	-	20,132	1,062,781
6200	Professional and contracted services	32,242	-	62,177	-
6300	Supplies and materials	10,652	-	2,547	53,488
6400	Other operating expenses	-	-	35	81,312
6449	Depreciation	4,453	-	-	43,841
6030	Total Operating Expenses	<u>144,646</u>	<u>-</u>	<u>84,891</u>	<u>1,241,422</u>
1200	Operating Income (Loss)	<u>45,954</u>	<u>-</u>	<u>14,840</u>	<u>(360,713)</u>
	Income (Loss) before Noncapital Subsidies	45,954	-	14,840	(360,713)
	Noncapital Subsidies				
7915	Transfers in	-	-	-	-
	Total Noncapital Subsidies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Change in Net Position	45,954	-	14,840	(360,713)
0100	Net Position - July 1 (Beginning)	<u>193,676</u>	<u>2,784</u>	<u>157,492</u>	<u>2,935,910</u>
3000	Net Position - June 30 (Ending)	<u>\$ 239,630</u>	<u>\$ 2,784</u>	<u>\$ 172,332</u>	<u>\$ 2,575,197</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2026

Exhibit H-4
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		749	
Data			
Control		Employee	
Codes		Child Care	Total
	Operating Revenues		
5700	Local and intermediate sources	\$ 873,706	\$ 2,044,746
5020	Total Operating Revenues	<u>873,706</u>	<u>2,044,746</u>
	Operating Expenses		
6100	Payroll costs	996,113	2,176,325
6200	Professional and contracted services	-	94,419
6300	Supplies and materials	24,166	90,853
6400	Other operating expenses	5,171	86,518
6449	Depreciation	-	48,294
6030	Total Operating Expenses	<u>1,025,450</u>	<u>2,496,409</u>
1200	Operating Income (Loss)	<u>(151,744)</u>	<u>(451,663)</u>
	Income (Loss) before Noncapital Subsidies	(151,744)	(451,663)
	Noncapital Subsidies		
7915	Transfers in	<u>151,744</u>	<u>151,744</u>
	Total Noncapital Subsidies	<u>151,744</u>	<u>151,744</u>
1200	Change in Net Position	-	(299,919)
0100	Net Position - July 1 (Beginning)	<u>-</u>	<u>3,289,862</u>
3000	Net Position - June 30 (Ending)	<u>\$ -</u>	<u>\$ 2,989,943</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2026

Exhibit H-5
Page 1 of 2

	744	746	747	748
	Performing Arts Center	High School Bistro	Community Education	STARS After School Program
Cash Flows from Operating Activities:				
Cash received from user charges	\$ 190,600	\$ -	\$ 99,731	\$ 880,649
Cash receipts (payments) for interfund services provided	(214,384)	(2,784)	(187,700)	(862,629)
Cash payments to suppliers for goods and services	(43,491)	-	(54,978)	(97,832)
Cash payments to employees	(97,672)	-	(20,623)	(1,064,802)
Net Cash Provided by (Used for) Operating Activities	<u>(164,947)</u>	<u>(2,784)</u>	<u>(163,570)</u>	<u>(1,144,614)</u>
Cash Flows from Non-Capital Financing Activities:				
Advances from other funds	-	-	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(31,171)	-	-	(37,262)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(31,171)</u>	<u>-</u>	<u>-</u>	<u>(37,262)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(196,118)	(2,784)	(163,570)	(1,181,876)
Cash and Cash Equivalents, Beginning of Year	196,118	2,784	163,570	1,181,876
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 45,954	\$ -	\$ 14,840	\$ (360,713)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	4,453	-	-	43,841
Change in Assets and Liabilities:				
Decrease (increase) in Interfund Receivables	(214,221)	(2,784)	(187,529)	(863,090)
Decrease (increase) in Other Receivables	-	-	-	(60)
Increase (decrease) in accounts payable	(597)	-	9,781	36,968
Increase (decrease) in Interfund payable	(163)	-	(171)	461
Increase (decrease) in accrued wages payable	(366)	-	(481)	(2,046)
Increase (decrease) in payroll deductions and withholdings	(7)	-	(10)	25
Total adjustments	<u>(210,901)</u>	<u>(2,784)</u>	<u>(178,410)</u>	<u>(783,901)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (164,947)</u>	<u>\$ (2,784)</u>	<u>\$ (163,570)</u>	<u>\$ (1,144,614)</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2026

Exhibit H-5
Page 2 of 2

	749	
	Employee	
	Child Care	Total
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 873,706	\$ 2,044,686
Cash receipts (payments) for interfund services provided	(264,950)	(1,532,447)
Cash payments to suppliers for goods and services	(32,539)	(228,840)
Cash payments to employees	(988,258)	(2,171,355)
Net Cash Provided by (Used for) Operating Activities	(412,041)	(1,887,956)
Cash Flows from Non-Capital Financing Activities:		
Advances from other funds	151,744	151,744
Net Cash Provided by (Used for) Non-Capital Financing Activities	151,744	151,744
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	-	(68,433)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(68,433)
Net Increase (Decrease) in Cash and Cash Equivalents	(260,297)	(1,804,645)
Cash and Cash Equivalents, Beginning of Year	260,297	1,804,645
Cash and Cash Equivalents at End of Year	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (151,744)	\$ (451,663)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	-	48,294
Change in Assets and Liabilities:		
Decrease (increase) in Interfund Receivables	(264,950)	(1,532,574)
Decrease (increase) in Other Receivables	-	(60)
Increase (decrease) in accounts payable	(2,726)	43,426
Increase (decrease) in Interfund Payable	(476)	(349)
Increase (decrease) in accrued wages payable	9,644	6,751
Increase (decrease) in payroll deductions and withholdings	(1,789)	(1,781)
Total adjustments	(260,297)	(1,436,293)
Net Cash Provided by (Used for) Operating Activities	\$ (412,041)	\$ (1,887,956)

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2026

Exhibit H-6

Data Control Codes		752	753	Total
		Print Shop Fund	Insurance Fund	
Assets				
Current Assets:				
1110	Cash and cash equivalents	\$ 6,420	\$ -	\$ 6,420
1120	Investments	-	1,922,634	1,922,634
Receivables:				
1260	Due from other funds	106,593	2,252,476	2,359,069
1000	Total Assets	113,013	4,175,110	4,288,123
Liabilities				
Current Liabilities:				
2110	Accounts payable	-	3,356	3,356
2150	Payroll deductions and withholdings	45	-	45
2170	Due to other funds	142	768,811	768,953
2200	Accrued expenses	-	109,722	109,722
2000	Total Liabilities	187	881,889	882,076
Net Position				
3900	Unrestricted	112,826	3,293,221	3,406,047
3000	Total Net Position	\$ 112,826	\$ 3,293,221	\$ 3,406,047

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2026

Exhibit H-7

Data Control Codes		752	753	Total
		Print Shop Fund	Insurance Fund	
	Operating Revenues			
5700	Local and intermediate sources	\$ 145,098	\$ 98,673	\$ 243,771
5020	Total Operating Revenues	<u>145,098</u>	<u>98,673</u>	<u>243,771</u>
	Operating Expenses			
6100	Payroll costs	49,953	-	49,953
6300	Supplies and materials	44,992	-	44,992
6400	Other operating expenses	-	398,852	398,852
6030	Total Operating Expenses	<u>94,945</u>	<u>398,852</u>	<u>493,797</u>
1200	Operating Income (Loss)	<u>50,153</u>	<u>(300,179)</u>	<u>(250,026)</u>
	Income (Loss) before Noncapital Subsidies	50,153	(300,179)	(250,026)
	Noncapital Subsidies			
8911	Transfers out	-	(350,000)	(350,000)
	Total Noncapital Subsidies	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>
1200	Change in Net Position	50,153	(650,179)	(600,026)
0100	Net Position - July 1 (Beginning)	<u>62,673</u>	<u>3,943,400</u>	<u>4,006,073</u>
3000	Net Position - June 30 (Ending)	<u>\$ 112,826</u>	<u>\$ 3,293,221</u>	<u>\$ 3,406,047</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2026

Exhibit H-8

	752 Print Shop Fund	753 Insurance Fund	Total
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 38,505	\$ 98,673	\$ 137,178
Cash receipts (payments) for interfund services provided	(61)	(1,483,404)	(1,483,465)
Cash payments to suppliers for goods and services	(51,927)	(846,330)	(898,257)
Cash payments to employees	(49,953)	-	(49,953)
Net Cash Provided by (Used for) Operating Activities	(63,436)	(2,231,061)	(2,294,497)
Cash Flows from Non-Capital Financing Activities:			
Transfers to other funds	-	(350,000)	(350,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	(350,000)	(350,000)
Net Increase (Decrease) in Cash and Cash Equivalents	(63,436)	(2,581,061)	(2,644,497)
Cash and Cash Equivalents, Beginning of Year	69,856	2,581,061	2,650,917
Cash and Cash Equivalents at End of Year	\$ 6,420	\$ -	\$ 6,420
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 50,153	\$ (300,179)	\$ (250,026)
Change in Assets and Liabilities:			
Decrease (increase) in interfund receivables	(106,593)	(2,252,215)	(2,358,808)
Increase (decrease) in accounts payable	(6,935)	(28,667)	(35,602)
Increase (decrease) in Interfund payable	(61)	768,811	768,750
Increase (decrease) in accrued expenses	-	(418,811)	(418,811)
Total adjustments	(113,589)	(1,930,882)	(2,044,471)
Net Cash Provided by (Used for) Operating Activities	\$ (63,436)	\$ (2,231,061)	\$ (2,294,497)

REQUIRED TEXAS EDUCATION AGENCY COMPLIANCE SCHEDULES

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, 2026

Exhibit J-1
Page 1 of 2

	1	2	3	10	20
Year Ended June 30,	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2025	Current Year's Total Levy
	Maintenance	Debt Service			
2017 and prior	Various	Various	Various	\$ 995,903	\$ -
2018	\$ 1.0400	\$ 0.4010	\$ 3,635,450,117	107,307	-
2019	1.0400	0.4010	3,912,309,226	123,847	-
2020	0.9700	0.4010	4,238,921,255	134,848	-
2021	0.9200	0.4010	4,649,846,391	152,441	-
2022	0.8720	0.4010	5,483,464,987	224,543	-
2023	0.8546	0.4010	7,501,693,214	759,876	-
2024	0.6692	0.4010	7,679,816,573	1,554,789	-
2025	0.6669	0.4010	8,471,066,767	3,905,556	-
2026	0.6669	0.4010	8,277,027,812	-	88,390,380
1000 Totals				<u>\$ 7,959,110</u>	<u>\$ 88,390,380</u>

8000 Taxes Refunded

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2026

Exhibit J-1
Page 2 of 2

	31	32	40	50	99
Year Ended June 30,	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2026	Total Taxes Refunded Under Section 26.1115 (c)
2017 and prior	\$ 24,847	\$ 9,582	\$ (316,942)	\$ 644,532	
2018	3,741	1,443	(2,817)	99,306	
2019	4,705	1,814	(5,646)	111,682	
2020	6,835	2,826	(8,459)	116,728	
2021	10,772	4,695	(12,463)	124,511	
2022	33,533	15,456	(29,073)	146,481	
2023	208,198	97,692	(112,520)	341,466	
2024	326,163	195,444	(271,440)	761,742	
2025	753,335	452,972	(910,580)	1,788,669	
2026	<u>52,811,669</u>	<u>31,755,104</u>	<u>-</u>	<u>3,823,607</u>	
1000 Totals	<u>\$ 54,183,798</u>	<u>\$ 32,537,028</u>	<u>\$ (1,669,940)</u>	<u>\$ 7,958,724</u>	
Total taxes receivable per Exhibit C-1				<u>\$ 7,958,724</u>	
8000 Taxes Refunded					<u>\$ 354,945</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2026

Exhibit J-2

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local, intermediate, and out-of-state	\$ 910,000	\$ 910,000	\$ 592,656	\$ (317,344)
State program revenues	70,000	70,000	44,701	(25,299)
Federal program revenues	9,653,000	10,939,000	10,072,537	(866,463)
Total Revenues	<u>10,633,000</u>	<u>11,919,000</u>	<u>10,709,894</u>	<u>(1,209,106)</u>
Expenditures				
Current:				
Food services	<u>10,633,000</u>	<u>11,917,800</u>	<u>9,564,098</u>	<u>2,353,702</u>
Total Expenditures	<u>10,633,000</u>	<u>11,917,800</u>	<u>9,564,098</u>	<u>2,353,702</u>
Net change in fund balance	-	1,200	1,145,796	1,144,596
Fund Balance - Beginning	<u>4,218,365</u>	<u>4,218,365</u>	<u>4,218,365</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,218,365</u>	<u>\$ 4,219,565</u>	<u>\$ 5,364,161</u>	<u>\$ 1,144,596</u>

BASTROP INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2026

Exhibit J-3

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local, intermediate, and out-of-state	\$ 32,250,000	\$ 32,250,000	\$ 34,669,813	\$ 2,419,813
State program revenues	3,000,000	5,100,000	5,094,177	(5,823)
Total Revenues	<u>35,250,000</u>	<u>37,350,000</u>	<u>39,763,990</u>	<u>2,413,990</u>
Expenditures				
Current:				
Debt Service:				
Principal on long-term debt	18,000,000	18,000,000	13,480,000	4,520,000
Interest on long-term debt	20,820,000	20,820,000	23,167,763	(2,347,763)
Bond issuance costs and fees	50,000	50,000	18,200	31,800
Total Expenditures	<u>38,870,000</u>	<u>38,870,000</u>	<u>36,665,963</u>	<u>2,204,037</u>
Excess (deficiency) of revenues over expenditures	(3,620,000)	(1,520,000)	3,098,027	4,618,027
Other Financing Sources (Uses)				
Transfers in	-	-	13,256	13,256
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13,256</u>	<u>13,256</u>
Net change in fund balance	(3,620,000)	(1,520,000)	3,111,283	4,631,283
Fund Balance - Beginning	<u>28,990,691</u>	<u>28,990,691</u>	<u>28,990,691</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 25,370,691</u>	<u>\$ 27,470,691</u>	<u>\$ 32,101,974</u>	<u>\$ 4,631,283</u>

For the year ended June 30, 2026, expenditures exceeded appropriations in the following functions:

- Interest on long-term debt - \$2,347,763

BASTROP INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended June 30, 2026

Exhibit J-4

Bilingual Education Programs

AP1	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP3	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 3,619,614
AP4	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 4,006,439

BASTROP INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For Year Ended June 30, 2026

Exhibit L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	
	(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



**INDEPENDENT AUDITOR'S 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
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 (*Government Auditing Standards*), 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, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

To the Board of Trustees
Bastrop Independent School District

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.

Whitley Penn LLP

Austin, Texas
October 20, 2026

BASTROP INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2026

Exhibit K-2

Data Control Codes	I. Summary of Auditors' Results	
	Financial Statements	
q1	Type of auditors' report issued:	Unmodified
	Internal control over financial reporting:	
q2	Material weakness(es) identified?	No
q3	Significant deficiencies identified that are not considered to be material weaknesses?	None reported
q4	Noncompliance material to financial statements noted?	No

Data Control Codes	II. Financial Statement Findings
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Exhibit K-3

None Reported

