BEEVILLE
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2017

Lovvorn & Kieschnick

CERTIFIED PUBLIC ACCOUNTANTS

LOVVORN & KIESCHNICK, LLP

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BEEVILLE INDEPENDENT SCHOOL DISTRICT

DIRECTORY OF OFFICIALS

AUGUST 31, 2017

BOARD OF TRUSTEES

KEVIN BEHR	PRESIDENT
ORLANDO VASQUEZ	VICE-PRESIDENT
LETICIA MUNOZ	SECRETARY
DARRYL MARTIN	MEMBER
EDDIE SALAZAR	MEMBER
THERESA T. ARTHUR	MEMBER
PETE MARTINEZ	MEMBER

OTHER OFFICIALS

MARC PUIG	SUPERINTENDENT
EVA CISNEROS	EXECUTIVE DIRECTOR OF FINANCE

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Beeville Independent School District
Annual Financial Report
For The Year Ended August 31, 2017

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Introductory Section

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CERTIFICATE OF BOARD

Beeville Independent School District	Bee	013-901
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2017, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

_____ Signature of Board Secretary

_____ Signature of Board President

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

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Financial Section

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Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

Independent Auditor's Report

To the Board of Trustees
Beeville Independent School District
2400 N. St. Mary's Street
Beeville, Texas 78102

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beeville Independent School District ("the District") as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Beeville Independent School District as of August 31, 2017, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beeville Independent School District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2018 on our consideration of Beeville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beeville Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
January 24, 2018

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Management's Discussion and Analysis

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BEEVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2017
UNAUDITED

This section of Beeville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2017. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

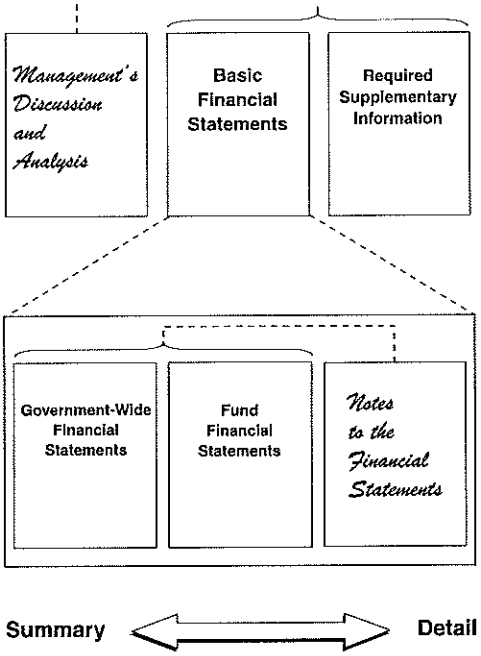
- The District's total combined net position was 28,114,398 at August 31, 2017.
- During the year, the District's expenses were $951,427 more than the $35,543,571 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of $16,845,810.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements, and required supplementary information.* The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was $28,114,398 as of August 31, 2017. (See Table A-1.)

Table A-1

Beeville Independent School District's Net Position

(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Assets			
Cash and Cash Equivalents	17.0	18.7	-9.1%
Property Taxes Receivable (Net)	0.2	0.2	0.0%
Due from Other Governments	2.5	2.2	13.6%
Other Receivables, Net	0.4	0.5	-20.0%
Inventories	0.2	0.3	-33.3%
Capital Assets			
Land	0.3	0.3	0.0%
Buildings, Net	29.4	29.1	1.0%
Furniture and Equipment, Net	0.8	0.8	0.0%
Construction in Progress	-	0.3	-100.0%
Total Assets	50.8	52.4	-3.1%
Deferred Outflows of Resources			
Deferred Charge for Refundings	0.9	1.0	-10.0%
Deferred Outflow Related to Pensions	3.2	3.2	0.0%
Total Deferred Outflows of Resources	4.1	4.2	-2.4%
Liabilities			
Accounts Payable	0.4	0.9	-55.6%
Accrued Liabilities	1.1	0.8	37.5%
Noncurrent Liabilities			
Due within One Year	1.3	1.2	8.3%
Due in More Than One Year	16.3	17.6	-7.4%
Net Pension Liability	7.3	6.6	10.6%
Total Liabilities	26.4	27.1	-2.6%
Deferred Inflows of Resources			
Deferred Inflow Related to Pensions	0.4	0.5	-20.0%
Total Deferred Inflows of Resources	0.4	0.5	-20.0%
Net Position			
Net Investment in Capital Assets	14.2	13.4	6.0%
Federal and State Programs	0.4	0.4	0.0%
Debt Service	0.1	1.0	-90.0%
Unrestricted	13.4	14.3	-6.3%
Total Net Position	28.1	29.1	-3.4%

The $13.4 million of unrestricted net position represents resources available to fund the programs of the District next year.

Changes in Net Position

The District's total revenues were $35.5 million. A significant portion, 26%, of the District's revenues comes from taxes; 51% comes from unrestricted grants, while only 2% relates to charges for services.

The total cost of all programs and services was $36.5 million; 82% of these costs is for instructional and student services.

Governmental Activities

- Property tax revenue increased due to an increase in property valuations.
- Over all, the District's capital assets increased 3.3%. Net capital assets decreased 0.2%.

Table A-2

Changes in Beeville Independent School District's Net Position

(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Primary Government:			
Program Revenues:			
Charges for Services	0.5	0.5	0.0%
Operating Grants and Contributions	7.2	8.8	-18.2%
General Revenues:			
Property Taxes	9.1	9.1	0.0%
State Aid – Formula	18.0	17.2	4.7%
Investment Earnings	0.1	0.1	0.0%
Miscellaneous Local and Intermediate Revenue	0.6	0.4	50.0%
Total Revenues	35.5	36.1	-1.7%
Governmental Activities:			
11 Instruction	20.0	19.6	2.0%
12 Instructional Resources and Media Services	0.4	0.5	-20.0%
13 Curriculum and Instructional Staff Development	0.4	0.2	100.0%
21 Instructional Leadership	1.0	0.5	100.0%
23 School Leadership	1.7	1.6	6.2%
31 Guidance, Counseling and Evaluation Services	1.3	1.2	8.3%
32 Social Work Services	0.1	0.1	0.0%
33 Health Services	0.2	0.2	0.0%
34 Student (Pupil) Transportation	1.2	1.2	0.0%
35 Food Services	2.1	2.0	5.0%
36 Cocurricular/Extracurricular Activities	1.4	1.4	0.0%
41 General Administration	1.4	1.2	16.7%
51 Plant Maintenance & Operations	3.9	4.2	-7.1%
52 Security and Monitoring Services	0.2	0.2	0.0%
53 Data Processing Services	0.4	0.5	-20.0%
72 Debt Service - Interest on Long-Term Debt	0.6	0.5	20.0%
73 Bond Issuance Cost and Fees	-	0.1	-100.0%
81 Capital Outlay	-	0.1	-100.0%
93 Payments Related to Shared Services Arrangements	-	0.3	-100.0%
99 Other Intergovernmental Changes	0.2	0.2	0.0%
Total Primary Government:	36.5	35.8	2.0%
Increase (Decrease) in Net Position	(1.0)	0.3	-433.3%

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was $36,494,998.
- However, the amount that our taxpayers paid for these activities through property taxes was only $9,166,682.
- Some of the cost was paid by those who directly benefited from the programs $534,683 or
- By grants and contributions $7,158,406.

Table A-3

Net Cost of Selected Beeville Independent School District Functions

(in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2017	2016	% Change	2017	2016	% Change
Instruction	20.0	19.6	2.0%	16.8	15.2	10.5%
School Administration	1.4	1.2	16.7%	1.4	1.2	16.7%
Plant Maintenance & Operations	3.9	4.2	-7.1%	3.8	4.1	-7.3%
Debt Service - Interest & Fiscal Charges	0.6	0.7	-14.3%	0.1	0.2	-50.0%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $35,397,525, a decrease of 0.2% less than the preceding year.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 10 times. Even with these adjustments, actual expenditures were $593,980 less than the final budget amounts. The most significant positive variances were from instruction and instructional leadership. In addition, resources available were $580,896 less than final budgeted amounts. This variance was primarily due to a decrease in State funding and other local revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the District had invested $51,841,473 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a net increase (including additions and deductions) of $1,347,062.

Table A-4

Beeville Independent School District's Capital Assets

(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Land	0.3	0.3	0.0%
Buildings and Improvements	47.0	45.4	3.5%
Vehicles	2.8	2.9	-3.4%
Equipment	1.7	1.6	6.2%
Construction in Progress	0.0	0.3	-100.0%
Totals at Historical Cost	51.8	50.5	2.6%
Total Accumulated Depreciation	(21.3)	(19.9)	7.0%
Net Capital Assets	30.5	30.6	-0.3%

Long Term Debt

At year-end the District had $17,631,754 in bonds and notes outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

As a result of the District adopting GASB 68 in fiscal year 2015, the District's proportional share of the Teacher Retirement System net pension liability is reflected as a long-term debt of the District at August 31, 2017.

Table A-5

Beeville Independent School District's Long-Term Debt

(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2016	2017-2016
Bonds and Notes Payable	15.4	16.5	-6.7%
Plus Premiums and Accretion	2.2	2.3	-4.3%
Total Debt - Bonds and Notes	17.6	18.8	-6.4%
Net Pension Liability	7.3	6.6	10.6%
Total Long-Term Debt	24.9	25.4	-2.0%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Local M&O tax cap is $1.17.
- The interest & sinking tax rate for 2017-18 is $0.0354, for a total tax rate of $1.2054.
- The school finance system in place today has not kept pace with district's needs and has resulted in significant funding gaps among school districts statewide.
- The District remains prudent in its spending philosophy while still ensuring that the students of Beeville Independent School District receive a high level education.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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Basic Financial Statements

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BEEVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
AUGUST 31, 2017

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	*Cash and Cash Equivalents*	$ 17,040,814
1225	*Property Taxes Receivable (Net)*	249,067
1240	*Due from Other Governments*	2,488,525
1290	*Other Receivables (Net)*	349,300
1300	*Inventories*	206,839
	Capital Assets:	
1510	*Land*	308,177
1520	*Buildings and Improvements, Net*	29,414,799
1530	*Furniture and Equipment, Net*	792,567
1000	Total Assets	50,850,089
	DEFERRED OUTFLOWS OF RESOURCES:	
1701	*Deferred Charge for Refunding*	894,542
1705	*Deferred Outflow Related to Pensions*	3,187,874
1700	Total Deferred Outflows of Resources	4,082,416
	LIABILITIES:	
2110	*Accounts Payable*	341,379
2140	*Interest Payable*	22,085
2165	*Accrued Liabilities*	1,057,197
2300	*Unearned Revenue*	42,368
	Noncurrent Liabilities:	
2501	*Due Within One Year*	1,281,357
2502	*Due in More Than One Year*	16,350,397
2540	*Net Pension Liability*	7,302,307
2000	Total Liabilities	26,397,087
	DEFERRED INFLOWS OF RESOURCES:	
2605	*Deferred Inflow Related to Pensions*	421,020
2600	Total Deferred Inflows of Resources	421,020
	NET POSITION:	
3200	Net Investment in Capital Assets	14,190,489
	Restricted For:	
3820	Federal and State Programs	440,181
3850	Debt Service	102,105
3900	Unrestricted	13,381,623
3000	Total Net Position	$ 28,114,398

The accompanying notes are an integral part of this statement.

EXHIBIT B-1

BEEVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:				
11	*Instruction*	$ 20,038,981	$ --	$ 3,264,256	$ (16,774,725)
12	*Instructional Resources and Media Services*	446,209	--	7,607	(438,602)
13	*Curriculum and Staff Development*	373,981	--	242,241	(131,740)
21	*Instructional Leadership*	950,120	--	64,606	(885,514)
23	*School Leadership*	1,707,066	--	50,440	(1,656,626)
31	*Guidance, Counseling, & Evaluation Services*	1,295,111	--	253,022	(1,042,089)
32	*Social Work Services*	101,158	--	41,103	(60,055)
33	*Health Services*	229,927	--	4,072	(225,855)
34	*Student Transportation*	1,178,238	--	26,930	(1,151,308)
35	*Food Service*	2,146,389	273,292	1,476,925	(396,172)
36	*Cocurricular/Extracurricular Activities*	1,411,027	261,391	5,002	(1,144,634)
41	*General Administration*	1,397,210	--	21,450	(1,375,760)
51	*Facilities Maintenance and Operations*	3,857,011	--	59,438	(3,797,573)
52	*Security and Monitoring Services*	233,920	--	2,766	(231,154)
53	*Data Processing Services*	371,356	--	5,537	(365,819)
61	*Community Services*	--	--	1,185,569	1,185,569
72	*Interest on Long-term Debt*	557,019	--	447,442	(109,577)
73	*Bond Issuance Costs and Fees*	22,189	--	--	(22,189)
81	*Capital Outlay*	330	--	--	(330)
99	*Other Intergovernmental Charges*	177,756	--	--	(177,756)
TG	Total Governmental Activities	36,494,998	534,683	7,158,406	(28,801,909)
TP	Total Primary Government	$ 36,494,998	$ 534,683	$ 7,158,406	(28,801,909)

	General Revenues:	
MT	*Property Taxes, Levied for General Purposes*	8,872,524
DT	*Property Taxes, Levied for Debt Service*	294,159
IE	*Investment Earnings*	120,444
GC	*Grants and Contributions Not Restricted to Specific Programs*	17,960,652
MI	*Miscellaneous*	602,704
TR	Total General Revenues and Transfers	27,850,482
CN	Change in Net Position	(951,427)
NB	Net Position - Beginning	29,065,825
NE	Net Position - Ending	$ 28,114,398

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

BEEVILLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes		10 General Fund	24 National School Breakfast/Lunch Program	Other Governmental Funds	98 Total Governmental Funds
	ASSETS:				
1110	*Cash and Cash Equivalents*	$ 16,065,595	$ 155,658	$ 819,561	$ 17,040,814
1225	*Taxes Receivable, Net*	218,870	--	30,197	249,067
1240	*Due from Other Governments*	1,858,007	56,607	573,911	2,488,525
1260	*Due from Other Funds*	323,031	--	495,659	818,690
1290	*Other Receivables*	349,300	--	--	349,300
1300	*Inventories*	111,645	95,194	--	206,839
1000	Total Assets	18,926,448	307,459	1,919,328	21,153,235
	LIABILITIES:				
	Current Liabilities:				
2110	*Accounts Payable*	$ 270,795	$ 27,465	$ 43,119	$ 341,379
2150	*Payroll Deductions & Withholdings*	--	--	295	295
2160	*Accrued Wages Payable*	1,052,948	--	3,954	1,056,902
2170	*Due to Other Funds*	495,659	279,994	43,037	818,690
2300	*Unearned Revenue*	42,368	--	--	42,368
2000	Total Liabilities	1,861,769	307,459	90,405	2,259,633
	DEFERRED INFLOWS OF RESOURCES:				
2601	*Unearned Revenue - Property Taxes*	218,869	--	30,197	249,066
2600	Total Deferred Inflows of Resources	218,869	--	30,197	249,066
	FUND BALANCES:				
	Nonspendable Fund Balances:				
3410	*Inventories*	111,645	95,193	--	206,838
	Restricted Fund Balances:				
3450	*Federal/State Funds Grant Restrictions*	--	--	440,181	440,181
3480	*Retirement of Long-Term Debt*	--	--	789,737	789,737
	Committed Fund Balances:				
3510	*Construction*	--	--	490,414	490,414
3545	*Other Committed Fund Balance*	3,301,516	--	78,394	3,379,910
3600	Unassigned	13,432,649	(95,193)	--	13,337,456
3000	Total Fund Balances	16,845,810	--	1,798,726	18,644,536
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 18,926,448	$ 307,459	$ 1,919,328	$ 21,153,235

The accompanying notes are an integral part of this statement.

EXHIBIT C-1R

BEEVILLE INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2017

Total fund balances - governmental funds balance sheet	$ 18,644,536
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	30,515,543
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	249,066
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,400,805)
Payables for bond interest which are not due in the current period are not reported in the funds.	(22,085)
Premiums on issuance of bonds to be amortized over life of debt.	(1,535,202)
Payable for accreted interest on capital appreciation bonds is not reported in the funds.	(695,744)
Deferred charge for refunding is expended in the funds, but is amortized in the statement of net position.	894,542
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(7,302,307)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(421,020)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	3,187,874
Net position of governmental activities - Statement of Net Position	$ 28,114,398

The accompanying notes are an integral part of this statement.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		10 General Fund	24 National School Breakfast/Lunch Program	Other Governmental Funds	98 Total Governmental Funds
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 9,936,441	$ 273,574	$ 523,286	$ 10,733,301
5800	*State Program Revenues*	19,156,307	10,609	998,362	20,165,278
5900	*Federal Program Revenues*	373,192	1,448,976	2,676,778	4,498,946
5020	Total Revenues	29,465,940	1,733,159	4,198,426	35,397,525
	EXPENDITURES:				
	Current:				
0011	*Instruction*	16,198,624	--	2,564,174	18,762,798
0012	*Instructional Resources and Media Services*	419,203	--	--	419,203
0013	*Curriculum and Staff Development*	114,451	--	237,593	352,044
0021	*Instructional Leadership*	844,079	--	49,215	893,294
0023	*School Leadership*	1,601,525	--	76	1,601,601
0031	*Guidance, Counseling, & Evaluation Services*	980,382	--	221,158	1,201,540
0032	*Social Work Services*	53,338	--	39,588	92,926
0033	*Health Services*	215,029	--	--	215,029
0034	*Student Transportation*	1,071,355	--	8,742	1,080,097
0035	*Food Service*	90,594	1,912,729	7,169	2,010,492
0036	*Cocurricular/Extracurricular Activities*	1,202,514	--	179,702	1,382,216
0041	*General Administration*	1,327,159	--	--	1,327,159
0051	*Facilities Maintenance and Operations*	4,146,868	--	--	4,146,868
0052	*Security and Monitoring Services*	156,971	--	64,545	221,516
0053	*Data Processing Services*	414,264	--	--	414,264
0071	*Principal on Long-term Debt*	29,304	--	1,030,000	1,059,304
0072	*Interest on Long-term Debt*	573	--	557,650	558,223
0073	*Bond Issuance Costs and Fees*	--	--	2,000	2,000
0081	*Capital Outlay*	--	--	788,676	788,676
0099	*Other Intergovernmental Charges*	177,756	--	--	177,756
6030	Total Expenditures	29,043,989	1,912,729	5,750,288	36,707,006
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	421,951	(179,570)	(1,551,862)	(1,309,481)
	Other Financing Sources and (Uses):				
7915	*Transfers In*	--	137,279	756,948	894,227
8911	*Transfers Out*	(605,197)	--	(289,030)	(894,227)
7080	Total Other Financing Sources and (Uses)	(605,197)	137,279	467,917	--
1200	Net Change in Fund Balances	(183,246)	(42,291)	(1,083,945)	(1,309,482)
0100	Fund Balances - Beginning	17,029,056	42,291	2,882,671	19,954,018
3000	Fund Balances - Ending	$ 16,845,810	$ --	$ 1,798,726	$ 18,644,536

The accompanying notes are an integral part of this statement.

EXHIBIT C-3

BEEVILLE INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2017

Net change in fund balances - total governmental funds	$	(1,309,482)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		1,381,919
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,453,904)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		13,692
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		1,059,304
The accretion of interest on capital appreciation bonds is not reported in the funds.		(101,507)
(Increase) decrease in accrued interest from beginning of period to end of period.		1,204
Amortization of bond premium and deferred amount is an expense in the SOA but not in the funds.		81,318
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.		(623,971)
Change in net position of governmental activities - Statement of Activities	$	(951,427)

The accompanying notes are an integral part of this statement.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2017

Data Control Codes		Private-purpose Trust Funds	Agency Funds: Student Activity
	ASSETS:		
1110	*Cash and Cash Equivalents*	$ 891	$ 81,501
1800	*Restricted Assets*	52,468	--
1000	Total Assets	53,359	81,501
	LIABILITIES:		
	Current Liabilities:		
2110	*Accounts Payable*	$ 15	$ --
2190	*Due to Student Groups*	--	81,501
2000	Total Liabilities	15	81,501
	NET POSITION:		
3800	*Held in Trust*	53,344	--
3000	Total Net Position	$ 53,344	$ --

The accompanying notes are an integral part of this statement.

EXHIBIT E-2

BEEVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

	Private-Purpose Trusts
Additions:	
Investment Income	$ 167
Contributions	11,305
Total Additions	11,472
Deductions:	
Scholarship Awards	6,419
Benefits	--
Refunds of Contributions	--
Administrative Expenses	--
Total Deductions	6,419
Change in Net Position	5,053
Net Position-Beginning of the Year	48,291
Net Position-End of the Year	$ 53,344

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

The District reports the following major governmental funds:

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

National School Breakfast & Lunch Program: This fund is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture.

In addition, the District reports the following fund types:

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

b. Measurement Focus, Basis of Accounting

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

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

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

3. Financial Statement Amounts

a. Property Taxes

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

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

b. Inventories and Prepaid Items

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

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

c. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Buildings	50
Building Improvements	20-30
Vehicles	8-15
Equipment	5-15
Computer Equipment	5

d. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) 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 and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

e. 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.

Except for delinquent taxes, there are no significant receivables which are not scheduled for collection within one year of year end.

f. Interfund Activity

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

g. Use of Estimates

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

h. Data Control Codes

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

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

4. Pensions

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

At August 31, 2017 the District reported the following:

Net Pension Asset	$	--
Net Pension Liability	$	7,302,307

5. New Accounting Standards Adopted

In fiscal year 2017, the District adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

-- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
-- Statement No. 77, *Tax Abatement Disclosures*
-- Statement No. 80, *Blending Requirements for Certain Component Units*
-- Statement No. 82, *Pension Issues - An Amendment of GASB No. 67, No. 68 and No. 73*

a. Statement No. 74 improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

The District does not administer their OPEB plan through a trust that meets the criteria noted above. As a result, the adoption of GASB Statement No. 74 did not result in a change to the financial statements or note disclosures.

b. The requirements of GASB Statement No. 77 improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District did not have any tax abatement agreements at August 31, 2017.

c. GASB Statement No. 80 clarifies the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

The District did not have any component units which met the definition noted above. As a result, the adoption of GASB Statement No. 80 did not result in a change to the financial statements or note disclosures.

d. GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The financial statements and note disclosures have been updated for the affects of the adoption of GASB Statement No. 82.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

Violation	Action Taken
Other uses in the General Fund exceeded the appropriated amount.	In the future, the budget will be amended before overspending transfers out.

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

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

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Deposits and Investments

The Public Funds Investment Act (Texas Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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 maturiy allowed based on the stated maturity date for the protfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

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 August 31, 2017, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was 10,398,637 and the bank balance was 11,572,625. The District's cash deposits at August 31, 2017 and during the year ended August 31, 2017, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

As of August 31, 2017 the District had the following investments and maturities:

		Investment Maturities (In Years)		
Investments	Fair Values	Less than 1	1 to 2	2 to 3
Investment in Tex STAR	$ 3,180,847	$ 3,180,847	--	--
Investment in TexasTerm	3,596,190	3,596,190	--	--
Total Fair Value	$ 6,777,037	$ 6,777,037	$ --	$ --

Interest Rate Risk - In accordance with state law and District policy, the District does not pruchase any investments with maturities greater than 10 years.

Credit Risk - In accordance with state law and the District's investment policy investments in mutual funds, and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. the District's investments in investment pools were rated AAA.

Concentration of Credit Risk -The District does not place a limit on the amount the District may invest in any one issuer. The District does not have a concentration of credit risk.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possesion of an outside party. The District does not have a custodial credit risk.

The local government investment pools such as Tex STAR and Texas TERM are not evidenced by securities in physical form. They are managed conservatively to provide safe, efficient and liquid investments to Texas governmental entities. The pools both seek to maintain a $1 value per share as required by the Texas Public Funds Investment Act.

Tex STAR is co-administered by JP Morgan Chase and First Southwest Asset Management, Inc. The fair value of the funds in Tex STAR is also the same fair value as Tex STAR shares.

Texas TERM investors elect Advisory Board Members who are responsible for overall management of the Pool, including formulation and implementation of investment and operating policies. The fair value of the funds in Texas TERM is also the same fair value as Texas TERM shares.

Limitations exist for withdrawals in this way: ACH (Automated Clearing House) withdrawals from Tex STAR and TexasTERM are restricted to the account designated by the direct deposit form currently on record. The current authorized direct deposit form designates only the District Depository Bank as the entitiy to use for deposits or withdrawals by ACH. The Superintendent must authorize any new or replacement direct deposit form that would alter or replace the depository bank.

Limitations exist for wire transfers in this way: A Wire Transfer to or from Tex STAR and TexasTERM requires two signatures from authorized representatives in order to be processed.

D. Capital Assets

Capital asset activity for the year ended August 31, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 308,177	$ --	$ --	$ 308,177
Construction in progress	283,586	--	283,586	--
Total capital assets not being depreciated	591,763	--	283,586	308,177
Capital assets being depreciated:				
Buildings and improvements	45,435,337	1,513,227	--	46,948,564
Equipment	1,594,444	152,278	--	1,746,722
Vehicles	2,872,857	--	34,847	2,838,010
Total capital assets being depreciated	49,902,638	1,665,505	34,847	51,533,296
Less accumulated depreciation for:				
Buildings and improvements	(16,293,844)	(1,239,921)	--	(17,533,765)
Equipment	(1,296,698)	(72,865)	--	(1,369,563)
Vehicles	(2,316,331)	(141,118)	(34,847)	(2,422,602)
Total accumulated depreciation	(19,906,873)	(1,453,904)	(34,847)	(21,325,930)
Total capital assets being depreciated, net	29,995,765	211,601	--	30,207,366
Governmental activities capital assets, net	$ 30,587,528	$ 211,601	$ 283,586	$ 30,515,543

Depreciation was charged to functions as follows:

Instruction	$ 795,863
Instructional Resources and Media Services	17,722
Curriculum and Staff Development	14,853
Instructional Leadership	37,735
School Leadership	67,797
Guidance, Counseling, & Evaluation Services	51,436
Social Work Services	4,018
Health Services	9,132
Student Transportation	81,349
Food Services	85,245
Extracurricular Activities	56,040
General Administration	55,491
Plant Maintenance and Operations	153,184
Security and Monitoring Services	9,290
Data Processing Services	14,749
Community Services	--
	$ 1,453,904

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2017, consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	Other Governmental Funds	$	43,037	Short-term loans
General Fund	Food Service Fund		279,994	Short-term loans
Other Governmental Funds	General Fund		495,659	Short-term loans
	Total	$	818,690	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2017, consisted of the following:

Transfers From	Transfers To		Amount	Reason
General fund	Food Service Fund	$	137,279	Supplement other funds sources
General fund	Other Governmental Funds		467,918	Supplement other funds sources
Other Governmental Funds	Other Governmental Funds		289,030	Supplement other funds sources
	Total	$	894,227	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2017, are as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 9/1/16	Issued	Retired	Amounts Outstanding 8/31/17	Amounts Due Within One Year
Bonds and Notes:							
Unlimited Tax Refunding Bonds, Series 2006	3.50% to 4.10%	5,904,686	329,686	--	--	329,686	--
Unlimited Tax School Building Bonds, Series 2008	3.00 % to 4.75%	12,000,000	1,685,000	--	395,000	1,290,000	415,000
Unlimited Tax Refunding Bonds, Series 2010	0.96% to 3.00%	3,580,000	1,680,000	--	545,000	1,135,000	560,000
Unlimited Tax Refunding Bonds, Series 2015	2.00% to 4.00%	7,955,000	7,845,000	--	--	7,845,000	--

Unlimited Tax Refunding Bonds, Series 2015A	2.00% to 4.00%	4,665,000	4,605,000	--	90,000	4,515,000	95,000
Loan STAR Revolving Loan Series 2016	0.25%	315,425	315,425	--	29,303	286,122	39,158
Sub-Totals			16,460,111	--	1,059,303	15,400,808	1,109,158
Accretion on Refundings			594,237	101,507	--	695,744	--
Bond Premiums on Refunding			1,707,401	--	172,199	1,535,202	172,199
Net Pension Liability			6,636,571	1,279,713	613,977	7,302,307	--
Total Bonds and Notes			$ 25,398,320	$ 1,381,220	$ 1,845,479	$ 24,934,061	$ 1,281,357

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2017, are as follows:

	Governmental Activities					
Year Ending	General Obligation Bonds			Loan STAR Revolving Loan		
August 31	Principal	Interest	Total	Principal	Interest	Total
2018	$ 1,070,000	$ 529,100	$ 1,599,100	$ 39,158	$ 679	$ 39,837
2019	1,095,000	496,650	1,591,650	39,255	581	39,836
2020	643,425	987,625	1,631,050	39,354	482	39,836
2021	666,261	986,489	1,652,750	39,452	384	39,836
2022	1,160,000	418,050	1,578,050	39,551	285	39,836
2023-2027	6,375,000	1,495,450	7,870,450	89,352	279	89,631
2028-2032	3,350,000	563,000	3,913,000	--	--	--
2033	755,000	30,200	785,200	--	--	--
Totals	$ 15,114,686	$ 5,506,564	$ 20,621,250	$ 286,122	$ 2,690	$ 288,812

General Obligation Bonds are paid by the Debt Service Fund and Loan STAR Revolving Loan by the General Fund.

Defeased Bonds Outstanding -

The District had $7,955,000 defeased bonds outstanding as of August 31, 2017.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions.

Beeville Independent School District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Events Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC rule 15c2-12 to enable investors to analyze the financial condition and operations of Beeville Independient School District.

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2017, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Compreher Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (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 post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description in (1.) above.

4. Contributions

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

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

Contribution Rates

	2016	2017
Member	7.2%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%

District's 2017 Employer Contributions	$	583,777
District's 2017 Member Contributions	$	1,533,387
NECE 2016 On-Behalf Contributions to District	$	994,136

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

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

--- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

--- During a new member's first 90 days of employment.

--- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

--- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

--- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution the state contribution as an employment after retirement surcharge.

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

5. Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial evaluation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8%
Long-term expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

6. Discount Rate

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

The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2016

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

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

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	$ 11,301,511	$ 7,302,307	$ 3,910,173

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

At August 31, 2017, the District reported a liability of $7,302,307 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	$ 7,302,307
State's proportionate share that is associated with District	11,800,240
Total	$ 19,102,547

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At August 31, 2016 the employer's proportion of the collective net pension liability was 0.0193241%. which was an increase (decrease) of 0.0005495% from its proportion measured as of August 31, 2015.

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

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

For the year ended August 31, 2017, the District recognized pension expense of $1,224,584 and revenue of $1,224,584 for support provided by the State.

At August 31, 2017, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 114,499	$ 218,043
Changes in actuarial assumptions	222,561	202,410
Difference between projected and actual investment earnings	618,345	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,648,692	567
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	583,777	--
Total	$ 3,187,874	$ 421,020

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

Year Ended August 31	Pension Expense Amount
2018	$ 381,060
2019	$ 381,060
2020	$ 775,471
2021	$ 350,756
2022	$ 232,442
Thereafter	$ 62,286

I. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

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

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1% for fiscal years 2017, 2016 and 2015. The active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2017, 2016 and 2015. For the years ended August 31, 2017, 2016, and 2015, the State's contributions to TRS-Care were $14,116, $27,731, and $25,997, respectively, the active member contributions were $129,442, $123,811, and $116,442, respectively, and the District's contributions were $109,530, $104,763, and $98,528, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2017, 2016, and 2015, the subsidy payments received by TRS-Care on behalf of the District were $62,298, $78,139, and $77,439, respectively.

J. Employee Health Care Coverage

During the year ended August 31, 2017, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of $341 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 third party administrator, acting on behalf of the 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 third party administrator is renewable September 1, 2017, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the TRS ActiveCare Aetna are available and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at August 31,2017.

L. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2017, are reported on the combined financial statements as Due from Other Governments and are summarized below:

Fund	State Entitlements	Federal Grants	Other	Total
General	$ 1,849,560	$ --	$ 8,447	$ 1,858,007
Food Service Fund	--	56,607	--	56,607
Other Governmental	69,962	502,196	1,753	573,911
Total	$ 1,919,522	$ 558,803	$ 10,200	$ 2,488,525

M. Unearned Revenue

Unearned revenue at year end consisted of the following:

Revenue Description	General Fund	Other Governmental Funds	Unearned Amount
Other	$ 42,368	$ --	$ 42,368
Total Unearned Revenue	$ 42,368	$ --	$ 42,368

N. Fund Balances

The following is a summary of Governmental Fund fund balances of the District at the year ended August 31, 2016:

General Fund	
Nonspendable:	
Inventories	$ 111,645
Committed:	
Workers compensation self insurance	500,000
Potential tax exemptions	500,000
Major maintenance	500,000
Claims and adjustments	100,000
Insurance deductible	500,000
Construction	750,000
Technology	451,516
	3,301,516
Unassigned:	13,432,649
Total General Fund fund balance	16,845,810
Food Service Fund	
Nonspendable:	
Inventories	95,193
Unassigned:	
Child Nutrition	(95,193)
Total Food Service Fund fund balance	--
Other Governmental Funds	
Restricted:	
Retirement of Long-Term Debt	789,737
State Textbook	431,543
Teacher Training Academies	8,638
	1,229,918
Committed:	
Construction	490,414
Campus Activity Funds	78,394
	568,808
Total Other Governmental Fund fund balance	1,798,726
Total Governmental fund balance	$ 18,644,536

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.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 10,073,324	$ 10,206,779	$ 9,936,441	$ (270,338)
5800	*State Program Revenues*	19,588,557	19,588,557	19,156,307	(432,250)
5900	*Federal Program Revenues*	251,500	251,500	373,192	121,692
5020	Total Revenues	29,913,381	30,046,836	29,465,940	(580,896)
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	*Instruction*	16,034,833	16,365,780	16,198,624	167,156
0012	*Instructional Resources and Media Services*	431,141	431,141	419,203	11,938
0013	*Curriculum and Staff Development*	35,118	112,698	114,451	(1,753)
	Total Instruction & Instr. Related Services	16,501,092	16,909,619	16,732,278	177,341
	Instructional and School Leadership:				
0021	*Instructional Leadership*	909,717	926,517	844,079	82,438
0023	*School Leadership*	1,624,797	1,625,897	1,601,525	24,372
	Total Instructional & School Leadership	2,534,514	2,552,414	2,445,604	106,810
	Support Services - Student (Pupil):				
0031	*Guidance, Counseling and Evaluation Services*	1,037,125	1,037,625	980,382	57,243
0032	*Social Work Services*	52,270	53,370	53,338	32
0033	*Health Services*	243,792	243,982	215,029	28,953
0034	*Student (Pupil) Transportation*	1,095,341	1,095,341	1,071,355	23,986
0035	*Food Services*	27,663	110,363	90,594	19,769
0036	*Cocurricular/Extracurricular Activities*	1,056,687	1,216,872	1,202,514	14,358
	Total Support Services - Student (Pupil)	3,512,878	3,757,553	3,613,212	144,341
	Administrative Support Services:				
0041	*General Administration*	1,243,843	1,400,143	1,327,159	72,984
	Total Administrative Support Services	1,243,843	1,400,143	1,327,159	72,984
	Support Services - Nonstudent Based:				
0051	*Plant Maintenance and Operations*	3,555,901	4,205,168	4,146,868	58,300
0052	*Security and Monitoring Services*	169,174	169,174	156,971	12,203
0053	*Data Processing Services*	396,347	416,647	414,264	2,383
	Total Support Services - Nonstudent Based	4,121,422	4,790,989	4,718,103	72,886
	Debt Service:				
0071	*Principal on Long-Term Debt*	7,875	29,375	29,304	71
0072	*Interest on Long-Term Debt*	--	575	573	2
0073	*Bond Issuance Costs and Fees*	39,375	17,300	--	17,300
	Total Debt Service	47,250	47,250	29,877	17,373
0099	*Other Intergovernmental Charges*	180,000	180,000	177,756	2,244
	Total Intergovernmental Charges	180,000	180,000	177,756	2,244
6030	Total Expenditures	28,141,000	29,637,969	29,043,989	593,980
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	1,772,381	408,867	421,951	13,084
	Other Financing Sources (Uses):				

BEEVILLE INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
7915	*Transfers In*	--	3,200	--	(3,200)
8911	*Transfers Out*	--	(471,117)	(605,197)	(134,080)
7080	Total Other Financing Sources and (Uses)	--	(467,917)	(605,197)	(137,280)
1200	Net Change in Fund Balance	1,772,381	(59,050)	(183,246)	(124,196)
0100	Fund Balance - Beginning	17,029,056	17,029,056	17,029,056	--
3000	Fund Balance - Ending	$ 18,801,437	$ 16,970,006	$ 16,845,810	$ (124,196)

BEEVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 279,131	$ 279,131	$ 273,574	$ (5,557)
5800	*State Program Revenues*	11,000	11,000	10,609	(391)
5900	*Federal Program Revenues*	1,713,445	1,713,445	1,448,976	(264,469)
5020	Total Revenues	2,003,576	2,003,576	1,733,159	(270,417)
	EXPENDITURES:				
	Current:				
	Support Services - Student (Pupil):				
0035	*Food Services*	1,996,127	1,996,127	1,912,729	83,398
	Total Support Services - Student (Pupil)	1,996,127	1,996,127	1,912,729	83,398
6030	Total Expenditures	1,996,127	1,996,127	1,912,729	83,398
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	7,449	7,449	(179,570)	(187,019)
	Other Financing Sources (Uses):				
7915	*Transfers In*	--	--	137,279	137,279
7080	Total Other Financing Sources and (Uses)	--	--	137,279	137,279
1200	Net Change in Fund Balance	7,449	7,449	(42,291)	(49,740)
0100	Fund Balance - Beginning	42,291	42,291	42,291	--
3000	Fund Balance - Ending	$ 49,740	$ 49,740	$ --	$ (49,740)

EXHIBIT G-3

BEEVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2017

	Measurement Year Ended August 31,		
	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.0193241%	0.0187746%	0.0122116%
District's Proportionate Share of Net Pension Liability (Asset)	$ 7,302,307	$ 6,636,571	$ 3,261,887
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	11,800,240	11,047,874	9,825,337
Total	$ 19,102,547	$ 17,684,445	$ 13,087,224
District's Covered Employee Payroll	$ 19,047,717	$ 17,914,128	$ 17,904,766
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	38.34%	37.05%	18.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.00%	78.43%	83.25%

The District will continue to add data until ten years are presented. GASB Statement No. 68 was implemented in fiscal year 2015 and prior year information is not available.

EXHIBIT G-4

BEEVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2017

	Fiscal Year Ended August 31,		
	2017	2016	2015
Contractually Required Contribution	$ 583,777	$ 613,977	$ 555,923
Contribution in Relation to the Contractually Required Contribution	(583,777)	(613,977)	(555,923)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Employee Payroll	$ 19,914,923	$ 19,047,717	$ 17,914,128
Contributions as a percentage of Covered Employee Payroll	2.93%	3.22%	3.10%

The District will continue to add date until ten years are presented. GASB Statement No. 68 was implemented in fiscal year 2015 and prior year information is not available

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2017

Year Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes
2008 and Prior Years	$ Various	$ Various	$ Various
2009	1.04	.2511	541,480,211
2010	1.04	.278	582,675,721
2011	1.04	.2781	568,029,756
2012	1.04	.2583	605,204,187
2013	1.04	.2255	658,435,991
2014	1.04	.2142	730,588,169
2015	1.04	.2142	791,714,700
2016	1.04	.1654	774,837,896
2017 (School Year Under Audit)	1.17	.0354	782,574,415
1000 Totals			

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

10 Beginning Balance 9/1/16	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/17
$ 71,434	$ --	$ 2,077	$ 283	$ (272)	$ 68,802
20,799	--	254	61	(220)	20,264
47,252	--	1,409	377	(260)	45,206
39,226	--	1,284	343	(30)	37,569
47,193	--	2,182	542	104	44,573
52,704	--	6,786	1,472	(658)	43,788
79,408	--	13,767	2,836	(1,221)	61,584
116,334	--	24,489	5,044	(3,487)	83,314
350,079	--	117,426	18,675	(19,309)	194,669
--	9,433,152	8,663,380	261,814	(235,338)	272,620
$ 824,429	$ 9,433,152	$ 8,833,054	$ 291,447	$ (260,691)	$ 872,389
$ --	$ --	$ 80,771	$ --	$ --	$ (80,771)

BEEVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)
GENERAL FUND
AS OF AUGUST 31, 2017

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2017 (Exhibit C-1 object 3000 for the General Fund only)	$ 16,845,810
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	111,645
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	3,301,516
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	--
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	--
7	Estimate of two months' average cash disbursements during the fiscal year	4,600,844
8	Estimate of delayed payments from state sources (58XX)	1,919,522
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
10	Estimate of delayed payments from federal sources (59XX)	558,803
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	10,492,330
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	$ 6,353,480

If Item 13 is a Positive Number
Explanation of need for and/or projected use of net positive Unassigned General Fund Fund Balance:

The District will set aside three months of operational expenses. The District will also use the funds for future buildings, repairs and improvement projects as needed. Funds will also be used to align the District with its Strategic Plan.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	REVENUES:				
5700	*Local and Intermediate Sources*	$ 313,945	$ 313,945	$ 308,777	$ (5,168)
5800	*State Program Revenues*	463,541	463,541	447,442	(16,099)
5020	Total Revenues	777,486	777,486	756,219	(21,267)
	EXPENDITURES:				
	Debt Service:				
0071	*Principal on Long-Term Debt*	1,030,000	1,030,000	1,030,000	--
0072	*Interest on Long-Term Debt*	557,650	557,650	557,650	--
0073	*Bond Issuance Costs and Fees*	4,000	4,000	2,000	2,000
	Total Debt Service	1,591,650	1,591,650	1,589,650	2,000
6030	Total Expenditures	1,591,650	1,591,650	1,589,650	2,000
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(814,164)	(814,164)	(833,431)	(19,267)
1200	Net Change in Fund Balance	(814,164)	(814,164)	(833,431)	(19,267)
0100	Fund Balance - Beginning	1,623,168	1,623,168	1,623,168	--
3000	Fund Balance - Ending	$ 809,004	$ 809,004	$ 789,737	$ (19,267)

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Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

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*

Board of Trustees
Beeville Independent School District
2400 N. St. Mary's Street
Beeville, Texas 78102

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beeville Independent School District, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise Beeville Independent School District's basic financial statements, and have issued our report thereon dated January 24, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
January 24, 2018

Lovvorn & Kieschnick, LLP
418 Peoples Street, Ste. 308
Corpus Christi, TX 78401

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

Board of Trustees
Beeville Independent School District
2400 N. St. Mary's Street
Beeville, Texas 78102

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Beeville Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Beeville Independent School District's major federal programs for the year ended August 31, 2017. Beeville Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Beeville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

Corpus Christi, TX
January 24, 2018

BEEVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
One or more material weaknesses identified?	____	Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	____	Yes	X	None Reported
Noncompliance material to financial statements noted?	____	Yes	X	No

2. Federal Awards

Internal control over major programs:				
One or more material weaknesses identified?	____	Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	____	Yes	X	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?	____	Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I, Part A - Improving Basic Programs
84.367A	Title II, Part A - Teacher & Principal Training & Recruiting

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes	____	No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BEEVILLE INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2017

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
N/A - No prior findings		

BEEVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2017

Program	Corrective Action Plan
None	N/A

BEEVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2017

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U. S. Department of Education				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010A	1661010101	$ --	$ 93,661
ESEA Title I Part A - Improving Basic Programs	84.010A	1761010101390	--	1,098,495
ESEA Title I Part A - Improving Basic Programs	84.010A	1861010101390	--	116,219
Title I 1003(A) Priority Focus and School Grant	84.010A	1661011201390	--	13,425
Title I 1003(A) Priority Focus and School Grant	84.010A	1761011201390	--	143,289
Total CFDA Number 84.010A			--	1,465,089
IDEA-B Cluster:				
IDEA-B Formula	84.027A	1666000101390	--	4,923
IDEA-B Formula	84.027A	1766000101390	--	704,071
IDEA-B Formula	84.027A	1866000101390	--	105,021
IDEA-B Preschool	84.173A	1766100101390	--	20,108
Total IDEA-B Cluster			--	834,123
Career and Technical - Basic Grant	84.048A	1742000601390	--	42,878
ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	1669600101390	--	582
ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	1769600101390	--	61,287
ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	1869600101390	--	2,766
Total CFDA Number 84.358B			--	64,635
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	1669450101390	--	204
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	1769450101390	--	231,062
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	1869450101390	--	31,618
Total CFDA Number 84.367A			--	262,884
Total Passed Through State Department of Education			--	2,669,609
Total U. S. Department of Education			--	2,669,609
U. S. Department of Agriculture				
Passed Through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	013-901	--	274,609
National School Lunch Program	10.555	013-901	--	1,125,039
Summer Food Service Program	10.559	013-901	--	7,169
Total Child Nutrition Cluster			--	1,406,817
Commodity Supplemental Food Program	10.565	013-901	--	49,328
Total Passed Through State Department of Education			--	1,456,145
Total U. S. Department of Agriculture			--	1,456,145
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ --	$ 4,125,754

The accompanying notes are an integral part of this schedule.

BEEVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2017

Federal Assistance Reconciliation

Federal Grants and Contracts Revenues per Exhibit C-2	$	4,498,946
Less: School Health & Related Services (SHARS) reported in General Fund		(373,192)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	$	4,125,754

Basis of Presentation

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

Summary of Significant Accounting Policies

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

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