

# BURLESON ISD COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED  
JUNE 30, 2020**

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**Independent School District  
Burleson, Texas**



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2020

Prepared by:  
Brenda Mize, Chief Financial Officer

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**Burleson Independent School District**  
Comprehensive Annual Financial Report

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# **Introductory Section**

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**1160 SW Wilshire Blvd. • Burleson, Texas 76028 • 817.245.1000 • Fax: 817.447.5737 • [www.burlesonisd.net](http://www.burlesonisd.net)**

November 9, 2020

Board of Trustees and Citizens of  
Burleson Independent School District

Dear Board Members and Citizens:

In accordance with §44.008 of the Texas Education Code, an annual audit shall be performed by a certified public accountant (CPA), internal auditor and/or state auditor holding a permit from the Texas State Board of Public Accountancy. The audit must be completed at the close of each fiscal year and shall include an audit of the accuracy of the fiscal information provided by the District through the Public Education Information System (P.E.I.M.S.).

The Comprehensive Annual Financial Report (CAFR) of the Burleson Independent School District (District), approved by the Board of Trustees, is filed with the Texas Education Agency no later than the 150<sup>th</sup> day after the end of the fiscal year for which the audit was made. All District funds have been audited and the auditor's reports are included within this report.

The CAFR consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Because of cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The District engaged Weaver and Tidwell, L.L.P., Certified Public Accountants, to audit the District's financial statements. Their unmodified opinion based upon the audit of the Burleson Independent School District's financial statements for the fiscal year ended June 30, 2020 is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the District**

In 1901, Burleson's first school, the Red Oak Academy was constructed. It was destroyed by fire in 1909. The State of Texas granted a charter for an independent school district and the citizens of Burleson voted to construct a new school. By 1910 the new school was opened. Burleson Independent School District is located just south of Fort Worth in Tarrant and Johnson Counties. Burleson ISD covers 52 square miles. Burleson ISD has a tradition of providing an excellent education with highly-qualified teachers passionate and dedicated to student success. Burleson ISD has 18 schools serving 12,775 students. BISD employs approximately 1,560 staff members with 61% serving as classroom instructional employees.

## **Governing Body**

Residents of the district elect a seven member Board of Trustees, each of which serves for three years without compensation. On a rotating basis, two or three places are filled during annual elections held the second Saturday in May.

Regular meetings are normally scheduled the second Monday of the month and are held in the District's administration building. Special meetings are scheduled as needed and announced in compliance with public notice requirements. The Board shall constitute a body corporate and shall have the exclusive power to govern and oversee the management of the public schools of the District. Decisions of the Board are based on a majority vote of the quorum present.

Governing the school district is the primary role of a school board. School board members are guardians of the public trust by adopting policies that inform district actions. Key roles and responsibilities of a school board are ensuring creation of a vision and goals for the district and evaluating district success, hiring a superintendent to serve as the chief executive officer of the District and evaluating the superintendent's success, approving an annual budget consistent with the District vision, and communicating the District's vision and success to the community.

## **Strategic Plan**

### **Core Values:**

- We believe in setting high expectations for all.
- We believe in cultivating and sustaining intellectual curiosity.
- We believe each student's voice is important in the decisions made about their education.
- We believe families matter and deserve the opportunity to be heard and considered.
- We believe in the intentional development of student character.
- We believe strong, positive relationships develop engaged students, respectful communities and a sense of belonging.
- We believe in recognizing and nurturing each individual's strengths and talents.
- We believe in honoring the unique needs of the individual while creating a physically and emotionally safe learning environment.
- We believe that fun is an integral part of the learning process.
- We believe growth occurs through challenge.

## **Objectives:**

- Each student will be able to communicate and compete globally.
- Each student will graduate with the ability to showcase and communicate their unique talents and achievements.
- Each student will be able to independently identify a problem, effectively collaborate, and communicate innovative solutions that positively impact society.
- Each student will successfully transition out of high school with the opportunity to earn a debt-free college degree or post-secondary certification.

## **Strategies:**

- We will design an engaging and challenging curriculum that develops each student's ability to read, write, think, and defend.
- We will provide students with multiple avenues for specialized instruction and opportunities to advance at their own pace.
- We will equip teachers with the resources, training, and time necessary to achieve our strategic objectives.
- We will establish a college-going culture on every BISD campus that intentionally prepares students for future endeavors.
- We will offer educational programs of choice that nurture students' unique talents and promote global citizenship.

## **Budget Process**

**Budget Adoption.** The District annually adopts legally authorized appropriated budgets for the general fund, debt service fund, and National School Lunch Program special revenue fund. The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Before June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. 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.
3. Before July 1, the Board legally enacts the budget through passage of a resolution.

The appropriated budget is prepared by fund, function, major object, and campus/department. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

**Tax Rate Adoption.** The District Tax Assessor-Collector and Chief Financial Officer calculated the estimated rollback tax rate and published the required legal notice in June 2019. The Board of Trustees held the required public meeting on June 17, 2019, to discuss the proposed tax rate of \$1.06835 maintenance and operations (General Fund) + \$.50 interest and sinking (Debt Service Fund) = \$1.56835 per \$100 taxable valuation, however no action was taken. The Board of Trustees held the required public meeting on August 12, 2019, to discuss and adopt the 2019 proposed tax rate.

## **Accounting System**

The District follows certain methods and procedures of accounting for revenues and disbursements as required by Texas Education Code. These methods and procedures are outlined by TEA Financial Accountability System Resource Guide. The business and purchasing operations of the District are under the direction of the Superintendent and the Chief Financial Officer.

The District contracts with Skyward for computer services, which record all revenues realized and all expenditures made during the fiscal year. The records include a statement showing total receipts from each fund, itemized according to source; total disbursements, itemized according to the nature of expenditures; and the balance on hand in each fund. The records are kept in the business office under the direction of the Chief Financial Officer.

The annual operating budget is a site-based decision making process. This process is designed to allow schools and central office departments to plan future operations in a manner which best serves the needs of students. Each principal/supervisor works with a total appropriation. Individual allocations will be determined at the campus level and site based shared decision making requires input from the faculty.

## **Economic Condition and Outlook**

Burleson is located along the southwestern edge of the Dallas / Fort Worth Metroplex, on Interstate Highway 35W and State Highway 174, and the Chisolm Trail Tollway. Economically, this region is ranked as one of the most robust in Texas, a state that in recent years has trended well ahead of a strong national economy.

Once largely agricultural, these areas have developed into a form of semi-urban, residential use. With vibrant retail destinations and commercial development, many of the individuals residing in these adjacent areas shop, dine, and send their children to schools located in Burleson. The combination of highway accessibility and more than 295,000 people located within a 15 minute drive-time create a community with a strong and growing trade area.

The COVID-19 pandemic creates a significant amount of economic uncertainty. Because the underlying economy was strong prior to this situation, the decline is likely to be more of a pause than a fundamental change, particularly if safe and effective measures to resume activity are successful. There will definitely be some lasting shifts in both attitudes and actions. Certain behaviors will change and we will forever view the economy through a different lens.

## **State Funding Components**

- Maintenance and Operations Tax Rate – \$1.06835
- Interest and Sinking Tax Rate – \$0.50
- Basic Allotment – \$6,160
- Per Capita Rate – 319.713



## **State Accountability System**

The 85th Texas Legislature passed House Bill (HB) 22, establishing three domains for measuring the academic performance of districts and campuses: Student Achievement, School Progress, and Closing the Gaps. Districts will receive a rating of A, B, C, D, or F for overall performance, as well as for the performance in each domain. The District received an overall rating of B.

## **Awards**

**GFOA Certificate of Achievement.** Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Burleson Independent School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

**Texas Comptroller Financial Transparency Stars.** The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information. The Burleson Independent School District has been awarded a Transparency Star in Traditional Finances and Debt Obligation.

The previous transparency system, the Texas Transparency Leadership Circle, was an online system which ensured that taxpayer dollars were spent efficiently by ensuring decisions were made in the open and on the record. Burleson ISD received that award, the Gold Level **Leadership Circle** for Financial Transparency, from 2011-2018.

## **Acknowledgements**

The presentation and development of this report would not have been possible without the special efforts of the business office and cooperation of contributing staff members. We would also like to express our appreciation to the Board of Trustees for their interest and support regarding District financial operations.

Sincerely,

  
Dr. Bret Jimerson  
Superintendent  
Brenda Mize  
Chief Financial Officer

**Burleson Independent School District**  
Board of Trustees, Administrators, and Consultants

**Board of Trustees**

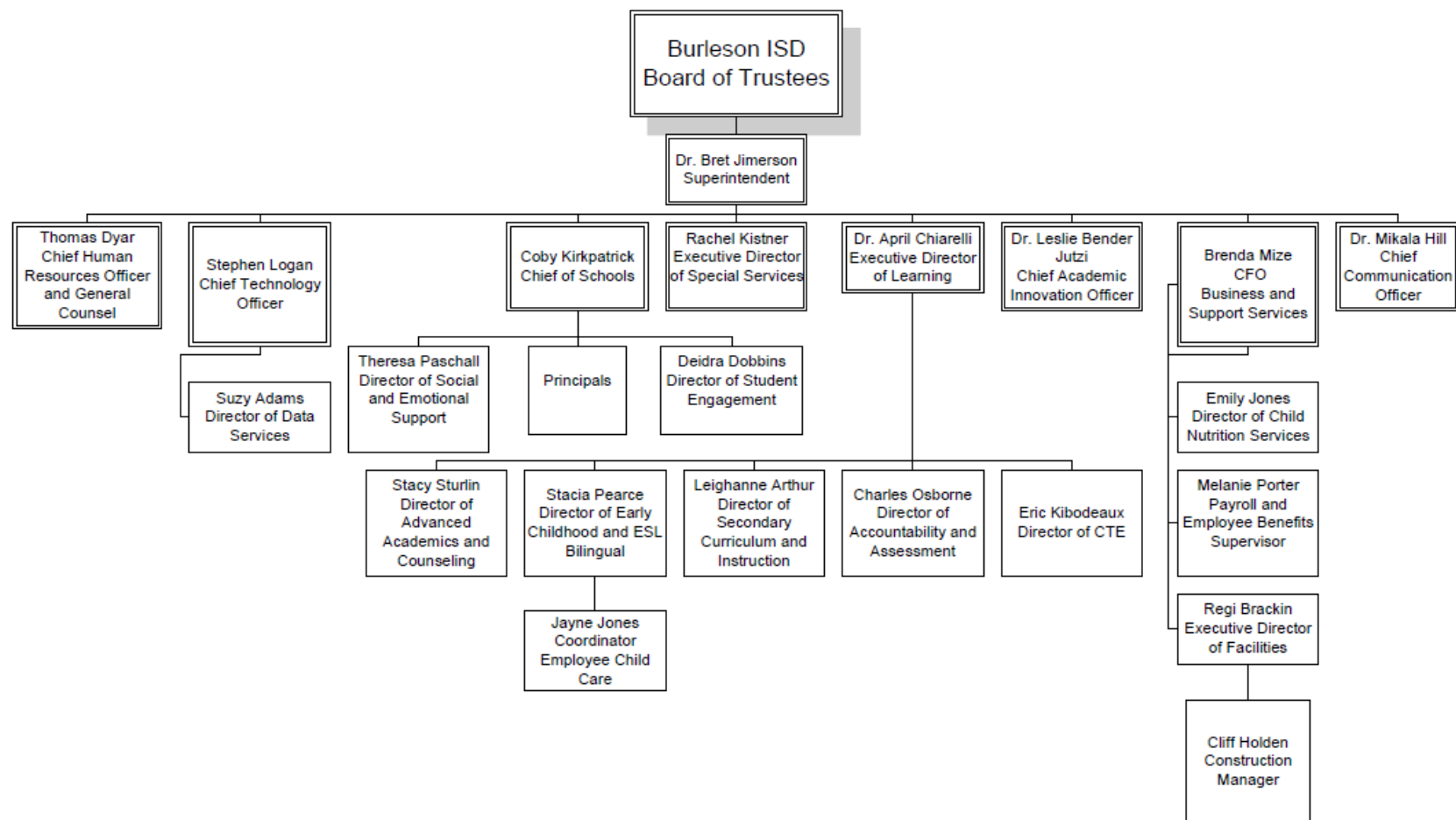
Pat Worrell.....	President
Staci Eisner.....	Vice-President
Ryan Richardson.....	Secretary
Michael Ancy.....	Member
Jerri McNair .....	Member
Shawn Minor.....	Member
Andy Pickens.....	Member

**Administrative Staff**

Dr. Bret Jimerson .....	Superintendent of Schools
Dr. April Chiarelli .....	Executive Director of Learning
Thomas Dyar .....	Chief Human Resources Officer and General Counsel
Dr. Leslie Bender-Jutzi .....	Chief Academic Innovation Officer
Rachel Kistner.....	Executive Director of Special Services
Coby Kirkpatrick .....	Chief of Schools
Dr. Mikala Hill .....	Chief Communication Officer
Steve Logan .....	Chief Technology Officer
Brenda Mize .....	Chief Financial Officer

**Consultants and Advisors**

Weaver and Tidwell, L.L.P.....	Independent Auditor
Brackett & Ellis .....	Legal Counsel
Underwood Law Firm .....	Legal Counsel
SAMCO Capital.....	Financial Advisor
Norton Rose Fulbright.....	Bond Counsel





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Burleson Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

### Certificate of the Board

Burleson Independent School District  
Name of School District

Johnson  
County

126-902  
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2020 at a meeting of the Board of Trustees of such school district on the 9th day of November, 2020.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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## **Financial Section**

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## Independent Auditor's Report

To the Board of Trustees of  
Burleson Independent School District  
Burleson, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Burleson Independent School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.

2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107

Main: 817.332.7905 / Fax: 817.429.5936

CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)

***Other Matters***

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed 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 an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency and statistical section are presented for purposes of additional analysis and are 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 Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency, 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 combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Board of Trustees of  
Burleson Independent School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 9, 2020

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**BURLESON INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

As management of Burleson Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2020. Please read this narrative in conjunction with the independent auditor's report on page 3, and the District's Basic Financial Statements that begin on page 17.

**Financial Highlights**

- On a government-wide basis, the liabilities and deferred inflows of Burleson Independent School District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$19,443,996 (net position). Unrestricted net position was (\$25,729,528) as of June 30, 2020.
- The District's total net position increased by \$7,990,826 which is due to an increase in attendance and property tax revenue.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$78,333,036. Approximately 46% of this total amount, \$35,952,065, is unassigned and available for use within the District's designations and policies.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$35,952,065 or 35% of the total general fund expenditures.
- The District's Enterprise Fund net position decreased by \$152,407 from operations with net position of \$174,182. Decrease in the Enterprise Fund was a result of the daycare closing March 17, 2020 due to the COVID-19 pandemic and employees retained their payroll.

Overview of the Financial Statements

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

Fund financial statements (starting on page 20) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental funds, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The District maintains a proprietary type fund shown as an Enterprise Fund for the business-type activities in the government-wide financial statements. This fund is used to account for the District's Day Care Fund. The District also maintains a proprietary type fund shown as an Internal Service Fund for the governmental activities in the government-wide financial statements. This fund is used to account for the District's Insurance Fund.

These proprietary fund statements may be found on pages 27-29 of this report. The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

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

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

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

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

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

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

- **Governmental activities**-Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- **Business-type activities**-The District does have a program in which it charges a fee to "customers" to help it cover all or most of the cost of services it provides. Thus, the District Daycare was a business-type activity during the current fiscal year.

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

### *Fund Financial Statements*

The fund financial statements begin on page 20 and provide detailed information about the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds such as grants received under the Every Student Succeeds Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

- Governmental funds-Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds-Accounted and budgeted for using the full-accrual basis of accounting. Under this method, revenues are recognized when they are earned and measurable, while expenses are recognized when they are incurred. These are used to account for operations that provide services and/or goods for a fee.

## **The District as Trustee**

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

The District is the trustee, or fiduciary, for money raised by student activities. The District's fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 30. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

## **Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. On June 30, 2020, assets and deferred outflows have fallen behind liabilities and deferred inflows by \$19.4 million with an increase in net position of \$7,990,826, indicating that the District's overall financial position remains sound. A portion of the District's net represented resources subject to external restrictions on how they may be used. As of June 30, 2020, the District's restricted net position for grant funds was \$546,817 and restricted net position for debt service was \$8.3 million. As of June 30, 2020, the unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements was a deficit of \$25.7 million.

The net investment in capital assets is a deficit \$2.5 million. The District uses capital assets to provide services; consequently, these assets are not available for future appropriation. Although the District's investment in its capital assets is reported net of related debt, it should be understood that the resources needed to repay District debt is provided from other resources, since the capital assets themselves cannot be used to meet debt obligations.

### *Business-type Activities*

The only business-type activity operated by the District is the child care center.

The following table presents a comparison summary of the District's net position for the fiscal year ended June 30, 2020 and fiscal year ended June 30, 2019:

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	94,704,255	110,243,637	\$ 267,051	\$ 401,268	\$ 94,971,306	\$ 110,644,905
Capital assets	335,726,287	329,033,697	-	-	335,726,287	329,033,697
Long term investments	1,002,506	998,421	-	-	1,002,506	998,421
Total assets	<u>431,433,048</u>	<u>440,275,755</u>	<u>267,051</u>	<u>401,268</u>	<u>431,700,099</u>	<u>440,677,023</u>
Deferred outflow of resources	\$ 40,969,632	40,994,129	-	-	40,969,632	40,994,129
Current Liabilities	\$ 33,892,262	\$ 44,926,053	\$ 92,869	\$ 74,679	\$ 33,985,131	\$ 45,000,732
Long-term liabilities	433,980,529	449,238,213	-	-	433,980,529	449,238,213
Total liabilities	<u>467,872,791</u>	<u>494,164,266</u>	<u>92,869</u>	<u>74,679</u>	<u>467,965,660</u>	<u>494,238,945</u>
Deferred inflow of resources	24,148,067	14,867,029	-	-	24,148,067	14,867,029
Net position						
Net investment in capital assets	(2,523,086)	(6,871,592)	-	-	(2,523,086)	(6,871,592)
Restricted	8,808,618	11,206,645	-	-	8,808,618	11,206,645
Unrestricted	(25,903,710)	(32,096,464)	174,182	326,589	(25,729,528)	(31,769,875)
Total net position	<u>\$ (19,618,178)</u>	<u>\$ (27,761,411)</u>	<u>\$ 174,182</u>	<u>\$ 326,589</u>	<u>\$ (19,443,996)</u>	<u>\$ (27,434,822)</u>

Table II presents a summary of the changes in net position for the fiscal year ended June 30, 2020 with a comparison to the fiscal year ended June 30, 2019. Net position of the District's governmental activities increased \$8.1 million from a deficit of \$27.8 million in the prior year.

Costs in the business-type activities exceeded revenues, resulting in a \$152,407 decrease in net position.



	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 5,368,444	\$ 6,679,225	\$ 558,003	\$ 706,761	\$ 5,926,447	\$ 7,385,986
Operating grants and contributions	18,090,460	18,504,169	45,463	33,402	18,135,923	18,537,571
General Revenues						
Maintenance and operations taxes	53,982,021	52,882,627	-	-	53,982,021	52,882,627
Debt service taxes	25,234,174	22,463,135	-	-	25,234,174	22,463,135
State aid	64,798,129	51,524,236	-	-	64,798,129	51,524,236
Investment Earnings	1,193,675	2,558,767	-	-	1,193,675	2,558,767
Miscellaneous	587,058	831,670	-	-	587,058	831,670
Total Revenue	169,253,961	155,443,829	603,466	740,163	169,857,427	156,183,992
Expenses						
Instruction, curriculum and media services	90,668,591	78,212,942	-	-	90,668,591	78,212,942
Instructional and school leadership	11,600,007	10,138,401	-	-	11,600,007	10,138,401
Student support services	11,581,473	10,452,318	-	-	11,581,473	10,452,318
Child nutrition	7,589,065	7,098,022	-	-	7,589,065	7,098,022
Extracurricular activities	4,707,026	4,371,801	-	-	4,707,026	4,371,801
General administration	4,585,909	4,094,256	-	-	4,585,909	4,094,256
Plant maintenance, security & data processing	16,409,898	13,598,774	-	-	16,409,898	13,598,774
Community Services	1,173,873	1,002,886	755,873	655,083	1,929,746	1,657,969
Debt service	12,794,886	15,707,900	-	-	12,794,886	15,707,900
Intergovernmental charges	-	-	-	-	-	-
Total Expenses	161,110,728	144,677,300	755,873	655,083	161,866,601	145,332,383
Excess before transfers	8,143,233	10,766,529	(152,407)	85,080	7,990,826	10,851,609
Transfers in (out)	-	-	-	-	-	-
Change in net position	8,143,233	10,766,529	(152,407)	85,080	7,990,826	10,851,609
Net position at beginning of year	(27,761,411)	(38,527,940)	326,589	241,509	(27,434,822)	(38,286,431)
Net position at end of year	\$ (19,618,178)	\$ (27,761,411)	\$ 174,182	\$ 326,589	\$ (19,443,996)	\$ (27,434,822)

As shown in Table II, the cost of all governmental activities for the current fiscal year was \$161,110,728. However, as shown in the Statement of Activities on page 18, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$79,216,195 because some of the costs were paid by those who directly benefited from the programs (\$5,368,444) or by other governments and organizations that subsidized certain programs with grants and contributions offset by NECE contributions related to OPEB (\$18,090,460) or by State equalization funding (\$64,798,129).

## **The District's Funds**

As the District completed the fiscal year, its governmental funds (as presented in the balance sheet on page 20) reported a combined fund balance of \$78,333,036, which is \$8,908,465 less than last year's total of \$87,241,501. Included in this year's total change in fund balance is an increase of \$8,054,782 in the District's General Fund, a decrease of \$93,785 in the District's Debt Service Fund, and a decrease of \$15,827,162 in the District's Capital Projects Fund.

Over the course of the fiscal year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the fiscal year and reflect the actual beginning balances (versus the amounts we estimated in June 2019). The second category includes changes that the Board made during the fiscal year to reflect new information regarding revenue sources and expenditure needs. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$36,222,707 reported on page 20 differs from the General Fund's budgetary fund balance of \$39,588,113 reported in the budgetary comparison schedule on page 66. This is principally due to expenditures less than budgeted of \$654,799 and transfers out of \$6,937,298.

The debt service fund has a total fund balance of \$16,186,289, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments including bond fees for the year ended June 30, 2020 were \$29,471,015.

The capital projects fund has a total fund balance of \$23,618,935 of which \$21,676,187 is committed for authorized construction and technology projects/enhancements and \$1,942,748 is restricted related to bond proceeds. The net decrease in fund balance during the current year of \$15,827,162 was due to the expenditure of funds in completing construction projects in the amount of \$20,054,949.

The day care fund has total net position of \$174,182, after recording a decrease of \$152,407 for the year.

## **Capital Assets and Debt Administration**

### Capital Assets

At June 30, 2020, the District had \$335,726,287 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$6,692,590 above last year.

More detailed information about the District's capital assets is presented in Note 3 to the financial statements.

### Debt Administration

At year-end, the District had \$446,127,706 in bonds and other long-term liabilities outstanding (including accreted interest on bonds) versus \$466,825,518 last year—a decrease of \$20,697,812. This decrease was largely driven by refunding of \$19,990,000 in school building bonds and OPEB liability of \$39,330,928. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies.

More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.

Land	\$ 12,020,716
Buildings	409,648,338
Furniture and Equipment	9,287,910
Total Capital Assets	<u>430,956,964</u>
Less Accumulated Depreciation	<u>(95,230,677)</u>
Related Debt	
Bonds Payable and Capital Leases	324,376,355
Premium on Capital Appreciation Bonds	30,310,763
Less Deferred Loss on Refunding	<u>(14,494,997)</u>
Net Related Debt	<u>340,192,121</u>
Unspent Bond Proceeds	<u>1,942,748</u>
Net Investment in capital assets	<u>\$ (2,523,086)</u>

Net position: Net Investment in Capital Assets

At June 30, 2020, the District had invested \$335,726,287 in capital assets with \$340,192,121 from debt financing. Then the amount of unspent bond proceeds totaled \$1,942,748. The net position of \$(2,523,086) is derived from netting the total assets, net of related debt with accumulated depreciation (non-cash expenditure) resulting in a current year calculation of \$(2,523,086) for Net Investment in Capital Assets.

#### **Economic Factors and Next Year's Budgets and Rates**

- The General Fund budgeted expenditures for the 2020-2021 year increased \$4.5 million compared to the 2019-2020 budgeted expenditures.
- The District decreased the maintenance and operations property tax rate at \$1.0383 per \$100 valuation. The debt service rate remained \$0.50 per \$100 valuation. Based on this information and rates, budgeted local tax revenues increased by approximately \$3 million and State foundation funding decreased approximately \$2.5 million.

#### **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 show 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 business office, at Burleson Independent School District, 1160 SW Wilshire Blvd., Burleson, Texas 76028 (817) 245-1000.

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## **Basic Financial Statements**

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# Burleson Independent School District

## Statement of Net Position

June 30, 2020

# Exhibit A-1

Control Data Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
1110	Cash and temporary investments	\$ 74,277,411	\$ 222,513	\$ 74,499,924
1220	Property taxes receivable (delinquent)	2,406,821	-	2,406,821
1230	Allowance for uncollectible taxes	(309,897)	-	(309,897)
1240	Due from other governments	18,058,669	-	18,058,669
1250	Accrued Interest	127	-	127
1290	Other receivables, net	-	44,538	44,538
1300	Inventories	39,424	-	39,424
1410	Prepaid expenses	231,700	-	231,700
	Capital assets			
1510	Land	12,020,716	-	12,020,716
1520	Buildings, net	322,271,735	-	322,271,735
1530	Furniture and equipment, net	1,433,836	-	1,433,836
1910	Long term investments	1,002,506	-	1,002,506
1000	Total assets	431,433,048	267,051	431,700,099
DEFERRED OUTFLOWS OF RESOURCES				
1700	Deferred loss on refunding	14,494,997	-	14,494,997
1705	Deferred outflows - pension	18,571,977	-	18,571,977
1706	Deferred outflows - OPEB	7,902,658	-	7,902,658
	Total deferred outflows of resources	40,969,632	-	40,969,632
LIABILITIES				
2110	Accounts payable	1,207,126	543	1,207,669
2140	Accrued interest payable	8,567,602	-	8,567,602
2150	Payroll deductions and withholdings	1,282,164	8,152	1,290,316
2160	Accrued wages payable	10,591,367	84,174	10,675,541
2180	Due to other governments	79,938	-	79,938
2300	Unearned revenues	16,888	-	16,888
	Noncurrent liabilities			
2501	Due within one year	12,147,177	-	12,147,177
2502	Due in more than one year	361,168,808	-	361,168,808
2540	Net pension liability	33,480,793	-	33,480,793
2545	Net OPEB liability	39,330,928	-	39,330,928
2000	Total liabilities	467,872,791	92,869	467,965,660
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	7,132,064	-	7,132,064
2606	Deferred inflows - OPEB	17,016,003	-	17,016,003
	Total deferred inflows of resources	24,148,067	-	24,148,067
NET POSITION				
3200	Net investment in capital assets	(2,523,086)	-	(2,523,086)
3820	Restricted for federal and state programs	546,817	-	546,817
3850	Restricted for debt service	8,261,801	-	8,261,801
3900	Unrestricted net position	(25,903,710)	174,182	(25,729,528)
3000	Total net position	\$ (19,618,178)	\$ 174,182	\$ (19,443,996)

The Notes to Financial Statements are an integral part of this statement.

# Burleson Independent School District

## Statement of Activities

Year Ended June 30, 2020

Data Control Codes		Program Revenues		
		Expenses	Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
11	Instruction	\$ 86,489,219	\$ 2,330,055	\$ 8,033,669
12	Instructional resources and media services	1,626,546	-	135,583
13	Curriculum and staff development	2,552,826	-	331,253
21	Instructional leadership	2,483,001	-	269,584
23	School leadership	9,117,006	-	807,710
31	Guidance, counseling and evaluation services	6,525,875	-	792,324
32	Social work services	366,699	-	57,694
33	Health services	1,780,718	-	145,875
34	Student (pupil) transportation	2,908,181	-	33,836
35	Food services	7,589,065	2,388,039	5,473,868
36	Extracurricular activities	4,707,026	523,856	438,828
41	General administration	4,585,909	-	276,086
51	Plant maintenance and operations	11,830,787	126,494	668,514
52	Security and monitoring services	680,862	-	27,346
53	Data processing services	3,898,249	-	157,819
61	Community services	1,173,873	-	439,414
72	Debt service - interest on long term debt	12,794,886	-	1,057
	Total governmental activities	161,110,728	5,368,444	18,090,460
	Business-type activities			
	Child care	755,873	558,003	45,463
	Total business-type activities	755,873	558,003	45,463
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 161,866,601	\$ 5,926,447	\$ 18,135,923

Data Control Codes	General revenues
	Taxes
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
SF	State aid - formula grants, unrestricted
IE	Investment earnings
MI	Miscellaneous revenue
TR	Total general revenues
CN	Change in net position
NB	Net position, beginning
NE	Net position, ending

The Notes to Financial Statements are an integral part of this statement.



**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (76,125,495)	\$ -	\$ (76,125,495)
(1,490,963)	-	(1,490,963)
(2,221,573)	-	(2,221,573)
(2,213,417)	-	(2,213,417)
(8,309,296)	-	(8,309,296)
(5,733,551)	-	(5,733,551)
(309,005)	-	(309,005)
(1,634,843)	-	(1,634,843)
(2,874,345)	-	(2,874,345)
272,842	-	272,842
(3,744,342)	-	(3,744,342)
(4,309,823)	-	(4,309,823)
(11,035,779)	-	(11,035,779)
(653,516)	-	(653,516)
(3,740,430)	-	(3,740,430)
(734,459)	-	(734,459)
(12,793,829)	-	(12,793,829)
(137,651,824)	-	(137,651,824)
-	(152,407)	(152,407)
-	(152,407)	(152,407)
\$ (137,651,824)	\$ (152,407)	\$ (137,804,231)
53,982,021	-	53,982,021
25,234,174	-	25,234,174
64,798,129	-	64,798,129
1,193,675	-	1,193,675
587,058	-	587,058
145,795,057	-	145,795,057
8,143,233	(152,407)	7,990,826
(27,761,411)	326,589	(27,434,822)
\$ (19,618,178)	\$ 174,182	\$ (19,443,996)

**Burleson Independent School District**

## Balance Sheet – Governmental Funds

June 30, 2020

<b>Data Control Codes</b>		<b>10 General Fund</b>	<b>50 Debt Service Fund</b>
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ 37,307,334	\$ 13,072,339
1220	Property taxes receivable (delinquent)	1,678,418	728,403
1230	Allowance for uncollectible taxes	(215,346)	(94,551)
1240	Due from other governments	17,130,793	-
1250	Accrued interest	77	-
1260	Due from other funds	652,495	3,200,000
1300	Inventories	38,942	-
1410	Prepaid items	231,700	-
1910	Long term investments	1,002,506	-
1000	Total assets	57,826,919	16,906,191
1700	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
1000A	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 57,826,919</u>	<u>\$ 16,906,191</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 965,029	\$ 44,144
2150	Payroll deductions and withholdings	1,239,412	-
2160	Accrued wages payable	9,926,428	-
2170	Due to other funds	6,981,258	-
2181	Due to state	37,680	41,906
2300	Unearned revenues	16,888	-
2000	Total liabilities	19,166,695	86,050
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Deferred revenue and property taxes	2,437,517	633,852
<b>FUND BALANCES</b>			
Nonspendable			
3410	Inventories	38,942	-
3430	Prepaid items	231,700	-
Restricted			
3480	Debt service	-	16,186,289
3470	Capital acquisitions	-	-
3450	Grant funds	-	-
Committed			
3545	Other purposes	-	-
3600	Unassigned	35,952,065	-
3000	Total fund balances	36,222,707	16,186,289
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 57,826,919</u>	<u>\$ 16,906,191</u>

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT C-1

<b>60 Capital Projects</b>	<b>Other Funds</b>	<b>Total Governmental Funds</b>
\$ 20,261,062	\$ 2,508,974	\$ 73,149,709
-	-	2,406,821
-	-	(309,897)
-	927,876	18,058,669
-	50	127
3,408,197	379,213	7,639,905
-	482	39,424
-	-	231,700
-	-	1,002,506
23,669,259	3,816,595	102,218,964
-	-	-
<u>\$ 23,669,259</u>	<u>\$ 3,816,595</u>	<u>\$ 102,218,964</u>
\$ 31,174	\$ 163,950	\$ 1,204,297
962	41,790	1,282,164
17,426	647,513	10,591,367
762	657,885	7,639,905
-	352	79,938
-	-	16,888
50,324	1,511,490	20,814,559
-	-	3,071,369
-	482	39,424
-	-	231,700
-	-	16,186,289
1,942,748	-	1,942,748
-	546,817	546,817
21,676,187	1,757,806	23,433,993
-	-	35,952,065
23,618,935	2,305,105	78,333,036
<u>\$ 23,669,259</u>	<u>\$ 3,816,595</u>	<u>\$ 102,218,964</u>

**Burleson Independent School District****Exhibit C-2**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2020

Total fund balances - governmental funds	\$ 78,333,036
Capital assets used in governmental activities are not financial resources; therefore are not reported in the fund financial statements.	430,956,964
Accumulated depreciation is not reported in the fund financial statements.	(95,230,677)
Bonds payable, capital leases and accumulated sick leave benefits are not reported in the fund financial statements.	(324,950,996)
Net pension liability is not reported in the fund financial statements.	(33,480,793)
Net OPEB liability is not reported in the fund financial statements.	(39,330,928)
Accreted interest on capital appreciation bonds is not reported in the fund financial statements.	(17,848,120)
Bond premiums on outstanding bonds payable are not recorded in the fund financial statements.	(30,310,763)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	14,494,997
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(8,567,602)
Property tax and other revenue reported as deferred inflows in the fund financial statements is recognized as revenue in the government-wide financial statements.	3,071,369
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	18,571,977
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(7,132,064)
Deferred outflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	7,902,658
Deferred inflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(17,016,003)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	918,767
Net position of governmental activities	<u><u>\$ (19,618,178)</u></u>

The Notes to Financial Statements are an integral part of this statement.

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# Burleson Independent School District

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended June 30, 2020

<b>Data Control Codes</b>		<b>10 General Fund</b>	<b>50 Debt Service Fund</b>
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 55,351,905	\$ 25,279,463
5800	State program revenues	64,239,002	660,558
5900	Federal program revenues	890,689	-
5020	Total revenues	120,481,596	25,940,021
<b>EXPENDITURES</b>			
	Current		
0011	Instruction	63,725,005	-
0012	Instructional resources and media services	1,265,805	-
0013	Curriculum and instructional staff development	1,556,819	-
0021	Instructional leadership	1,655,224	-
0023	School leadership	6,977,445	-
0031	Guidance, counseling and evaluation services	4,087,369	-
0032	Social work services	172,147	-
0033	Health services	1,400,285	-
0034	Student (pupil) transportation	2,894,233	-
0035	Food services	74,647	-
0036	Extracurricular activities	3,512,890	-
0041	General administration	3,063,222	-
0051	Facilities maintenance and operations	10,427,512	-
0052	Security and monitoring services	621,661	-
0053	Data processing services	3,085,558	-
0061	Community services	63,263	-
	Debt service		
0071	Principal on long-term debt	112,322	14,225,000
0072	Interest on long-term debt	-	14,998,056
0073	Bond issuance cost and fees	-	247,959
	Capital outlay		
0081	Facilities acquisition and construction	545,147	-
	Intergovernmental		
0093	Payments to fiscal agent/member districts of SSA	-	-
0099	Other intergovernmental charges	794,109	-
6030	Total expenditures	106,034,663	29,471,015
1100	Excess (deficiency) of revenues over (under) expenditures	14,446,933	(3,530,994)
7900	<b>OTHER FINANCING SOURCES (USES)</b>		
7911	Issuance of refunding bonds	-	17,700,000
7913	Proceeds from capital leases	545,147	-
7915	Transfers in	-	3,200,000
7916	Premium or discount on issuance of bonds	-	2,927,009
8911	Transfers out	(6,937,298)	-
8949	Payment to refunded bond escrow agent	-	(20,389,800)
7080	Total other financing sources (uses)	(6,392,151)	3,437,209
1200	Net change in fund balances	8,054,782	(93,785)
0100	<b>FUND BALANCE at July 1 (beginning)</b>	28,167,925	16,280,074
3000	<b>FUND BALANCE at June 30 (ending)</b>	\$ 36,222,707	\$ 16,186,289

The Notes to Financial Statements are an integral part of this statement.

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 861,676	\$ 4,752,631	\$ 86,245,675
4,574	1,015,539	65,919,673
-	6,343,450	7,234,139
866,250	12,111,620	159,399,487
148,576	3,563,993	67,437,574
-	44,406	1,310,211
-	538,063	2,094,882
-	244,383	1,899,607
66	163,682	7,141,193
-	912,784	5,000,153
-	126,000	298,147
5,563	1,552	1,407,400
-	-	2,894,233
49,442	6,304,262	6,428,351
182,313	590,785	4,285,988
13,932	2,918	3,080,072
124,725	24,967	10,577,204
-	54,987	676,648
487,029	-	3,572,587
-	927,672	990,935
-	-	14,337,322
-	-	14,998,056
-	-	247,959
19,043,303	-	19,588,450
-	29,227	29,227
-	-	794,109
20,054,949	13,529,681	169,090,308
(19,188,699)	(1,418,061)	(9,690,821)
-	-	17,700,000
-	-	545,147
3,361,537	395,752	6,957,289
-	-	2,927,009
-	(19,991)	(6,957,289)
-	-	(20,389,800)
3,361,537	375,761	782,356
(15,827,162)	(1,042,300)	(8,908,465)
39,446,097	3,347,405	87,241,501
\$ 23,618,935	\$ 2,305,105	\$ 78,333,036

**Burleson Independent School District****Exhibit C-4**

Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures, and Changes in Fund Balances to  
the Statement of Activities  
Year Ended June 30, 2020

Total net change in fund balances - governmental funds	\$ (8,908,465)
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of reclassifying the current year capital asset additions is to increase net position.	16,956,917
Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(8,350,514)
Loss on disposal of assets is not recognized in the governmental funds since no current financial resources are used. The net effect of this is to decrease net position.	(1,913,813)
The current year refunding of bonds and capital leases are shown as an other resource in the fund financial statements but are shown as an increase in long term debt in the government-wide financial statements.	(18,245,147)
Current year payments to bond refunding escrow agent are shown as other uses in the fund financial statements but are shown as reductions in long term debt and as a deferred loss on bond refunding in the government-wide financial statements.	19,990,000
Current year long-term debt principal payments on bonds payable and capital leases are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	14,449,644
The change in current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements.	371,644
Interest is accrued on outstanding debt in the government-wide financial statements, including capital leases, whereas in the fund financial statements interest expenditures are reported when due.	(1,599,082)
The change in other long-term debt for local leave payable is not recognized in the fund financial statements.	(162,573)
Changes in the net pension liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an decrease to net position.	(5,267,489)
Changes in the net OPEB liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an decrease to net position.	(887,963)
Revenues from property taxes and other sources are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible amounts, in the government-wide financial statements.	335,207
Premiums associated with bonds payable are reported as revenue on the fund financial statements when bonds are issued. Amounts are reported net of amortization on the government-wide financial statements.	(2,927,009)
Current year amortization and refunding of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	4,313,287
Current year deferred loss on refunding associated with bonds payable is reported net of amortization on the government-wide financial statements.	(234,919)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to increase net position.	223,508
Change in net position of governmental activities	<u>\$ 8,143,233</u>

The Notes to Financial Statements are an integral part of this statement.



**Burleson Independent School District**  
Statement of Net Position – Proprietary Funds  
June 30, 2020

**Exhibit D-1**

	<b>Business-type Activities Enterprise Fund</b> <b>Day Care Fund</b>	<b>Governmental Activities Internal Service Fund</b> <b>Insurance Fund</b>
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$ 222,513	\$ 1,127,702
Other receivables	44,538	-
Prepaid Expenses	-	-
Due from Other Funds	-	-
Total current assets	267,051	1,127,702
<b>TOTAL ASSETS</b>	267,051	1,127,702
<b>DEFERRED OUTFLOWS</b>	-	-
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	543	2,829
Payroll deductions and withholdings	8,152	-
Accrued wages payable	84,174	-
Claims payable	-	142,053
Total current liabilities	92,869	144,882
Noncurrent liabilities		
Claims payable	-	64,053
Total noncurrent liabilities	-	64,053
<b>TOTAL LIABILITIES</b>	92,869	208,935
<b>DEFERRED INFLOWS</b>	-	-
<b>NET POSITION</b>		
Unrestricted	174,182	918,767
<b>TOTAL NET POSITION</b>	\$ 174,182	\$ 918,767

The Notes to Financial Statements are an integral part of this statement.

**Burleson Independent School District****Exhibit D-2**

Statement of Revenues, Expenses, and Changes In  
Net Position – Proprietary Funds  
Year Ended June 30, 2020

	Business-type Activities Enterprise Fund Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
<b>OPERATING REVENUES</b>		
Charges for services	\$ 558,003	\$ 523,885
Total operating revenues	558,003	523,885
<b>OPERATING EXPENSES</b>		
Personnel services	692,813	-
Contractual services	8,487	-
Utilities	18,563	-
Other supplies and expenses	34,833	-
Other operating costs	1,177	300,377
Total operating expenses	755,873	300,377
Operating income (loss)	(197,870)	223,508
<b>NONOPERATING REVENUES</b>		
State on-behalf revenue	45,463	-
Total nonoperating revenue	45,463	-
Income (loss) before contributions and transfers	(152,407)	223,508
Change in net position	(152,407)	223,508
<b>TOTAL NET POSITION, beginning</b>	326,589	695,259
<b>TOTAL NET POSITION, ending</b>	\$ 174,182	\$ 918,767

The Notes to Financial Statements are an integral part of this statement.

**Burleson Independent School District**  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2020

**Exhibit D-3**

	<b>Business-type Activities Enterprise Fund Day Care Fund</b>	<b>Governmental Activities Internal Service Fund Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and interfund services	\$ 592,342	\$ 523,885
Payments to suppliers	(62,827)	(305,682)
Payments to employees	(629,393)	-
Net cash provided by (used in) operating activities	(99,878)	218,203
Net increase (decrease) in cash and temporary investments	(99,878)	218,203
<b>BALANCES, beginning of the year</b>	322,391	909,499
<b>BALANCES, end of the year</b>	<u>\$ 222,513</u>	<u>\$ 1,127,702</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (197,870)	\$ 223,508
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
State on-behalf revenue	45,463	-
Change in assets and liabilities		
Receivables	34,339	-
Accounts and payroll taxes payables	1,405	(12,503)
Accrued wages payable	16,785	-
Claims payable	-	7,198
Net cash provided by (used in) operating activities	<u>\$ (99,878)</u>	<u>\$ 218,203</u>

The Notes to Financial Statements are an integral part of this statement.

**Burleson Independent School District**  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2020

**Exhibit E-1**

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and temporary investments	\$ 31,715	\$ 135,942
Accounts receivable	-	2,700
Total assets	<u>\$ 31,715</u>	<u>\$ 138,642</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 820
Due to other governments	-	-
Due to student groups	-	137,822
Total liabilities	-	<u>\$ 138,642</u>
<b>NET POSITION</b>		
Held in trust for scholarships and other purposes	<u>\$ 31,715</u>	

The Notes to Financial Statements are an integral part of this statement.

**Burleson Independent School District**  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2020

**Exhibit E-2**

	Private Purpose Trust Fund
<b>NET POSITION, beginning of the year</b>	\$ 32,715
Deductions	
Scholarships granted	(1,000)
<b>NET POSITION, end of year</b>	<u>\$ 31,715</u>

The Notes to Financial Statements are an integral part of this statement.

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## **Burleson Independent School District**

### Notes to the Basic Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

Burleson Independent School District's (the District) financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

##### **Reporting Entity**

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The public elects the Board of Trustees (the Board). The trustees as a body corporate have 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 (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees.

The District's basic financial statements include the accounts of all District operations. The District is not included in any other governmental reporting entity as defined by GASB. And based on the criteria set forth by GASB, the District has no component units.

##### **Basis of Presentation**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity within the governmental activities columns has been removed from these statements. Taxes and intergovernmental revenues normally support governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The District segregates transactions related to certain functions or activities in separate, self-balancing funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. Governmental funds are those funds through which most governmental functions typically are financed. The District has presented the following major governmental funds:

## Burleson Independent School District

### Notes to the Basic Financial Statements

General Fund – This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be committed or assigned by the Board of Trustees to implement its responsibilities.

Debt Service Fund – This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused debt service fund balances are transferred to the General Fund after all of the related debt obligations have been met.

Capital Projects Fund – This fund is established to account for proceeds from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation as well as furnishings and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are used to retire related bond principal. The fund balance is restricted for capital acquisition to the extent that bond proceeds remain while the remaining portion of fund balance has been committed by the Board for future capital projects.

Other Funds – These special revenue funds are established to account for federal, state and local funds received mostly through grants. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds. Fund balance is either restricted or committed for purposes specified by grant requirements or board policy.

Additionally, the District reports the following fund types:

Enterprise Fund – This fund is a proprietary fund used to account for the operations of the District's day care program. The enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Revenues are distinguished between operating and non-operating. Operating revenues are derived primarily from charges to users. Non-operating revenues are derived from state on-behalf contributions to the employees' pension plan and retiree health plan. All expenses are considered operating.

Internal Service Fund – This fund is a proprietary fund used to account for accumulation of resources for the payment of employee workers' compensation and claims. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on District experience and that of similar districts.

Agency Funds – These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.



## Burleson Independent School District

### Notes to the Basic Financial Statements

Private Purpose Trust Funds – These funds are used to account for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has funds that have been received for scholarships that are to be awarded to current and former students for post-secondary education purposes.

#### **Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the private purpose trust financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

The enterprise and internal service fund financial statements use the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The property taxes received after the 60 day period are recorded as a deferred inflow of resources. A one year availability period is used for recognition of all other governmental fund revenue. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet reimbursed are shown as receivables. Funds received before time requirements are met but after all other eligibility requirements have been met will be reported as a deferred inflow of resources.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

**Burleson Independent School District**

Notes to the Basic Financial Statements

**Budgetary Control**

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 19 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund and the Child Nutrition Program. TEA requires these budgets to be filed with the Agency. The budget should not exceed expenditures in any function and expenditure category under TEA requirements. The original and amended budgets are included in this report as schedules G-1, J-3 and J-4.

The budgetary comparison schedule for the General Fund indicates one function, school leadership, with an excess of expenditures over appropriations for the period ended June 30, 2020. The expenditures are related to period-end salary accruals.

The other special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting.

The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds at June 30, 2020 is as follows:

Appropriated budget funds	
Child nutrition program	\$ 3,702
Nonappropriated budget funds	<u>2,301,403</u>
All special revenue funds	<u>\$ 2,305,105</u>

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

#### **Encumbrance Accounting**

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget.

As of June 30, 2020, there were no outstanding purchase orders.

#### **Cash and Temporary Investments**

For purposes of the statement of cash flows, temporary investments are considered to be cash equivalents if they are short term, highly liquid with a maturity within three months or less.

#### **Prepaid Items**

The consumption method is used to account for prepayments. Under this method, these items are carried in a prepaid account at the respective fund at cost and are subsequently charged to expenditures when used. Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and the prepaid items have been recognized as nonspendable to signify that a portion of fund balance is not available for other subsequent expenditures.

#### **Investments**

Investments, except for the investment pools, are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. External investment pools operate in accordance with appropriate state laws and regulations and may be reported at amortized cost. The non-TRS pension trust fund investment is a fixed annuity contract and is reported at contract value (a cost-based measure).

#### **Inventories**

The consumption method is used to account for inventories of food products and school supplies. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. Reported inventories are classified as a nonspendable fund balance indicating that they are unavailable as current expendable financial resources.

#### **Interfund Receivables and Payables**

Short-term amounts owed between funds are classified as due to/from other funds.

**Burleson Independent School District**

Notes to the Basic Financial Statements

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are valued at the acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	25-50 years
Furniture and equipment	10 years

**Categories and Classifications of Fund Balances**

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Fund balance categories are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details on the various fund balance classifications, refer to Note 15.

**Net Position**

Net position equals assets plus deferred outflows minus deferred inflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

#### **Oil and Gas Royalties**

The District receives royalties related to various oil and gas leases for which the District acts as lessor. The royalties are generally payable to the District when production begins at the lease site, and revenue is recognized at the time the royalty is earned. These revenues have been committed in the Capital Projects Fund by the Board for future capital projects.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state revenue from the Foundation School Program a school district earns for a year can and does vary until the time when final values for each of the factors in the formula becomes available.

Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2020 will change.

#### **Deferred Outflows and Deferred Inflows of Resources**

The statement of net position includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until that time. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as revenue until that time.

If a balance previously reported as an asset or liability does not meet the definition of an asset, deferred outflow, liability, or deferred inflow, then it must be reported as a current inflow or outflow of resources (revenue, expense, or expenditure).

The portion of the District's property tax levy that was not collected until more than 60 days after the end of the current year and therefore not considered available has been reported as a deferred inflow of resources in the Governmental Funds Balance Sheet totaling \$1,463,072 and \$633,852 in the General Fund and Debt Service Fund, respectively. The remaining amounts reported in the General Fund represent governmental revenue not expected to be collected within one year and has therefore, been reported as deferred outflow of resources.

#### **Defined Benefit Pension Plan**

The District participates in a cost-sharing, multiple-employer defined benefit pension that has a special funding situation. The Teacher Retirement System of Texas (TRS) administers the plan. The fiduciary net position of the TRS 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 reported by the District, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Burleson Independent School District**

Notes to the Basic Financial Statements

**Other Post-Employment Benefits**

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

**Note 2. Deposits and Investments**

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

**Investments**

The Public Funds Investment Act (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 maturity allowed based on the stated maturity date for the portfolio, (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.

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Primary government	\$ 75,502,430
Fiduciary funds	167,657
	<hr/>
	\$ 75,670,087
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## Burleson Independent School District

### Notes to the Basic Financial Statements

Cash and investments as of June 30, 2020 consist of the following:

Cash	\$ 6,563,904
Temporary investments	68,103,677
Long term investments	1,002,506
	<hr/>
	\$ 75,670,087
	<hr/>

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk: Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest cash balance:

- Depository: Wells Fargo;
- Securities pledged as of the date of the highest balance: \$23,567,760;
- Largest cash, savings, and certificate of deposit combined account balance amounted to \$17,454,771 and occurred during August 2019;
- Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

The District was fully collateralized throughout the fiscal year ended June 30, 2020, including the date of the highest combined balance.

Custodial Credit Risk – Investments: The District's investments are insured, registered, or the District's agent holds the securities in the District's name; therefore, the District is not exposed to custodial risk. Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

The District generally holds securities to maturity. The District did not purchase any derivative investment products during the current year nor did the District participate in any repurchase agreements or security lending agreements during the current year.

Credit Risk: State Law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The credit risk is such that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for Lone Star Investment Pool at year-end was AAA (Standard & Poor's). The credit quality rating for TexPool Investment Pool at year-end was AAAM (Standard & Poor's). The credit quality rating for Wells Fargo at year end was AAAM (Standard & Poor's).

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment.

The District does not have a formal policy relating to investment-related risks.

Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2020, the District was not exposed to foreign currency risk.

## Burleson Independent School District

### Notes to the Basic Financial Statements

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement. The District did not have any other investments that exceeded 5 percent.

The District is a voluntary participant in TexPool Investment Pool and Lone Star Investment Pool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Company Act of 1940.

The Lone Star Investment Pool is governed by an 11-member board, all of whom are participants in the Pool. This ensures that the policies they set affect not only other entities' assets, but their own as well. The Board meets quarterly to review Pool operations, adopt or make changes to the investment policy, review the Pool's financial statements, and approve Pool contractor agreements. The Pool is tailored to comply with the Public Funds Investment Act.

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

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The framework provides for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The Texpool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. Investment Pools measured at amortized cost are exempt from fair value reporting. Certificates of deposits are valued based on current market rates offered for deposits with similar remaining maturities and are considered level 2 investments in the fair value hierarchy.



## Burleson Independent School District

### Notes to the Basic Financial Statements

The District has the following amount invested in external investment pools and certificates of deposits. The District's investment balances and weighted average maturity of such investments are as follows:

	Value at June 30, 2020	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost				
Investment pools				
TexPool	\$ 30,403,675	44%	40	AAAm
Lonestar	37,700,002	55%	39	AAA
Other investments				
Certificates of deposit	1,002,506	1%	-	AAAm
Total	<u>\$ 69,106,183</u>	<u>100%</u>		
Portfolio weighted average maturity			<u>39</u>	

The investment pools meet the criteria to be recorded at amortized cost, which in most cases approximates fair value. The objective of the external investment pools is to maintain a stable \$1.00 net asset value. The investment pools have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

### Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions/ Completions	(Retirements)/ Adjustments	Balance June 30, 2020
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,020,716	\$ -	\$ -	\$ 12,020,716
Construction in progress	56,257,549	-	(56,257,549)	-
Total capital assets not being depreciated	68,278,265	-	(56,257,549)	12,020,716
Capital assets being depreciated				
Buildings	337,326,269	16,147,004	56,175,065	409,648,338
Furniture and equipment	10,359,580	809,913	(1,881,583)	9,287,910
Total assets being depreciated	347,685,849	16,956,917	54,293,482	418,936,248
Less accumulated depreciation for				
Buildings	(79,520,413)	(7,856,190)	-	(87,376,603)
Furniture and equipment	(7,410,004)	(494,324)	50,254	(7,854,074)
Total accumulated depreciation	(86,930,417)	(8,350,514)	50,254	(95,230,677)
Total capital assets being depreciated, net	260,755,432	8,606,403	54,343,736	323,705,571
Governmental activities capital assets, net	<u>\$ 329,033,697</u>	<u>\$ 8,606,403</u>	<u>\$ (1,913,813)</u>	<u>\$ 335,726,287</u>

## Burleson Independent School District

### Notes to the Basic Financial Statements

Depreciation expense was charged as direct expense as follows:

Governmental activities	
Instruction	\$ 5,637,696
Instructional resources and media services	102,905
Curriculum and staff development	126,837
Instructional leadership	148,158
School leadership	644,290
Guidance, counseling and evaluation services	367,844
Social Services	16,077
Health services	123,832
Student (pupil) transportation	6,071
Food services	289,027
Extracurricular activities	21,510
General administration	219,632
Plant maintenance and operations	521,053
Security and monitoring services	46
Data processing services	119,816
Community services	5,720
	<hr/>
Total depreciation expense - governmental activities	\$ 8,350,514

#### Note 4. Long-Term Debt

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, capital leases and accumulated sick leave benefits. All long-term debt represents transactions in the District's governmental activities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event 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 the District.

## Burleson Independent School District

### Notes to the Basic Financial Statements

The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2020:

	Beginning Balance	Additions	Refunded	Reductions	Ending Balance	Due within One Year
Governmental activities						
Building Bonds	\$ 67,510,000	\$ -	\$ -	\$ 6,465,000	\$ 61,045,000	\$ 815,000
Refunding Bonds	65,852	-	-	-	65,852	18,837
Building and Refunding Bonds	272,995,000	17,700,000	19,990,000	7,760,000	262,945,000	5,455,000
Accreted interest on						
Capital appreciation bonds	18,219,764	1,178,356	-	1,550,000	17,848,120	3,941,462
Premium on bonds	31,697,041	2,927,009	-	4,313,287	30,310,763	1,613,213
Accumulated unpaid						
sick leave benefits	412,068	197,918	-	35,345	574,641	49,290
Capital Lease	-	545,147	-	224,644	320,503	112,322
Claims payable	198,908	56,753	-	49,555	206,106	142,053
Net Pension Liability	34,730,900	5,568,385	-	6,818,492	33,480,793	-
Net OPEB Liability	40,995,985	4,809,354	-	6,474,411	39,330,928	-
Total other obligations	<u>\$ 466,825,518</u>	<u>\$ 32,982,922</u>	<u>\$ 19,990,000</u>	<u>\$ 33,690,734</u>	<u>\$ 446,127,706</u>	<u>\$ 12,147,177</u>

Debt service requirements by fiscal year on the District's outstanding bonds were as follows:

	Principal	Interest	Requirements
2021	\$ 6,288,837	\$ 16,611,562	\$ 22,900,399
2022	7,820,416	14,910,592	22,731,008
2023	8,187,650	14,623,769	22,811,419
2024	8,490,411	14,353,145	22,843,556
2025	8,073,538	14,778,219	22,851,757
2026-2030	59,600,000	44,993,216	104,593,216
2031-2035	74,815,000	40,530,177	115,345,177
2036-2040	89,800,000	25,053,269	114,853,269
2041-2045	48,185,000	22,071,826	70,256,826
2046-2047	12,795,000	1,455,650	14,250,650
	<u>\$ 324,055,852</u>	<u>\$ 209,381,425</u>	<u>\$ 533,437,277</u>

The 1995, 2009, 2010 and 2011 bond series include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2020 through 2047. Interest accrues on these bonds each February 1 and August 1 even though the interest is not paid until maturity.

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2020.

The General Fund has been used to liquidate the liability for compensated absences.

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

On April 15, 2020, the District issued Unlimited Tax Refunding Bonds, Series 2020 for \$17,700,000 to refund a portion of the Unlimited Tax School Building, Series 2010. The bonds bear accrued interest at rates from 2% to 5%, which is due and payable on February 1 and August 1 of each year. The bonds are scheduled to mature between 2021 to 2041. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by \$ 3,964,979 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,126,301.

In fiscal year 2018, the District entered into a capital lease arrangement in the amount of \$545,147. Amortization of the equipment under the capital lease is included in depreciation expense and began on July 1, 2019. The capital lease matures on February 2023 and requires total payments of \$561,610, of which \$28,945 represents interest for a present value of net minimum lease payments of \$532,665.

#### **Note 5. Property Taxes**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code.

Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2020 fiscal year was based was \$5,313,431,532. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the fiscal year ended June 30, 2020 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.068350 and \$0.50 per \$100 valuation, respectively, for a total of \$1.568350 per \$100 valuation.

Current tax collections for the year ended June 30, 2020 were 102% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of June 30, 2020, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,463,072 and \$633,852 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected.

#### **Note 6. Defined Benefit Pension Plans**

##### **Plan Description**

The District participates in and contributes to 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). TRS's defined benefit pension plan is 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.

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

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 exempt from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

#### **Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2019.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### **Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 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 above.

#### **Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of 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 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. Contribution rates can be found in the TRS 2018 CAFR, Note 11, on Page 76.

## Burleson Independent School District

### Notes to the Basic Financial Statements

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Employer #0442	2020	
Employer contributions	\$	2,254,324
Member contributions		6,075,194
NECE on-behalf contributions		3,489,702

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Actuarial Assumptions

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

Valuation date	August 31, 2018, rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	0.0725
Long term expected investment rate of return	0.0725
Inflation	0.023
Salary increases including inflation	3.05% to 9.05%
Payroll growth rate	0.03
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

# Burleson Independent School District

## Notes to the Basic Financial Statements

### Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 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 arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019 are summarized below:

<b>Asset Class</b>	<b>FY 2019 Target Allocation *</b>	<b>New Target Allocation**</b>	<b>Long-Term Expected Geometric Real Rate of Return***</b>
Global Equity			
U.S.	18.0%	18.00%	6.40%
Non-U.S. Developed	13.0%	13.00%	6.30%
Emerging Markets	9.0%	9.00%	7.30%
Directional Hedge Funds	4.0%	0.00%	0.00%
Private Equity	13.0%	14.00%	8.40%
Stable Value			
U.S. Treasuries	11.0%	16.00%	3.10%
Stable Value Hedge Funds	4.0%	5.00%	4.50%
Absolute Return	0.0%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds	3.0%	0.00%	0.00%
Real Estate	14.0%	15.00%	8.50%
Energy and Natural Resources	5.0%	6.00%	7.30%
Commodities	0.0%	0.00%	0.00%
Risk Parity			
Risk Parity	5.0%	8.00%	5.8%/6.5%****
Asset Allocation Leverage			2.50%
Cash	1%	2.00%	
Asset Allocation Leverage	-	-6.00%	2.70%
<b>Total</b>	<b>100%</b>		<b>7.23%</b>

\* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

\*\* New target allocation based on the Strategic Asset Allocation dated 10/1/2019

\*\*\* 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

\*\*\*\* New Target Allocation groups Government Bonds within the stable value allocation.

This includes global sovereign nominal and inflation-linked bonds

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



## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease in discount rate (6.25%)	Discount rate (7.25%)	1% Increase in discount rate (8.25%)
District's proportionate share of the net pension liability \$	51,464,842	\$ 33,480,793	\$ 18,910,241

#### Change of Assumptions Since the Prior Measurement Date

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

#### Change of Benefit Terms Since the Prior Measurement Date

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

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

At June 30, 2020, the District reported a liability of \$33,480,793 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	\$ 33,480,793
State's proportionate share that is associated with District	51,830,588
Total	<u>\$ 85,311,381</u>

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2018 rolled forward to August 31, 2019. 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, 2018 through August 31, 2019.

## Burleson Independent School District

### Notes to the Basic Financial Statements

At the measurement date of August 31, 2019, the employer's proportion of the collective net pension liability was 0.064407%, which was an increase from 0.001309%, its proportion measured as of August 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$3,105,158 and revenue of \$8,141,855 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 140,649	\$ 1,162,506
Changes in actuarial assumptions	10,387,386	4,292,559
Differences between projected and actual investment earnings	2,012,875	1,676,690
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	4,710,771	309
Contributions paid to TRS subsequent to the measurement dates	1,320,296	-
	<u>\$ 18,571,977</u>	<u>\$ 7,132,064</u>

\$1,320,296 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2021	\$ 2,728,195
2022	2,329,121
2023	2,520,809
2024	2,092,464
2025	729,169
Thereafter	(280,141)
	<u>\$ 10,119,617</u>

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 7. Defined Other Post-Employment Benefit Plan

##### Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

##### OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2019.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

##### Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

	Medicare	Non Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and Family	1,020	999

\* or surviving spouse

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2020	2019
Active employees	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2020 are as follows:

Employer contributions	\$	590,259
Member contributions		477,849
NECE on-behalf contributions		784,275

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

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability	

#### *Additional Actuarial Methods and Assumptions:*

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

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

# Burleson Independent School District

## Notes to the Basic Financial Statements

### Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability at August 31, 2019. This was a decrease of 1.06% in the discount rate since the August 31, 2018 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

<b>Asset Class</b>	<b>FY 2019 Target Allocation*</b>	<b>New Target Allocation**</b>	<b>Long-Term Expected Geometric Real Rate of Return***</b>
Global Equity			
U.S.	18.0%	18.00%	6.40%
Non-U.S. Developed	13.0%	13.00%	6.30%
Emerging Markets	9.0%	9.00%	7.30%
Directional Hedge Funds	4.0%	0.00%	0.00%
Private Equity	13.0%	14.00%	8.40%
Stable Value			
U.S. Treasuries	11.0%	16.00%	3.10%
Stable Value Hedge Funds	4.0%	5.00%	4.50%
Absolute Return	0.0%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds	3.0%	0.00%	0.00%
Real Estate	14.0%	15.00%	8.50%
Energy and Natural Resources	5.0%	6.00%	7.30%
Commodities	0.0%	0.00%	0.00%
Risk Parity			
Risk Parity	5.0%	8.00%	5.8%/6.5%****
Asset Allocation Leverage			
Cash	1.0%	2.0%	2.50%
Asset Allocation Leverage		-6.0%	2.70%
<b>Total</b>	<b>100%</b>		<b>7.23%</b>

\* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

\*\* New target allocation based on the Strategic Asset Allocation dated 10/1/2019

\*\*\* 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the net OPEB liability.

	1% Decrease (1.63%)	Current Single Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the net OPEB liability	\$ 47,485,049	\$ 39,330,928	\$ 32,951,950

**Healthcare Cost Trend Rates** The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 32,084,793	\$ 39,330,928	\$ 49,038,254

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$39,330,928 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 39,330,928
State's proportionate share that is associated with District	52,262,005
Total	<u>\$ 91,592,933</u>

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2018 rolled forward to August 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was .083167% which was an increase of .001062% from its proportion measured as of August 31, 2018.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Change of Assumptions Since the Prior Measurement Date

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

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

#### Change of Benefit Terms Since the Prior Measurement Date

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$3,105,158 and revenue of \$1,377,412 for support provided by the State.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,929,516	\$ 6,436,089
Changes in actuarial assumptions	2,184,526	10,579,054
Differences between projected and actual investment earnings	5,103	860
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	3,254,527	-
Contributions paid subsequent to the measurement dates	528,986	-
	<u>\$ 7,902,658</u>	<u>\$ 17,016,003</u>



## Burleson Independent School District

### Notes to the Basic Financial Statements

\$528,986 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
2021	(1,718,078)
2022	(1,718,078)
2023	(1,719,451)
2024	(1,720,237)
2025	(1,720,022)
Thereafter	(1,046,465)
	<u>\$ (9,642,331)</u>

#### Note 8. Medicare Part D

##### Plan Description

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 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. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the years ended June 30, 2020, 2019 and 2018, the contributions made on behalf of the District were \$340,059, \$274,832 and \$211,892, respectively.

#### Note 9. Accumulated Unpaid Sick Leave Benefits

Upon retirement of certain employees with ten years or more service and other requirements, the District pays any accrued, unused local sick leave in a lump sum cash payment, at one-half of the employee's daily rate. A summary of changes in the accumulated local sick leave liability follows:

Balance at July 1, 2019	\$ 412,068
Additions	
new entrants, days earned (net), and salary increments	197,918
Deductions	
payments to participants	<u>(35,345)</u>
Balance at June 30, 2020	<u>\$ 574,641</u>

The liability for unpaid sick leave benefits is reported in the District's government-wide financial statements as long-term debt. In prior years, the District's General Fund has been used to pay unused sick leave benefits to retiring employees.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 10. Interfund Activity

Interfund balances consist of short-term borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the General Fund and then charged back to the appropriate other fund. Additionally, some borrowing may occur between two or more nonmajor governmental funds. The District had not cleared the following interfund payables and receivables at year-end. Most of the amounts represent short-term borrowings between funds for operating expense payments.

	Due from Other Funds	Due to Other Funds
Major governmental funds		
General fund	\$ 652,495	\$ 6,981,258
Capital projects fund	3,408,197	762
Debt service fund	3,200,000	-
Nonmajor governmental funds		
Special revenue funds		
Federal (funds 200-289)	375,761	644,536
State (funds 385-429)	-	13,349
Local (461-482)	3,452	-
Total	<u>\$ 7,639,905</u>	<u>\$ 7,639,905</u>

#### Note 11. Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss through self-insurance, by obtaining property, casualty, and liability coverage through commercial carriers. The District's participation in the risk pool is limited to payment of premiums. 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.

#### Health Care

Employees of the District are covered under the State of Texas statewide health insurance plan (TRS Active-Care). TRS Active-Care is a fully insured plan. During 2019-2020, the District contributed \$235 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contributions and contributions for dependents.

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

#### **Workers' Compensation Pool Self-funded**

Starting October 1, 2012, the District self-insures against workers' compensation. The costs associated with the self-insurance plan are reported as operating revenues and operating expenses of the Internal Service fund. The total estimated claims payable at June 30, 2020, includes \$206,106 for workers' compensation case reserve losses, with \$142,053 of this amount due within one year. This liability includes estimated outstanding claims from October 1, 2012 to June 30, 2020. The liabilities reported in the fund at June 30, 2020 are based on the requirements of Governmental Accounting Standards Board Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This includes provisions for claims reported but not paid and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their nominal value.

#### **Unemployment Compensation Self-funded**

During the year ended June 30, 2020, the District met its statutory unemployment compensation obligations by participating as a self-funded member of the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin, Texas.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 12. 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 June 30, 2020, are summarized below:

	State Entitlements	Federal Grants	Total
General fund	\$ 16,156,348	\$ 974,445	\$ 17,130,793
Debt service fund	-	-	-
Other funds	25,909	901,967	927,876
Total	<u>\$ 16,182,257</u>	<u>\$ 1,876,412</u>	<u>\$ 18,058,669</u>

#### Note 13. Litigation and Contingencies

The District participates in numerous state and Federal 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 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 financial statements for such contingencies.

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the opinion of the District's management, the outcome of any present legal proceedings will not have a material adverse effect on the accompanying financial statements. In the opinion of the District, there are neither significant contingent liabilities related to 2020 issues nor future costs that will have a material effect on the financial statements of the District.

#### Note 14. Revenues from Local and Intermediate Sources

During the year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Total
Property taxes	\$ 53,505,734	\$ 25,022,902	\$ -	\$ -	\$ 78,528,636
Food sales	-	-	-	2,388,039	2,388,039
Investment income	563,359	108,515	518,414	3,387	1,193,675
Penalties, interest and other tax related income	420,007	147,855	-	-	567,862
Co-curricular student activities	523,856	-	-	2,326,580	2,850,436
Mineral Interests	-	-	335,762	-	335,762
Other	338,949	191	7,500	34,625	381,265
Total	<u>\$ 55,351,905</u>	<u>\$ 25,279,463</u>	<u>\$ 861,676</u>	<u>\$ 4,752,631</u>	<u>\$ 86,245,675</u>

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 15. Classification of Fund Balance

The District classifies governmental fund balances, as follows:

##### **Nonspendable Fund Balance**

This includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid items.

##### **Spendable Fund Balance**

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations.

- The aggregate fund balance in the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
- The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, or governmental entities over state or local program grants.

As of June 30, 2020, total restricted fund balance was \$18,675,854.

Committed Fund Balance – includes amounts that can be used only for the specific purposes as determined by the governing body by formal action recorded in the minutes of the governing body. Commitments may be changed or lifted only by the Board, considered the District's highest level of decision making authority taking the same formal action such as passing a board resolution that imposed the constraint originally. Examples include, but are not specifically limited to, Board action regarding construction, claims, and judgments, retirement of loans/notes payable, capital expenditures, and self-insurance. The District's Board must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.

- Campus activity funds are considered committed by the governing body through adoption of board policy pertaining to the usage of these funds.
- Funds derived from oil and gas royalties are committed for future capital replacements in the Capital Projects Fund.

As of June 30, 2020, total committed fund balance was \$23,433,993.

Assigned Fund Balance – comprises amounts intended to be used by the District for specific purposes. This intent can be expressed by an official or body to which the governing body delegates that authority. That authority has not been delegated to any official or body. The Board of Trustees is the only governing body that can assign fund balance for specific purposes by formal action recorded in the official minutes. Examples take on the similar appearance as those enumerated for committed fund balance, but may also include the appropriation of existing fund balance to eliminate a deficit in next year's budget. At June 30, 2020, there were no assignments of fund balance.

Unassigned Fund Balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Only the General Fund will have unassigned amounts.

Per the District's policies, funds will be reduced in the following order: restricted, committed, assigned and unassigned.

## **Burleson Independent School District**

### **Notes to the Basic Financial Statements**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Per the District's Fiscal and Budget Strategy, the District will strive to maintain a General Fund balance in the general operating fund in which the total fund balance is twenty-five percent (25%) of the total operating expenditures and the unassigned fund balance is twenty-nine percent (29%) of the total operating expenditures.

#### **Note 16. Instructional Materials Allotment**

In May 2011, Senate Rule 6 created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional material purchases must be made through TEA's online registration system. Instructional materials acquired through the IMA totaling \$746,325 are recorded as revenues and expenditures in the State Instructional Materials Fund.

Ownership of textbooks previously purchased by the state and utilized by the District was transferred to the District. The majority of these textbooks were sold or otherwise disposed of in accordance with TEA guidelines. At June 30, 2020, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

#### **Note 17. New Accounting Pronouncements**

In June 2017 the GASB released GASB statement No. 87, Leases. This statement was issued to increase the usefulness of governmental entities' financial statements by requiring recognition of certain lease assets and liabilities that were previously accounted for as operating leases. It establishes a single model for lease accounting based on the principle that leases are a financing of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement is effective for the District for the year ended June 30, 2022 and the District is currently evaluating the impact of this standard on its financial statements.

GASB Statement No. 84, Fiduciary Activities (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement is effective for the District for the year ended June 30, 2021 and the impact has not yet been determined.

#### **Note 18. Subsequent Events**

During March 2020, COVID-19 impacted the United States, changing the way students are educated across the nation. The District's schools closed in March 2020 due to the COVID-19 pandemic. The District switched to virtual instruction for the remaining of the 2019-2020 school year. The District continued to fund employee payroll throughout this time. Additionally, the District provided students the option to choose virtual or in-person learning for the 2020-2021 school year. Subsequent to year end, the extent of the operational and financial impact the COVID-19 pandemic may have on the District has yet to be determined and is dependent on its duration and spread, as well as the overall economy. The District is unable to accurately predict how COVID-19 fully will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. The District continues to monitor its costs and take advantage of funding opportunities through state and federal grants to offset additional costs.

## **Required Supplementary Information**

# Burleson Independent School District

# Exhibit G-1

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 58,232,099	\$ 55,865,622	\$ 55,351,905	\$ (513,717)
5800	State program revenues	47,090,069	61,368,591	64,239,002	2,870,411
5900	Federal program revenues	1,545,000	875,437	890,689	15,252
5020	Total revenues	106,867,168	118,109,650	120,481,596	2,371,946
EXPENDITURES					
	Current				
0011	Instruction	58,913,256	63,352,282	63,725,005	(372,723)
0012	Instructional resources and media services	1,196,144	1,284,162	1,265,805	18,357
0013	Curriculum and instructional staff development	1,571,485	1,589,208	1,556,819	32,389
0021	Instructional leadership	1,614,379	1,690,027	1,655,224	34,803
0023	School leadership	6,606,903	6,986,119	6,977,445	8,674
0031	Guidance, counseling and evaluation services	4,009,478	4,153,705	4,087,369	66,336
0032	Social work services	106,471	184,245	172,147	12,098
0033	Health services	1,352,284	1,474,084	1,400,285	73,799
0034	Student (pupil) transportation	3,400,138	3,078,203	2,894,233	183,970
0035	Food services	20,000	79,344	74,647	4,697
0036	Extracurricular activities	3,284,754	3,629,290	3,512,890	116,400
0041	General administration	2,940,042	3,087,982	3,063,222	24,760
0051	Facilities maintenance and operations	9,321,001	10,724,921	10,427,512	297,409
0052	Security and monitoring services	579,752	650,795	621,661	29,134
0053	Data processing services	2,356,225	3,183,728	3,085,558	98,170
0061	Community services	34,464	68,459	63,263	5,196
0071	Principal on long-term debt	112,408	112,408	112,322	86
0081	Facilities acquisition and construction	-	550,000	545,147	4,853
	Debt services				
0095	Payments to juvenile justice alternative ed. prg.	3,500	3,500	-	3,500
0099	Other intergovernmental charges	807,000	807,000	794,109	12,891
6030	Total expenditures	98,229,684	106,689,462	106,034,663	654,799
1100	Excess of revenues over expenditures	8,637,484	11,420,188	14,446,933	3,026,745
OTHER FINANCING SOURCES					
7913	Proceeds from capital leases	-	-	545,147	(545,147)
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	(6,937,298)	(6,937,298)
7080	Total other financing sources	-	-	(6,392,151)	(7,482,445)
1200	Net change in fund balances	8,637,484	11,420,188	8,054,782	(4,455,700)
0100	FUND BALANCE - July 1 (beginning)	28,167,925	28,167,925	28,167,925	-
3000	FUND BALANCE - June 30 (ending)	\$ 36,805,409	\$ 39,588,113	\$ 36,222,707	\$ (4,455,700)

Notes to the Required Supplementary Information are an integral part of this schedule.



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**Burleson Independent School District**Schedule of the District's Proportionate Share of  
the Net Pension Liability  
Year Ended June 30, 2020

	<b>2020</b>	<b>2019</b>
District's Proportion of the Net Pension Liability (Asset)	0.0644070393%	0.063098416%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 33,480,793	\$ 34,730,900
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	51,464,842	56,651,232
Total	<u>\$ 84,945,635</u>	<u>\$ 91,382,132</u>
District's Covered Payroll	\$ 73,515,250	\$ 71,885,704
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered Payroll	45.54%	48.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for Year 2020, August 31, 2018 for Year 2019, August 31, 2017 for Year 2018, August 31, 2016 for 2017 and August 31, 2015 for 2016.

Note: In accordance with GASB 68, Paragraph 138, only six years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

2018	2017	2016	2015
0.060151343%	0.056092500%	0.051144300%	0.028050900%
\$ 19,233,159	\$ 21,196,537	\$ 18,078,829	\$ 7,492,783
33,601,011	39,284,622	37,390,769	31,992,845
\$ 52,834,170	\$ 60,481,159	\$ 55,469,598	\$ 39,485,628
\$ 69,580,209	\$ 65,990,540	\$ 57,353,065	\$ 56,750,102
27.64%	32.12%	31.52%	13.20%
82.17%	78.00%	78.43%	83.25%

**Burleson Independent School District**

## Schedule of the District's Contributions

Year Ended June 30, 2020

	<b>2020</b>	<b>2019</b>
Contractually Required Contribution	\$ 1,554,068	\$ 1,390,203
Contribution in Relation to the Contractually Required Contribution	(1,554,068)	(1,390,203)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	78,898,605	72,980,410
Contributions as a Percentage of Covered Payroll	1.97%	1.90%

Note 1: GASB 68, Paragraph 81 requires that the information on this schedule be data from the District most recent fiscal year.

Ten years of data is not available.

# Exhibit G-3

2018	2017	2016	2015
\$ 1,278,781	\$ 1,151,179	\$ 980,294	\$ 767,797
(1,278,781)	(1,151,179)	(980,294)	(767,797)
\$ -	\$ -	\$ -	\$ -
\$ 70,639,806	\$ 66,995,472	\$ 62,059,880	\$ 56,750,102
1.81%	1.72%	1.58%	1.35%

**Burleson Independent School District****Exhibit G-4**

Schedule of the District's Proportionate Share of the  
 Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan –  
 Teacher Retirement System  
 Year Ended June 30, 2020

	2020	2019
District's proportion of the net OPEB liability	0.08316749510%	0.0821054138%
District's proportionate share of net OPEB liability	39,330,928	40,995,985
State's proportionate share of the net OPEB liability associated with the District	52,262,005	61,891,748
<b>Total</b>	<b>91,592,933</b>	<b>102,887,733</b>
District's covered-employee payroll	73,515,250	71,885,704
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	53.50%	57.03%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%

Note: Only three years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2020, 2019 and 2018 are not available.

**Burleson Independent School District****Exhibit G-5**

Schedule of the District's Contributions to the OPEB Plan  
Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 628,565	\$ 585,522	\$ 529,186
Contribution in relation to the contractually required contribution	<u>(628,565)</u>	<u>(585,522)</u>	<u>(529,186)</u>
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	78,898,605	72,980,410	70,639,806
Contributions as a percentage of covered-employee payroll	0.80%	0.80%	0.75%

Note: Only three years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2020, 2019 and 2018 are not available.

**Burleson Independent School District**  
Notes to the Required Supplementary Information

**Note 1. Budgetary Data**

**A. Budgetary Information**

The official budget was prepared for adoption for the general, child nutrition, and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1.
2. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
3. Prior to the expenditures of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the functional level by personnel responsible for the organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

**B. Variances with Budget**

A negative budget variance was noted in the following function. This function's expenditures exceeded appropriations due to payroll costs during the year ended June 30, 2020.

Function	Final Budget	Actual Expenditures	Variance
Instruction	63,352,282	63,725,005	(372,723)

**C. Pension Liability**

*Pension Changes of Benefit Terms*

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

*Pension Changes of Assumptions*

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

1. The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
2. With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.



## Burleson Independent School District

### Notes to the Basic Financial Statements

#### **D. Other Post-Employment Benefits**

##### *Other Post-Employment Benefits Changes of Benefit Terms and Assumptions*

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

1. The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
2. The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. Twenty-five percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
3. The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.

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

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## **Supplementary Information Combining Statements and Schedules**

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## **Combining and Individual Nonmajor Fund Financial Statements**

# Burleson Independent School District

Combining Balance Sheet  
Non Major Governmental Funds  
June 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
1240	Due from other governments	238,689	462,584	13,417
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
1000	Total assets	238,689	462,584	13,417
	<b>TOTAL ASSETS</b>	<b>\$ 238,689</b>	<b>\$ 462,584</b>	<b>\$ 13,417</b>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ -	\$ 8,392	\$ 2,456
2150	Payroll deductions and withholdings	4,237	8,216	558
2160	Accrued wages payable	94,994	151,082	3,632
2170	Due to other funds	139,458	294,894	6,771
2181	Due to state	-	-	-
2000	Total liabilities	238,689	462,584	13,417
<b>FUND BALANCES</b>				
	Nonspendable			
3410	Inventories	-	-	-
3430	Prepaid items	-	-	-
	Restricted			
3450	Grant funds	-	-	-
	Committed			
3545	Other purposes	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	-
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 238,689</b>	<b>\$ 462,584</b>	<b>\$ 13,417</b>

<b>240 Child Nutrition Program</b>	<b>244 Career and Technical - Basic Grant</b>	<b>255 ESEA II, A Training and Recruiting</b>	<b>263 Title III, A English Lang. Acquisition</b>	<b>289 Summer School LEP</b>
\$ 56,607	\$ -	\$ -	\$ -	\$ 223
102,111	33,121	24,960	15,133	11,952
-	-	-	-	-
375,761	-	-	-	-
212	-	-	-	-
-	-	-	-	-
<hr/> 534,691	<hr/> 33,121	<hr/> 24,960	<hr/> 15,133	<hr/> 12,175
<hr/> <hr/> \$ 534,691	<hr/> <hr/> \$ 33,121	<hr/> <hr/> \$ 24,960	<hr/> <hr/> \$ 15,133	<hr/> <hr/> \$ 12,175
 \$ 44,889	 \$ 1,733	 \$ -	 \$ -	 -
21,818	-	351	167	-
319,339	-	5,834	6,659	-
144,943	31,388	18,775	8,307	-
-	-	-	-	-
<hr/> 530,989	<hr/> 33,121	<hr/> 24,960	<hr/> 15,133	<hr/> -
 212	 -	 -	 -	 -
-	-	-	-	-
3,490	-	-	-	12,175
-	-	-	-	-
-	-	-	-	-
<hr/> 3,702	<hr/> -	<hr/> -	<hr/> -	<hr/> 12,175
<hr/> <hr/> \$ 534,691	<hr/> <hr/> \$ 33,121	<hr/> <hr/> \$ 24,960	<hr/> <hr/> \$ 15,133	<hr/> <hr/> \$ 12,175

**Burleson Independent School District**

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2020

<b>Data Control Codes</b>		<b>385 Visual Impairment</b>	<b>397 Advanced Placement Incentives</b>
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ -	\$ -
1240	Due from other governments	7,409	18,500
1250	Accrued interest	-	-
1260	Due from other funds	-	-
1300	Inventories	-	-
1410	Prepaid items	-	-
		<hr/>	<hr/>
1000	<b>Total assets</b>	7,409	18,500
		<hr/>	<hr/>
	<b>TOTAL ASSETS</b>	<u>\$ 7,409</u>	<u>\$ 18,500</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 28	\$ 1,665
2150	Payroll deductions and withholdings	-	-
2160	Accrued wages payable	-	-
2170	Due to other funds	7,381	5,968
2181	Due to state	-	-
		<hr/>	<hr/>
2000	<b>Total liabilities</b>	7,409	7,633
		<hr/>	<hr/>
<b>FUND BALANCES</b>			
	Nonspendable		
3410	Inventories	-	-
3430	Prepaid items	-	-
	Restricted		
3450	Grant funds	-	10,867
	Committed		
3545	Other purposes	-	-
3600	Unassigned	-	-
		<hr/>	<hr/>
3000	<b>Total fund balances</b>	-	10,867
		<hr/>	<hr/>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,409</u>	<u>\$ 18,500</u>



**Exhibit H-1 (Continued)**

<b>410 Instructional Materials Allotment</b>	<b>429 DATE / Read to Succeed / Recycling Grant</b>	<b>461 Campus Activity Funds</b>	<b>482 Fuel Up To Play 60</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 608,310	\$ 599	\$ 1,841,816	\$ 1,419	\$ 2,508,974
-	-	-	-	927,876
-	-	50	-	50
-	-	3,452	-	379,213
-	-	270	-	482
-	-	-	-	-
608,310	599	1,845,588	1,419	3,816,595
<u>\$ 608,310</u>	<u>\$ 599</u>	<u>\$ 1,845,588</u>	<u>\$ 1,419</u>	<u>\$ 3,816,595</u>
\$ 89,592	\$ -	\$ 15,195	\$ -	\$ 163,950
-	451	5,992	-	41,790
-	-	65,973	-	647,513
-	-	-	-	657,885
-	-	352	-	352
89,592	451	87,512	-	1,511,490
-	-	270	-	482
-	-	-	-	-
518,718	148	-	1,419	546,817
-	-	1,757,806	-	1,757,806
-	-	-	-	-
518,718	148	1,758,076	1,419	2,305,105
<u>\$ 608,310</u>	<u>\$ 599</u>	<u>\$ 1,845,588</u>	<u>\$ 1,419</u>	<u>\$ 3,816,595</u>

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Non Major Governmental Funds  
Year Ended June 30, 2020

<b>Data Control Codes</b>		<b>211 ESEA I, A Improving Basic Program</b>	<b>224 IDEA - Part B Formula</b>	<b>225 IDEA - Part B Preschool</b>
	<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	981,964	1,804,881	41,706
5020	<b>Total revenues</b>	981,964	1,804,881	41,706
	<b>EXPENDITURES</b>			
	Current			
0011	Instruction	788,603	647,902	34,156
0012	Instructional resources and media services	446	-	-
0013	Curriculum and Instructional staff development	46,971	81,383	7,550
0021	Instructional leadership	-	243,204	-
0023	School leadership	1,469	-	-
0031	Guidance, counseling and evaluation services	169	796,147	-
0032	Social Work Services	126,000	-	-
0033	Health services	-	-	-
0034	Student Pupil Transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	893	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	18,306	6,125	-
	Intergovernmental			
0093	Payments to fiscal agent/member districts of SSA	-	29,227	-
6030	<b>Total expenditures</b>	981,964	1,804,881	41,706
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
7900	<b>OTHER FINANCING SOURCES (USES)</b>			
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	<b>Total other financing sources (uses)</b>	-	-	-
1200	Net change in fund balances	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	-	-	-
3000	<b>Fund Balance - June 30 (Ending)</b>	\$ -	\$ -	\$ -

<b>240</b> <b>Child</b> <b>Nutrition</b> <b>Program</b>	<b>244</b> <b>Career and</b> <b>Technical -</b> <b>Basic Grant</b>	<b>255</b> <b>ESEA II, A</b> <b>Training and</b> <b>Recruiting</b>	<b>263</b> <b>Title III, A</b> <b>English Lang.</b> <b>Acquisition</b>	<b>289</b> <b>Summer</b> <b>School</b> <b>LEP</b>
\$ 2,391,426	\$ -	\$ -	\$ -	\$ -
184,440	-	-	-	-
3,026,820	91,686	217,623	83,289	95,481
5,602,686	91,686	217,623	83,289	95,481
-	91,686	-	34,653	20,662
-	-	-	-	-
-	-	181,641	38,391	57,879
-	-	1,166	-	-
-	-	34,816	-	14,078
-	-	-	10,245	194
-	-	-	-	-
-	-	-	-	-
6,304,262	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,304,262	91,686	217,623	83,289	92,813
(701,576)	-	-	-	2,668
375,761	-	-	-	-
-	-	-	-	-
375,761	-	-	-	-
(325,815)	-	-	-	2,668
329,517	-	-	-	9,507
\$ 3,702	\$ -	\$ -	\$ -	\$ 12,175

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes In  
Fund Balances – Non major Governmental Funds  
Year Ended June 30, 2020

<b>Data Control Codes</b>		<b>385 Visual Impairment</b>	<b>397 Advanced Placement Incentives</b>
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	7,612	19,240
5900	Federal program revenues	-	-
5020	Total revenues	7,612	19,240
<b>EXPENDITURES</b>			
	Current		
0011	Instruction	7,612	-
0012	Instructional resources and media services	-	-
0013	Curriculum and Instructional staff development	-	24,870
0021	Instructional leadership	-	-
0023	School leadership	-	-
0031	Guidance, counseling and evaluation services	-	-
		-	-
0033	Health services	-	-
0034	Student Pupil Transportation	-	-
0035	Food services	-	-
0036	Extracurricular activities	-	-
0041	General administration	-	-
0051	Facilities maintenance and operations	-	-
0052	Security and monitoring services	-	-
0053	Data processing services	-	-
0061	Community services	-	-
	Intergovernmental		
0093	Payments to fiscal agent/member districts of SSA	-	-
6030	Total expenditures	7,612	24,870
1100	Excess (deficiency) of revenues over (under) expenditures	-	(5,630)
<b>OTHER FINANCING SOURCES (USES)</b>			
7915	Transfers in		-
8911	Transfers out		(19,991)
7080	Total other financing sources (uses)		(19,991)
1200	Net change in fund balances	-	(25,621)
0100	Fund Balance - July 1 (Beginning)	-	36,488
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 10,867

Exhibit H-2 (Continued)

410 Instructional Materials Allotment	429 DATE / Read to Succeed / Recycling Grant	461 Campus Activity Funds	482 Fuel Up To Play 60	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 2,361,205	\$ -	\$ 4,752,631
746,325	64	57,858	-	1,015,539
-	-	-	-	6,343,450
746,325	64	2,419,063	-	12,111,620
1,173,342	-	765,377	-	3,563,993
-	-	43,960	-	44,406
-	-	99,378	-	538,063
-	-	13	-	244,383
-	-	113,319	-	163,682
-	-	106,029	-	912,784
-	-	-	-	126,000
-	-	1,552	-	1,552
-	-	-	-	-
-	-	-	-	6,304,262
-	-	590,785	-	590,785
-	-	2,025	-	2,918
-	-	24,967	-	24,967
-	-	54,987	-	54,987
-	-	-	-	-
-	-	903,241	-	927,672
-	-	-	-	29,227
1,173,342	-	2,705,633	-	13,529,681
(427,017)	64	(286,570)	-	(1,418,061)
-	19,991	-	-	395,752
-	-	-	-	(19,991)
-	19,991	-	-	375,761
(427,017)	20,055	(286,570)	-	(1,042,300)
945,735	(19,907)	2,044,646	1,419	3,347,405
\$ 518,718	\$ 148	\$ 1,758,076	\$ 1,419	\$ 2,305,105

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## **Agency Funds**

**Burleson Independent School District****Exhibit H-3**Statement of Changes in Fiduciary Net Position - Agency Funds  
Year Ended June 30, 2020

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets				
Cash and temporary investments	\$ 132,848	\$ 145,331	\$ 142,237	\$ 135,942
Accounts receivable	26	30,370	27,696	2,700
Total assets	<u>\$ 132,874</u>	<u>\$ 175,701</u>	<u>\$ 142,237</u>	<u>\$ 138,642</u>
Liabilities				
Accounts payable	\$ 1,620	\$ 126,037	\$ 127,266	\$ 391
Due to other governments	4	93	97	-
Due to student groups	131,250	153,605	147,033	137,822
Total liabilities	<u>\$ 132,874</u>	<u>\$ 279,735</u>	<u>\$ 274,396</u>	<u>\$ 138,213</u>



## **Texas Education Agency Required Schedules**

**Burleson Independent School District**  
Schedule of Delinquent Taxes Receivable  
Year Ended June 30, 2020

Last Ten Years		(1)	(2)	(3)	(10)
		Tax Rates		Assessed/Appraised	Beginning
		Maintenance	Debt Service	Value for School Tax Purposes	Balance 7/1/2019
2011	and prior years	Various	Various	Various	\$ 439,606
2012		1.040000	0.500000	3,471,316,519	64,068
2013		1.040000	0.500000	3,434,466,119	82,479
2014		1.040000	0.500000	3,342,085,197	77,784
2015		1.040000	0.500000	3,639,098,970	61,382
2016		1.040000	0.500000	3,709,079,314	148,194
2017		1.040000	0.500000	3,880,366,485	145,463
2018		1.170000	0.500000	4,336,695,747	240,082
2019		1.170000	0.500000	4,785,058,271	990,866
2020	(School year under audit)	1.068350	0.500000	5,313,431,532	-
1000	TOTALS				<u>\$ 2,249,924</u>

(a) Current year's total levy is net of \$4,452,192 for levy loss due to frozen taxes on "over 65" accounts.

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy (a)	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 6/30/2020
\$ -	\$ 2,700	\$ 900	\$ -	\$ 436,006
-	1,885	688	(1)	61,494
-	2,619	1,259	(135)	78,466
-	12,756	6,133	1,434	60,329
-	1,409	678	(11,622)	47,673
-	15,939	7,663	1,895	126,487
-	22,657	10,893	3,151	115,064
-	36,037	15,401	(32,632)	156,012
-	431,978	184,606	(104,805)	269,477
78,984,203	52,978,085	24,794,349	(155,956)	1,055,813
<u>\$ 78,984,203</u>	<u>\$ 53,506,065</u>	<u>\$ 25,022,570</u>	<u>\$ (298,671)</u>	<u>\$ 2,406,821</u>

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## **Budgetary Comparison Schedules**

**Burleson Independent School District****Exhibit J-3**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual - Child Nutrition Program  
 Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 3,154,481	\$ 2,454,481	\$ 2,391,426	\$ (63,055)
5800	State program revenues	120,000	175,000	184,440	9,440
5900	Federal program revenues	3,338,206	3,138,206	3,026,820	(111,386)
5020	Total revenues	6,612,687	5,767,687	5,602,686	(165,001)
	EXPENDITURES				
0035	Food services	6,426,358	6,426,358	6,304,262	122,096
0051	Facilities maintenance and operations	35,000	35,000	-	35,000
6030	Total expenditures	6,461,358	6,461,358	6,304,262	157,096
	OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	375,761	375,761
8911	Transfers out	-	-	-	-
7080	Total other financing sources (uses)	-	-	375,761	375,761
1200	Net change in fund balances	151,329	(693,671)	(325,815)	(7,905)
0100	Fund balance - July 1 (beginning)	295,091	295,091	329,517	(34,426)
3000	Fund balance - June 30 (ending)	\$ 446,420	\$ (398,580)	\$ 3,702	\$ (42,331)

# Burleson Independent School District

# Exhibit J-4

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 24,087,659	\$ 25,237,659	\$ 25,279,463	\$ 41,804
5800	State program revenues	479,437	657,111	660,558	3,447
5020	Total revenues	24,567,096	25,894,770	25,940,021	45,251
	EXPENDITURES				
0071	Debt service	29,229,558	29,472,816	29,471,015	1,801
6030	Total expenditures	29,229,558	29,472,816	29,471,015	1,801
1100	Excess (deficiency) of revenues over (under) expenditures	(4,662,462)	(3,578,046)	(3,530,994)	47,052
	OTHER FINANCING SOURCES (USES)				
7911	Issuance of refunding bonds	-	-	17,700,000	17,700,000
7916	Premium or discount on issuance of bonds	-	-	2,927,009	2,927,009
7915	Transfers in	-	-	3,200,000	3,200,000
8949	Other uses - refunding of bonds	-	-	(20,389,800)	(20,389,800)
7080	Total other financing sources (uses)	-	-	3,437,209	3,437,209
1200	Net change in fund balances	(4,662,462)	(3,578,046)	(93,785)	3,484,261
0100	Fund balance - July 1 (beginning)	13,028,459	10,510,258	16,280,074	(5,769,816)
3000	Fund balance - June 30 (ending)	\$ 8,365,997	\$ 6,932,212	\$ 16,186,289	\$ (2,285,555)

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## **Statistical Section (Unaudited)**

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## **Burleson Independent School District**

### Notes to the Basic Financial Statements

This statistical section is organized in five sections:

- **Financial Trends-** Compiles information reported in the Comprehensive Annual Report over the past ten years (2011-2020) as a result of the implementation of GASB 34 reporting. Information for Government Wide statements dates back to 2002 when the District implemented. These schedules report how the District's financial position has changed over time.
- **Revenue Capacity Information-** Provides information regarding the District's major own source revenue (property taxes) and the stability/growth of that revenue for the past ten year period.
- **Debt Capacity Information-** Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt, if needed, for the past ten years, where applicable.
- **Demographic and Economic Information-** Provides information regarding the District's socioeconomic environment: specially, its taxpayers, employers, and the changes to those groups over the past ten years, if applicable.
- **Operating Information-** Provides information on the District's employees, operations of the District, and facilities for the period stated in the reports.

**Burleson Independent School District**

Net Position by Component

Last Ten Years

*(accrual basis of accounting)*

(Unaudited)

	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ (13,749,605)	\$ (18,016,518)	\$(20,842,058)	\$ (28,305,183)
Restricted	17,531,664	15,934,357	12,663,826	10,081,840
Unrestricted	7,973,873	14,612,284	10,459,002	19,861,926
Business Type Activities				
Unrestricted	-	78,246	66,612	73,853
<b>Total Primary Government Net Position</b>	<b>\$ 11,755,932</b>	<b>\$ 12,608,369</b>	<b>\$ 2,347,382</b>	<b>\$ 1,712,436</b>

## Schedule 1

2015	2016	2017	2018	2019	2020
\$ (30,697,028)	\$ (23,725,928)	\$ (18,985,241)	\$(14,623,939)	\$ (6,871,592)	\$ (2,523,086)
8,800,546	9,356,974	9,598,901	11,320,215	11,206,645	8,808,618
17,862,321	11,252,600	6,423,062	(35,224,216)	(32,096,464)	(25,903,710)
112,166	119,030	159,743	241,509	326,589	174,182
\$ (3,921,995)	\$ (2,997,324)	\$ (2,803,535)	\$(38,286,431)	\$ (27,434,822)	\$ (19,443,996)

# Burleson Independent School District

## Governmental Activities Revenue and Expense

Last Ten Years

(*accrual basis of accounting*)

(Unaudited)

	2011	2012	2013	2014
Expenses by Function				
Governmental Activities				
Instruction	\$ 50,533,901	\$ 48,097,966	\$ 48,317,821	\$ 51,233,610
Instructional Resources & Media Services	1,254,218	1,090,999	1,176,099	1,241,127
Curriculum & Staff Development	1,834,757	1,394,480	1,387,812	1,324,047
Instructional Leadership	1,018,989	875,690	946,455	1,075,638
School Leadership	5,377,191	5,104,708	5,102,142	5,569,981
Guidance, Counseling, & Evaluation Services	3,012,553	2,911,712	3,096,151	3,330,123
Social Work Services	1,990	-	56,328	59,666
Health Services	1,061,363	1,011,880	1,093,506	1,042,166
Student (Pupil) Transportation	1,921,336	1,771,166	1,864,305	1,880,920
Food Services	4,501,219	4,351,854	4,750,681	5,188,060
Extracurricular Activities	3,646,269	2,825,755	3,026,639	3,117,749
General Administration	2,947,019	2,450,929	2,707,304	2,852,421
Plant Maintenance & Operations	9,371,292	7,997,299	9,040,355	8,584,064
Security & Monitoring Services	322,064	265,415	276,481	445,356
Data Processing Services	1,983,971	1,384,539	1,411,545	1,547,764
Community Services	920,207	1,391,995	643,776	687,624
Debt Service - Interest on Long Term Debt	16,109,185	15,522,282	15,492,377	14,959,125
Debt Service - Bond Insurance Cost & Fees	201,675	109,175	624,805	128,539
Facilities Acquisition & Construction	-	-	-	-
Total Governmental Activities Expense	106,019,199	98,557,844	101,014,582	104,267,980
Business Type Activities Expense				
Child Care	-	604,630	610,249	543,580
Program Revenues				
Charges for Services				
Instruction	433,452	44,285	2,573,230	2,775,865
Food Service	2,093,910	2,222,403	2,394,643	2,613,549
Extracurricular Activities	2,287,479	471,228	441,557	415,322
Community Services	691,256	-	-	-
Other	42,046	57,805	48,873	140,105
Operating Grants and Contributions	10,681,528	12,625,718	6,760,500	6,858,969
Total Governmental				
Activities Program Revenue	16,229,671	15,421,439	12,218,803	12,803,810
Business Type Activities Revenues				
Charges for Services	-	574,687	566,867	521,753
Operating Grants and Contributions	-	-	-	29,068
<b>Net (Expense)/Revenue And</b>				
<b>Changes in Net Position</b>	<b>\$ (89,789,528)</b>	<b>\$ (83,166,348)</b>	<b>\$ (88,839,161)</b>	<b>\$ (91,456,929)</b>

Source: District's Financial Audit, Exhibit B-1

## Schedule 2

2015	2016	2017	2018	2019	2020
\$ 52,121,810	\$ 59,854,511	\$ 65,545,974	\$ 46,765,905	\$ 74,085,797	\$ 86,489,219
1,174,637	1,232,622	1,259,513	1,027,506	1,444,932	1,626,546
1,412,597	1,931,145	2,126,353	1,593,667	2,682,213	2,552,826
1,642,223	1,935,294	2,184,617	1,530,629	2,352,001	2,483,001
5,698,793	6,271,740	6,829,731	4,930,009	7,786,400	9,117,006
3,432,098	4,046,727	4,393,048	3,111,946	5,754,459	6,525,875
64,471	67,371	130,744	76,802	130,288	366,699
1,088,384	1,261,473	1,351,624	938,338	1,492,499	1,780,718
1,915,025	2,794,187	2,942,211	3,087,009	3,075,072	2,908,181
5,371,267	5,746,504	5,997,147	4,803,193	7,098,022	7,589,065
3,753,960	3,955,992	4,315,441	3,861,508	4,371,801	4,707,026
3,080,199	3,339,681	4,082,942	3,073,986	4,094,256	4,585,909
8,936,625	8,761,763	9,329,370	7,879,459	10,094,402	11,830,787
314,735	361,066	377,468	424,889	688,565	680,862
2,643,544	2,265,949	2,603,464	2,307,625	2,815,807	3,898,249
671,939	815,466	973,505	616,331	1,002,886	1,173,873
15,143,300	12,307,683	12,017,106	14,085,772	15,446,748	12,794,886
5,000	1,417,599	320,831	1,223,629	261,152	-
-	-	-	-	-	-
108,470,607	118,366,773	126,781,089	101,338,203	144,677,300	161,110,728
552,290	562,388	566,394	604,849	655,083	755,873
2,908,785	3,023,031	3,258,332	3,180,944	3,070,943	2,330,055
2,586,788	2,515,875	2,567,586	2,741,209	2,939,390	2,388,039
436,947	461,277	489,433	460,985	550,015	523,856
-	-	-	-	-	-
127,308	99,008	105,560	103,833	118,877	126,494
6,365,989	9,720,657	8,215,605	(7,555,283)	18,504,169	18,090,460
12,425,817	15,819,848	14,636,516	(1,068,312)	25,183,394	23,458,904
560,564	540,404	577,388	654,118	706,761	558,003
30,039	28,848	29,719	32,497	33,402	45,463
\$ (96,006,477)	\$ (102,540,061)	\$ (112,103,860)	\$ (102,324,749)	\$ (119,408,826)	\$ (137,804,231)

## Burleson Independent School District

### General Revenues And Changes In Net Position

Last Ten Years

(*accrual basis of accounting*)

(Unaudited)

	2011	2012	2013	2014
Net (Expense)/Revenue				
Governmental Activities	\$ (89,789,528)	\$ (88,795,779)	\$ (88,839,161)	\$ (91,464,170)
Business-type Activities	-	(2,339)	(11,634)	7,241
	<u>\$ (89,789,528)</u>	<u>\$ (88,798,118)</u>	<u>\$ (88,850,795)</u>	<u>\$ (91,456,929)</u>
General Revenue and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 35,719,185	\$ 35,171,679	\$ 35,332,535	\$ 34,367,419
Property Taxes, Levied for Debt Service	17,257,445	16,855,823	16,919,470	16,495,771
State Aid - Unrestricted Formula Grants	25,221,315	30,548,650	31,980,677	38,320,076
Investment Earnings	155,843	80,209	83,777	57,588
Miscellaneous Local and Intermediate Revenue	2,713,373	1,266,642	923,169	1,581,129
Total Governmental Activities	<u>81,067,161</u>	<u>83,923,003</u>	<u>85,239,628</u>	<u>90,821,983</u>
Business-type Activities:	-	-	-	-
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 81,067,161</u>	<u>\$ 83,923,003</u>	<u>\$ 85,239,628</u>	<u>\$ 90,821,983</u>
Change in Net Position				
Governmental Activities	\$ (8,722,367)	\$ 687,798	\$ (3,556,151)	\$ (642,187)
Business-type Activities	-	78,246	(11,634)	7,241
<b>Total Change in Net Position</b>	<u>\$ (8,722,367)</u>	<u>\$ 766,044</u>	<u>\$ (3,567,785)</u>	<u>\$ (634,946)</u>

Source: District's Financial Audit, Exhibit B-1



# Schedule 3

2015	2016	2017	2018	2019	2020
\$ (96,044,790)	\$ (102,546,925)	\$ (112,144,573)	\$ (102,406,515)	\$ (119,493,906)	\$ (137,651,824)
38,313	6,864	40,713	81,766	85,080	(152,407)
<u>\$ (96,006,477)</u>	<u>\$ (102,540,061)</u>	<u>\$ (112,103,860)</u>	<u>\$ (102,324,749)</u>	<u>\$ (119,408,826)</u>	<u>\$ (137,804,231)</u>
\$ 37,232,750	\$ 37,793,546	\$ 39,179,085	\$ 48,692,234	\$ 52,882,627	\$ 53,982,021
17,896,527	18,104,303	18,733,850	20,963,615	22,463,135	25,234,174
42,264,958	46,369,557	53,075,316	53,159,874	51,524,236	64,798,129
58,632	213,369	351,980	1,501,201	2,558,767	1,193,675
1,689,255	1,096,123	957,418	896,023	831,670	587,058
<u>99,142,122</u>	<u>103,576,898</u>	<u>112,297,649</u>	<u>125,212,947</u>	<u>130,260,435</u>	<u>145,795,057</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 99,142,122</u>	<u>\$ 103,576,898</u>	<u>\$ 112,297,649</u>	<u>\$ 125,212,947</u>	<u>\$ 130,260,435</u>	<u>\$ 145,795,057</u>
\$ 3,097,332	\$ 1,029,973	\$ 153,076	\$ 22,806,432	\$ 10,766,529	\$ 8,143,233
38,313	6,864	40,713	81,766	85,080	(152,407)
<u>\$ 3,135,645</u>	<u>\$ 1,036,837</u>	<u>\$ 193,789</u>	<u>\$ 22,888,198</u>	<u>\$ 10,851,609</u>	<u>\$ 7,990,826</u>

**Burleson Independent School District**

## Fund Balances, Governmental Funds

Last Ten Years

*(modified accrual basis of accounting)*

(Unaudited)

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 122,163	\$ 226,556	\$ 304,651	\$ 250,157
Committed	13,874,622	99,806	149,325	20,706
Unassigned	14,707,187	20,112,493	19,596,818	23,647,503
<b>Total General Fund</b>	<b>28,703,972</b>	<b>20,438,855</b>	<b>20,050,794</b>	<b>23,918,366</b>
All Other Governmental Funds				
Nonspendable	86,041	58,212	11,495	34,886
Committed	-	14,827,092	15,071,963	15,068,464
Restricted for:				
Debt Service	21,588,409	19,707,583	17,694,475	15,061,089
Capital Acquisitions	5,466,278	4,647,629	3,469,281	1,934,410
Grant Funds	1,134,146	396,979	241,104	312,276
Unassigned	-	-	-	-
Total All Other Governmental Funds	28,274,874	39,637,495	36,488,318	32,411,125
<b>Total All Government Funds</b>	<b>\$ 56,978,846</b>	<b>\$ 60,076,350</b>	<b>\$ 56,539,112</b>	<b>\$ 56,329,491</b>
<b>Change in Fund Balance for Governmental Funds</b>	<b>\$ 4,580,086</b>	<b>\$ 3,097,504</b>	<b>\$ (3,537,238)</b>	<b>\$ (209,621)</b>

Source: District's Financial Audit, Exhibit C-1

## Schedule 4

2015	2016	2017	2018	2019	2020
\$ 400,292	\$ 278,233	\$ 270,614	\$ 752,698	\$ 686,121	\$ 270,642
287,680	161,186	-	-	-	-
24,524,180	22,000,000	22,981,552	24,829,426	27,481,804	35,952,065
25,212,152	22,439,419	23,252,166	25,582,124	28,167,925	36,222,707
30,963	27,825	8,114	4,225	5,147	482
18,835,540	15,422,545	11,696,613	15,430,133	19,858,055	23,433,993
14,137,487	13,088,136	13,542,177	16,125,004	16,280,074	16,186,289
-	-	-	48,074,312	21,632,688	1,942,748
181,750	181,239	432,066	289,830	1,317,519	546,817
-	-	-	(451)	(19,907)	-
33,185,740	28,719,745	25,678,970	79,923,053	59,073,576	42,110,329
\$ 58,397,892	\$ 51,159,164	\$ 48,931,136	\$ 105,505,177	\$ 87,241,501	\$ 78,333,036
\$ 2,068,401	\$ (7,238,728)	\$ (2,228,028)	\$ 56,574,041	\$ (18,263,676)	\$ (8,908,465)

**Burleson Independent School District**

## Governmental Funds Revenues

Last Nine Years

(Unaudited)

	2011	2012	2013	2014
Local Sources:				
Local Maintenance and Debt Service Tax	\$ 53,763,202	\$ 52,371,892	\$ 52,219,304	\$ 51,003,758
Tuition from Patrons	90,193	-	-	-
Other Revenue from Local Sources	6,548,106	4,199,895	3,444,393	3,888,383
Other Revenue from Intermediate Sources	-	-	-	-
Co-curricular Revenues	2,505,836	3,309,125	3,020,855	3,695,172
Total Local Sources	62,907,337	59,880,912	58,684,552	58,587,313
State Programs:				
Per Capita and Foundation	21,849,929	27,372,818	28,670,064	38,320,076
Other State Program Revenues	4,250,107	4,741,181	4,034,466	1,362,739
Total State Programs	26,100,036	32,113,999	32,704,530	39,682,815
Federal Programs:				
State Distributed Revenues from Federal Source:	8,557,069	7,180,955	5,654,017	5,652,580
Total Federal Programs	8,557,069	7,180,955	5,654,017	5,652,580
Other Financing Sources:				
Bond Proceeds and Other	27,106,510	13,874,622	12,031,542	-
<b>Total Revenues</b>	<b>\$ 124,670,952</b>	<b>\$ 113,050,488</b>	<b>\$ 109,074,641</b>	<b>\$ 103,922,708</b>

## Schedule 5

2015	2016	2017	2018	2019	2020
\$ 55,150,878	\$ 55,876,497	\$ 58,023,847	\$ 69,455,629	\$ 75,409,200	\$ 79,096,498
-	-	-	-	-	-
3,961,718	3,868,962	4,000,853	5,244,204	3,556,885	1,910,702
-	-	-	-	-	-
3,834,222	3,539,722	3,729,456	3,637,408	6,512,777	5,238,475
62,946,818	63,285,181	65,754,156	78,337,241	85,478,862	86,245,675
38,654,135	42,197,507	43,220,942	47,478,657	46,283,554	58,660,171
4,375,445	5,447,670	6,719,491	6,400,187	7,248,181	7,259,502
43,029,580	47,645,177	49,940,433	53,878,844	53,531,735	65,919,673
5,650,616	6,171,935	6,981,525	7,193,578	8,712,408	7,234,139
5,650,616	6,171,935	6,981,525	7,193,578	8,712,408	7,234,139
-	-	-	-	-	-
\$ 111,627,014	\$ 117,102,293	\$ 122,676,114	\$ 139,409,663	\$ 147,723,005	\$ 159,399,487

# Burleson Independent School District

## Governmental Funds Expenditures By Function

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2011	2012	2013	2014
Expenditures by Function				
Current				
Instruction	\$ 46,919,595	\$ 44,241,226	\$ 43,964,457	\$ 46,101,876
Instructional Resources & Media Services	1,181,495	1,053,707	1,083,010	1,132,587
Curriculum & Staff Development	1,718,588	1,273,094	1,282,555	1,223,021
Instructional Leadership	939,953	804,834	866,516	975,378
School Leadership	4,848,447	4,561,622	4,600,600	4,967,091
Guidance, Counseling, & Evaluation Services	2,738,289	2,721,542	2,860,732	3,044,477
Social Work Services	1,796	-	56,328	59,666
Health Services	958,774	959,767	986,455	926,800
Student (Pupil) Transportation	1,909,710	1,761,046	1,854,085	1,871,241
Food Services	4,291,391	4,138,943	4,850,615	4,947,288
Extracurricular Activities	3,639,118	2,819,380	3,015,594	3,130,083
General Administration	2,308,809	1,869,336	2,127,303	2,190,131
Plant Maintenance & Operations	8,872,279	7,453,681	8,559,424	8,133,280
Security & Monitoring Services	315,198	264,347	317,253	445,368
Data Processing Services	1,902,742	1,274,022	1,316,464	1,432,054
Community Services	899,742	784,338	648,288	687,546
Debt Service				
Principal on Long Term Debt	1,978,720	2,140,256	2,864,688	3,175,487
Interest on Long Term Debt	16,582,361	16,736,906	16,691,000	17,086,032
Bond Insurance Cost & Fees	359,923	3,800	276,535	128,539
Capital Outlay				
Facilities Acquisition & Construction	17,178,744	719,626	3,624,760	1,881,859
Intergovernmental				
Payments to Fiscal Agent/Member Districts of SSA	5,114	6,192	40,048	63,532
Payments to Juvenile Justice Alternative Ed. Prg.	316	10,625	158	7,426
Other Governmental Charges	539,762	418,146	384,873	392,948
<b>Total Expenditures</b>	<b>\$ 120,090,866</b>	<b>\$ 96,016,436</b>	<b>\$ 102,271,741</b>	<b>\$ 104,003,710</b>
Debt Service as a percentage of noncapital expenditures	18.39%	19.81%	20.10%	19.97%
Capital Outlay as a percentage of operating expenditures	14.65%	0.91%	3.90%	1.28%

Source: District's Financial Audit, Exhibit C-3

## Schedule 6

2015	2016	2017	2018	2019	2020
\$ 47,663,770	\$ 53,309,040	\$ 56,467,397	\$ 58,660,695	\$ 61,284,765	\$ 67,437,574
1,083,901	1,117,396	1,104,506	1,214,937	1,222,463	1,310,211
1,325,555	1,785,669	1,921,224	2,059,987	2,281,472	2,094,882
1,504,517	1,727,316	1,898,780	2,107,065	1,902,576	1,899,607
5,167,382	5,552,533	5,831,744	6,085,281	6,386,549	7,141,193
3,171,903	3,603,519	3,811,342	4,148,683	4,716,545	5,000,153
64,471	67,334	112,998	102,198	104,419	298,147
987,154	1,114,998	1,152,675	1,149,998	1,233,103	1,407,400
1,906,042	2,783,872	3,168,025	3,091,861	3,065,297	2,894,233
5,329,987	5,408,386	5,569,599	5,818,384	6,190,883	6,428,351
3,831,252	3,886,937	4,138,485	4,600,657	4,081,357	4,285,988
2,237,327	2,411,313	3,032,695	2,683,287	2,809,421	3,080,072
8,563,837	8,276,005	8,569,359	8,759,561	9,381,953	10,577,204
314,811	360,600	373,960	432,796	685,302	676,648
2,671,521	2,155,227	2,457,573	2,463,185	2,588,814	3,572,587
675,254	781,105	868,096	885,924	874,163	990,935
3,681,207	5,967,905	7,735,000	11,715,000	13,590,000	14,337,322
16,646,700	14,074,789	12,429,774	13,115,431	15,245,611	14,998,056
5,000	1,417,599	320,831	1,223,629	261,152	247,959
2,057,524	8,639,262	3,525,032	12,974,599	52,523,770	19,588,450
74,669	67,632	93,471	100,967	39,862	29,227
1,501	1,343	-	-	2,322	-
605,045	627,746	637,407	702,052	771,182	794,109
<u>\$ 109,570,330</u>	<u>\$ 125,137,526</u>	<u>\$ 125,219,973</u>	<u>\$ 144,096,177</u>	<u>\$ 191,242,981</u>	<u>\$ 169,090,308</u>
18.91%	18.42%	16.83%	19.87%	20.79%	19.62%
2.33%	6.90%	2.82%	9.00%	27.46%	11.58%

**Burleson Independent School District**

## Governmental Fund Other Source, Uses and Changes in Fund Balance

Last Ten Years

*(modified accrual basis of accounting)*

(Unaudited)

	2011	2012	2013	2014
Excess of revenues over (under) expenditures	\$ (22,526,424)	\$ 3,159,430	\$ (5,228,642)	\$ (81,002)
Other Financing Sources (Uses)				
Capital Related Debt Issued (Regular Bonds)	51,095,000	-	8,575,000	-
Transfers In	-	13,874,622	1,505,006	-
Transfers Out	-	(13,973,422)	(1,505,006)	-
Premium or Discount on Issuance of Bonds	6,111,165	-	529,340	-
Prepaid Interest	-	-	-	-
Other Uses (Refunding Bonds)	(30,099,655)	-	(9,013,270)	-
Capital Leases	-	-	1,422,196	-
Non-Current Loans	-	-	-	-
Sale of Real and Personal Property	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	27,106,510	(98,800)	1,513,266	-
<b>Net Change in Fund Balances</b>	<b>\$ 4,580,086</b>	<b>\$ 3,060,630</b>	<b>\$ (3,715,376)</b>	<b>\$ (81,002)</b>

Source: District's Financial Audit, Exhibit C-3



## Schedule 7

2015	2016	2017	2018	2019	2020
\$ 2,056,624	\$ (8,035,233)	\$ (2,543,859)	\$ (4,686,514)	\$ (43,519,976)	\$ (9,690,821)
-	146,039,656	17,630,000	118,064,151	24,955,000	17,700,000
-	5,558,760	-	8,519,602	8,868,513	6,957,289
-	(5,558,760)	-	(8,519,602)	(8,868,513)	(6,957,289)
-	16,247,550	832,340	13,805,714	301,300	2,927,009
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	545,147
-	-	-	-	-	-
11,776	-	-	-	-	-
-	(161,490,701)	(18,146,509)	(70,609,310)	-	(20,389,800)
-	-	-	-	-	-
11,776	796,505	315,831	61,260,555	25,256,300	782,356
\$ 2,068,400	\$ (7,238,728)	\$ (2,228,028)	\$ 56,574,041	\$ (18,263,676)	\$ (8,908,465)

**Burleson Independent School District****Schedule 8**

Assessed and Actual Value - Real and Personal Property  
Last Ten Years  
(Unaudited)

Tax Roll for Fiscal Year	Actual Value		Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Value <sup>2</sup>	Assessed Value to Total Estimated Actual Value
	Real Property	Personal Property					
2011	3,753,814,574	425,735,259	731,948,413	3,447,601,420	1.54000	4,179,549,833	82.49%
2012	3,714,753,439	576,869,842	848,822,476	3,442,800,805	1.54000	4,291,623,281	80.22%
2013	3,895,626,794	409,373,981	870,534,656	3,434,466,119	1.54000	4,305,000,775	79.78%
2014	3,836,856,513	426,168,092	920,219,408	3,342,805,197	1.54000	4,263,024,605	78.41%
2015	4,218,002,480	423,228,388	1,002,131,898	3,639,098,970	1.54000	4,641,230,868	78.41%
2016	4,516,474,211	355,362,516	1,162,757,413	3,709,079,314	1.54000	4,871,836,727	76.13%
2017	4,802,189,112	391,474,242	1,313,296,869	3,880,366,485	1.54000	5,193,663,354	74.71%
2018	5,466,621,379	378,701,859	1,508,627,491	4,336,695,747	1.67000	5,845,323,238	74.19%
2019	6,034,776,812	400,800,003	1,663,337,441	4,772,239,374	1.67000	6,435,576,815	74.15%
2020	6,566,676,678	440,629,420	1,693,874,566	5,313,431,532	1.56835	7,007,306,098	75.83%

Sources: Johnson and Tarrant County Appraisal District

<sup>1</sup>Per \$100 of assessed value.

<sup>2</sup>Estimated actual value includes real property, personal property, and oil, gas, and other minerals.

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## Burleson Independent School District

Property Tax Rates - Direct And Overlapping Governments

(Per \$100 Valuation)

Last Ten Years

(Unaudited)

	2011	2012	2013	2014
Burleson ISD:				
Maintenance and Operations	1.04000	1.04000	1.04000	1.04000
Interest and Sinking	0.50000	0.50000	0.50000	0.50000
<b>Total</b>	<b>1.54000</b>	<b>1.54000</b>	<b>1.54000</b>	<b>1.54000</b>
City of Burleson <sup>1</sup>	0.710	0.690	0.690	0.690
City of Fort Worth <sup>1</sup>	0.855	0.855	0.855	0.855
City of Crowley <sup>1</sup>	0.64	0.669019	0.669029	0.676448
Johnson County <sup>1</sup>	0.3275	0.3305	0.333229	0.371154
Tarrant County <sup>1</sup>	0.264	0.264	0.264	0.264
Tarrant County Hospital District <sup>1</sup>	0.22789	0.22789	0.227897	0.227897

Sources: Johnson County and Tarrant County Tax Office, District Records

<sup>1</sup>Overlapping rates

## Schedule 9

2015	2016	2017	2018	2019	2020
1.04000	1.04000	1.04000	1.17000	1.17000	1.06835
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
1.54000	1.54000	1.54000	1.67000	1.67000	1.56835
0.740	0.740	0.646027	0.735	0.735	0.720
0.855	0.855	0.835	0.805	0.785	0.785
0.765515	0.718061	0.703351	0.719	0.709	0.681992
0.445	0.448	0.431713	0.4417	0.472	0.425
0.264	0.264	0.264	0.244	0.234	0.234
0.227897	0.227897	0.227897	0.224429	0.224429	0.224429

# Burleson Independent School District

# Schedule 10

Ten Largest Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Principal Employer	Rank	2020		Rank	2011	
		2019-2020 Total Taxable Assessed Value <sup>1</sup>	Percentage of Total Taxable Assessed Value		2009-2010 Total Taxable Assessed Value <sup>2</sup>	Percentage of Total Taxable Assessed Value
Burleson Gateway	1	\$ 52,061,755	0.98%			
Halliburton	2	34,629,175	0.65%			
TEP Barnett	3	34,310,791	0.65%			
Wagner Smith	4	28,237,011	0.53%			
FDL Operating	5	24,009,835	0.45%			
XTO	6	23,792,556	0.45%	1	239,898,403	6.96%
BRE DDR BR McAlister	7	20,764,034	0.39%			
Sam's Real Estate	8	19,064,673	0.36%			
Oncor	9	16,582,219	0.31%			
Summercrest at Burleson	10	16,538,853	0.31%			
Chesapeake Exploration, Inc.				2	160,357,370	4.65%
EOG Resources				3	99,017,930	2.87%
Williams Production				4	75,199,550	2.18%
Devon Energy Production				5	41,530,356	1.20%
EE Burleson LP				6	29,210,974	0.85%
Wal-Mart Real Estate Business				7	18,975,122	0.55%
McAlister Square Estate				8	16,157,794	0.47%
Covington Gateway Acq.				9	13,884,588	0.40%
Barnett Gathering				10	13,455,720	0.39%
		<u>\$ 269,990,902</u>	<u>5.08%</u>		<u>\$ 707,687,807</u>	<u>20.53%</u>

Source: Johnson and Tarrant County Appraisal District

<sup>1</sup>Total 2019-2020 taxable assessed value equals \$5,313,431,532

<sup>2</sup>Total 2010-2011 taxable assessed value equals \$3,447,601,420

**Burleson Independent School District****Schedule 11**

Property Tax Levies and Collections  
 Current Year and Last Ten Years  
 (Unaudited)

Fiscal Year	Total Tax Levy	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>1</sup>	Percentage of Levy		Amount	Percentage of Levy
2011	54,162,535	51,759,277	95.56%	1,129,338	52,888,615	97.65%
2012	52,139,195	51,129,246	98.06%	590,759	51,720,005	99.20%
2013	51,689,326	50,678,921	98.05%	528,909	51,207,830	99.07%
2014	50,307,825	49,439,770	98.27%	631,035	50,070,805	99.53%
2015	54,704,182	53,835,542	98.41%	465,112	54,300,654	99.26%
2016	55,572,864	54,656,414	98.35%	231,401	54,887,815	98.77%
2017	57,723,302	56,990,775	98.73%	330,566	57,321,341	99.30%
2018	69,065,299	68,012,167	98.48%	554,633	68,566,800	99.28%
2019	75,474,090	74,483,216	98.69%	62,364	74,545,580	98.77%
2020	78,984,203	77,772,434	98.47%	355,293	78,127,728	98.92%

<sup>1</sup>Collected amounts represent total collections before refunds.

Source: Johnson County Tax Office

**Burleson Independent School District****Schedule 12**

Outstanding Debt by Type  
 Last Ten Years  
 (Unaudited)

Fiscal Year	General Obligation Debt	Accreted interest on Capital Appreciation Bonds and Premium on Bonds	Capital Leases	Notes Payables	Total Primary Government	Percentage of Personal Income	Per Capita
2011	315,003,199	27,040,861	-	-	342,044,060	26.90%	9,958
2012	312,862,942	25,180,886	-	-	338,043,828	25.24%	9,841
2013	310,441,243	24,364,535	979,175	-	335,784,953	24.07%	9,775
2014	307,661,941	26,463,747	582,990	-	334,708,678	22.16%	9,744
2015	304,395,852	24,703,067	167,874	-	329,266,793	21.10%	9,586
2016	296,800,852	39,757,407	-	-	336,558,259	20.68%	9,798
2017	288,945,852	38,695,411	-	-	327,641,263	18.52%	9,538
2018	329,205,852	51,604,472	-	-	380,810,324	20.29%	11,086
2019	340,570,852	49,916,805	-	-	390,487,657	N/A	11,368
2020	324,055,852	48,158,883	545,147	-	372,759,882	N/A	10,852

Source: District's Financial Audit, Notes on Long-Term Debt

Note 1: See Schedule 16 for personal income and population data.



**Burleson Independent School District****Schedule 13**

## Direct and Overlapping Governmental Activities Debt

June 30, 2020

(Unaudited)

Taxing Body	Net Debt Outstanding	As of	Percent Overlapping <sup>1</sup>	Amount Overlapping Net Debt
City of Burleson	\$ 144,310,000	6/30/2020	76.21%	\$ 109,978,651
City of Crowley	40,480,000	6/30/2020	3.23%	1,307,504
City of Fort Worth	813,495,000	6/30/2020	99.00%	805,360,050
Johnson County	21,340,000	6/30/2020	24.95%	5,324,330
Tarrant County	266,375,000	6/30/2020	87.00%	231,746,250
Tarrant County Hospital District	16,135,000	6/30/2020	87.00%	14,037,450
Total Overlapping Net Debt	1,302,135,000			<u>1,167,754,235</u>
Burleson ISD	324,055,852	6/30/2020	100%	<u>324,055,852</u>
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 1,491,810,087</u></u>
<b>Ratio of Total Direct and Overlapping Net Debt to 2020 Taxable Assessed Valuation \$5,313,431,532</b>				<u><u>31.26%</u></u>

Source: City of Burleson, Johnson County Appraisal District, Tarrant County Appraisal District

<sup>1</sup>The percentage of overlapping debt is estimated using taxable assessed property values.

Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value

that is within the District boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

**Burleson Independent School District**

## Legal Debt Margin Information

Last Ten Years

(Unaudited)

**Schedule 14**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2011	331,292,375	320,455,951	10,836,424	96.73%
2012	344,280,081	323,795,364	20,484,717	94.05%
2013	343,446,612	323,362,231	20,084,381	94.15%
2014	334,280,520	324,608,422	9,672,098	97.11%
2015	363,909,897	320,647,997	43,261,900	88.11%
2016	370,907,931	327,382,524	43,525,407	88.27%
2017	388,036,649	318,474,428	69,562,221	82.07%
2018	433,669,575	370,196,152	63,473,423	85.36%
2019	466,825,518	380,598,531	86,226,987	81.53%
2020	531,343,153	364,498,081	166,845,072	68.60%

## Legal Debt Margin Calculation for Fiscal Year 2020

<b>Assessed value</b>	<u>\$ 5,313,431,532</u>
Debt Limit (10% of assessed value)	\$ 531,343,153
Debt applicable to limit	<u>\$ 364,498,081</u>
<b>Legal debt margin</b>	<u>\$ 166,845,072</u>

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## Burleson Independent School District

Ratio of Net General Debt to Taxable Assessed Valuation  
and Net Bonded Debt Per Capita  
Last Ten Years  
(Unaudited)

Fiscal Year	Total Taxable Assessed Value	Assessment Ratio	Gross Bonded Debt Outstanding at Year End <sup>1</sup>	Reserve for Retirement of Bonded Debt	Net Bonded Debt Outstanding at Year End
2011	3,447,601,420	100%	315,003,119	16,311,477	298,691,642
2012	3,442,800,805	100%	312,862,942	14,477,247	298,385,695
2013	3,434,466,119	100%	310,441,243	12,422,722	298,018,521
2014	3,342,805,197	100%	307,661,941	9,769,564	297,892,377
2015	3,639,098,970	100%	304,395,852	8,618,796	295,777,056
2016	3,709,079,314	100%	296,800,852	9,175,735	287,625,117
2017	3,880,366,485	100%	327,280,798	9,166,835	318,113,963
2018	4,336,695,747	100%	380,810,324	11,030,385	369,779,939
2019	4,772,239,374	100%	324,055,852	9,889,126	314,166,726
2020	5,313,431,532	100%	324,055,852	8,261,801	315,794,051

Sources: Johnson and Tarrant County Appraisal District, District records

<sup>1</sup>The District's bonded indebtedness consists of general obligation debt.

## Schedule 15

Fiscal Year	Ratio Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Value Per Capita
2011	8.66%	36,690	8,141	93,966
2012	8.67%	38,130	7,825	90,291
2013	8.68%	39,010	7,640	88,041
2014	8.91%	40,714	7,317	82,105
2015	8.13%	41,213	7,177	88,300
2016	7.75%	42,560	6,758	87,149
2017	8.20%	43,960	7,236	88,270
2018	8.53%	45,016	8,214	96,337
2019	6.58%	46,145	6,808	103,418
2020	5.94%	47,282	6,679	112,377

**Burleson Independent School District**  
Demographic and Economic Statistics  
Last Ten Years  
(Unaudited)

**Schedule 16**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup> (thousands of dollars)	Per Capita Personal Income <sup>3</sup>	Unemployment Rate <sup>4</sup>	Residential Units <sup>5</sup>	Assessed Value of Residential Units <sup>5</sup>	Average Assessed Value of Residential Units <sup>5</sup>	Average Daily Attendance
2011	36,690	1,271,748	34,662	7.4%	17,651	2,198,943,494	124,579	9,404
2012	38,130	1,339,430	35,128	7.1%	18,043	2,207,991,229	122,374	9,704
2013	39,010	1,394,880	35,757	6.7%	18,377	2,237,896,377	121,777	9,990
2014	40,714	1,510,733	37,106	6.0%	18,583	2,330,451,271	125,408	10,186
2015	41,213	1,560,530	37,865	4.4%	18,745	2,479,984,947	132,301	10,389
2016	42,560	1,627,792	38,247	4.6%	18,932	2,660,145,544	140,511	10,804
2017	43,960	1,768,819	N/A	4.7%	19,473	3,092,091,053	158,789	11,226
2018	45,016	1,877,032	N/A	3.9%	19,934	3,365,082,959	168,811	11,487
2019	46,145	-	N/A	3.4%	20,130	3,971,138,527	197,275	11,735
2020	47,282	-	N/A	6.8%	20,616	4,362,004,914	211,583	12,088

Sources:

<sup>1</sup>City of Burleson Comprehensive Annual Financial Report and United States Census Bureau

<sup>2</sup>Personal Income is the per capita income multiplied by the population

<sup>3</sup>Bureau of Economic Analysis. Personal income for Johnson County updated through 2018.

<sup>4</sup>US Department of Labor - Bureau of Labor Statistics

<sup>5</sup>Johnson County and Tarrant County Appraisal District

Principal Employers  
Current Year and Five Years Ago  
(Unaudited)

## Schedule 17

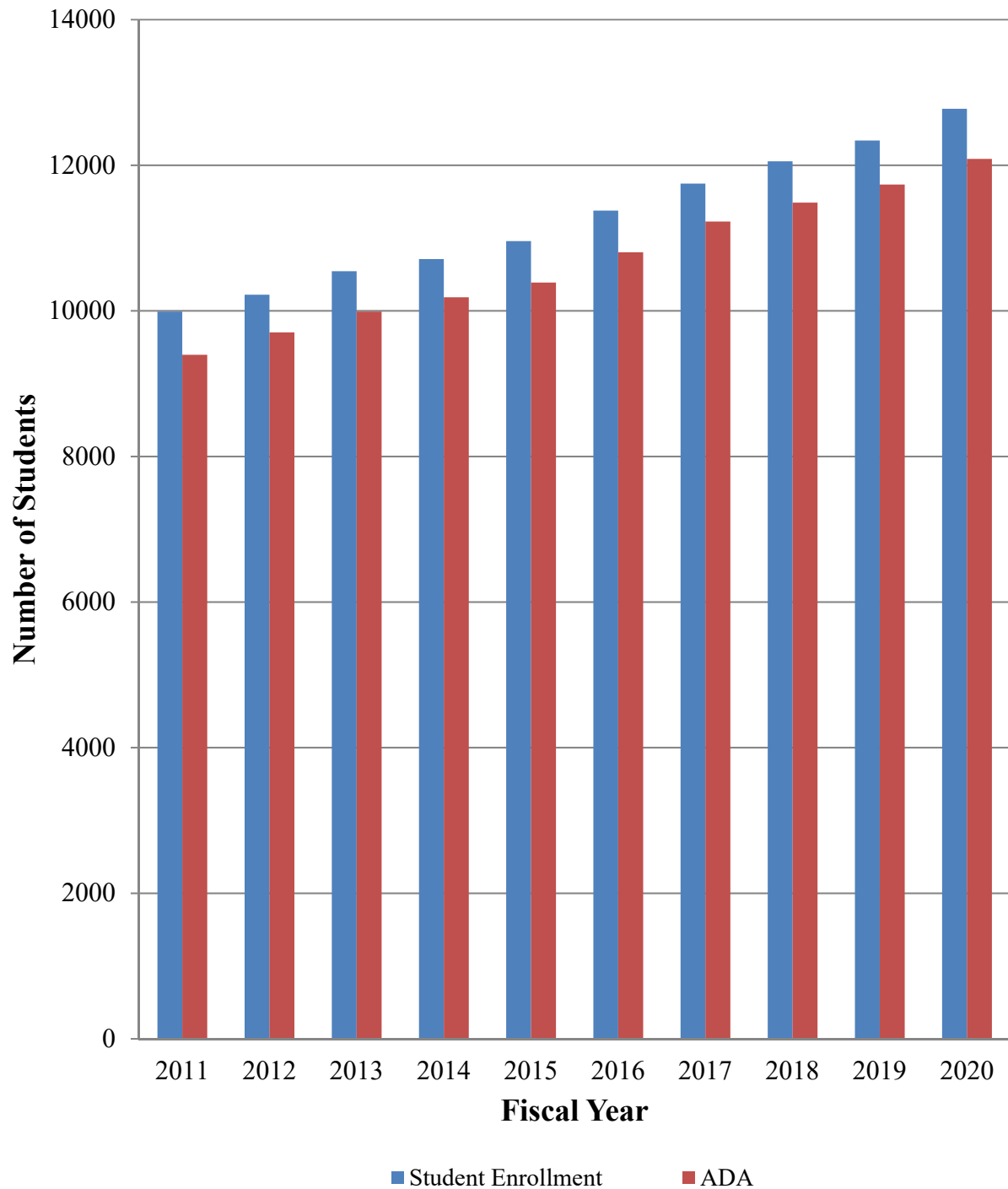
Principal Employer	Business Type	2019-2020			2014-2015		
		Rank	Number of Employees	Percentage of Total Employment	Rank	Number of Employees	Percentage of Total Employment
Burleson ISD	Education	1	1561	10.07%	1	1369	13.02%
Wal-Mart	Retail	2	565	3.65%	2	420	4.00%
H.E.B. Grocery Store	Grocery	3	450	2.90%	4	380	3.62%
City of Burleson	Municipality	4	449	2.90%	3	385	3.66%
Champion Buildings	Manufacturing	5	400	2.58%	5	319	3.03%
Kroger Marketplace	Retail	6	220	1.42%			
Sam's Club	Retail	7	170	1.10%			
Home Depot	Retail	8	165	1.06%			
Lowe's	Retail	9	165	1.06%	8	145	1.38%
Basden Steel	Manufacturing	10	140	0.90%	7	150	1.43%
Target	Retail				6	155	1.47%
KWS Manufacturing	Manufacturing				9	133	1.27%
Thomas Conveyor	Manufacturing				10	117	1.11%
			4285	27.65%		3573	33.99%

Source: City of Burleson and Comprehensive Annual Financial reports from the corresponding fiscal years.

# Burleson Independent School District

# Schedule 18

Total Enrollment and Average Daily Attendance Data Chart  
Last Ten Years  
(Unaudited)





**Burleson Independent School District**  
Full Time Equivalent Employees by Function  
Last Nine Years  
(Unaudited)

**Schedule 19**

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Teaching</b>									
Elementary Classroom Teachers	324	329	313	304	322	353	349	355	359
Secondary Classroom Teachers	255	260	323	324	344	374	386	388	407
Other Teachers	73	75	39	56	40	32	38	36	34
Total Teaching Staff	<u>652</u>	<u>664</u>	<u>675</u>	<u>684</u>	<u>706</u>	<u>759</u>	<u>773</u>	<u>780</u>	<u>800</u>
<b>Support Staff</b>									
Counselors	19	21	23	22	23	23	29	28	30
Therapists	15	16	17	17	17	19	19	21	20
Psychologists/Diagnosticians	15	16	16	15	17	20	13	16	15
Teacher Facilitators	7	7	8	8	14	13	12	13	11
Other Campus Professional	7	9	10	17	18	10	19	15	15
Other Non-Instructional	13	17	18	21	20	24	22	33	37
Athletic Trainer	1	3	3	2	4	3	5	4	3
Librarians	13	14	14	13	14	14	14	14	14
Nurses/Physicians	16	16	14	15	16	16	15	14	15
Total Support Staff	<u>106</u>	<u>119</u>	<u>123</u>	<u>130</u>	<u>143</u>	<u>142</u>	<u>148</u>	<u>157</u>	<u>160</u>
<b>Administrative Staff</b>									
Principals	15	15	15	14	15	17	17	17	18
Assistant Principals	24	25	24	26	26	26	28	30	27
Superintendent	1	1	1	1	1	1	1	1	1
Assistant Superintendent	1	1	1	2	2	2	1	0	1
Directors	13	11	13	15	14	19	13	12	10
Total Central Administration	<u>54</u>	<u>53</u>	<u>54</u>	<u>58</u>	<u>58</u>	<u>65</u>	<u>60</u>	<u>60</u>	<u>57</u>
<b>Paraprofessional Staff</b>									
Educational Aides	<u>123</u>	<u>122</u>	<u>119</u>	<u>128</u>	<u>126</u>	<u>134</u>	<u>155</u>	<u>150</u>	<u>136</u>
<b>Auxiliary Staff</b>									
Auxiliary	<u>390</u>	<u>390</u>	<u>363</u>	<u>369</u>	<u>349</u>	<u>382</u>	<u>399</u>	<u>404</u>	<u>408</u>
<b>Total</b>	<u><u>1,325</u></u>	<u><u>1,347</u></u>	<u><u>1,334</u></u>	<u><u>1,369</u></u>	<u><u>1,382</u></u>	<u><u>1,482</u></u>	<u><u>1,535</u></u>	<u><u>1,550</u></u>	<u><u>1,561</u></u>

Source: Texas Education Agency PEIMS Reports. Minor differences between this schedule and those on the internet are due to rounding.

**Burleson Independent School District****Schedule 20**

Teacher Salary Data  
Last Ten Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>District Average Salary</u>	<u>Region Average Salary</u>	<u>State Average Salary</u>
2011	43,200	66,000	47,463	48,014	48,638
2012	43,200	66,000	47,011	50,386	48,375
2013	43,200	66,000	47,795	51,130	48,821
2014	43,200	66,000	47,958	52,208	49,692
2015	46,000	67,200	49,601	53,291	50,715
2016	48,000	68,700	52,345	54,379	51,892
2017	49,000	69,700	53,322	55,194	52,525
2018	50,000	70,900	54,030	56,144	53,334
2019	51,000	71,609	54,961	56,985	54,122
2020	54,500	76,805	58,833	59,338	57,091

Source: District Records and PEIMS Standards Report

Note 1: Minimum and Maximum Salary based on Bachelor's 187 Days.

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## Burleson Independent School District

### Operating Statistics

Last Ten Years

(Unaudited)

Fiscal Year	Total Enrollment	Average Daily Attendance	Operating Expenditures <sup>1</sup>	Cost Per Pupil	Percent Change	Operating Expenses	Cost Per Pupil
2011	9,989	9,404	72,120,557	7,669	-11.11%	106,019,199	11,274
2012	10,160	9,705	75,980,885	7,829	2.09%	98,557,844	10,156
2013	10,457	9,990	78,814,758	7,890	0.77%	101,014,582	10,112
2014	10,618	10,186	81,731,793	8,024	1.70%	104,267,980	10,236
2015	10,805	10,389	87,023,734	8,377	4.40%	108,470,607	10,441
2016	11,376	10,804	94,337,802	8,731	4.24%	118,366,773	10,956
2017	11,748	11,226	100,028,328	8,910	2.05%	126,781,089	11,293
2018	12,054	11,487	104,797,465	9,123	2.39%	101,940,469	8,874
2019	12,340	11,735	109,436,472	9,326	2.22%	144,677,300	12,329
2020	12,775	12,088	119,918,521	9,921	6.38%	160,972,347	13,317

Source: District's Financial Audit, Exhibit B-1 and C-3, District Records

<sup>1</sup>Operating expenditures are total expenditures less debt service and capital outlays.

## Schedule 21

Percent Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced- Price Meals
8.03%	661	14.2	35.0%
-9.92%	652	14.9	37.0%
-0.43%	665	15.0	36.0%
1.23%	675	15.1	35.0%
2.00%	685	15.2	38.0%
4.93%	706	15.3	38.0%
3.09%	759	14.8	37.0%
-21.42%	772	14.9	37.0%
38.92%	780	15.1	39.0%
8.02%	800	15.1	39.0%

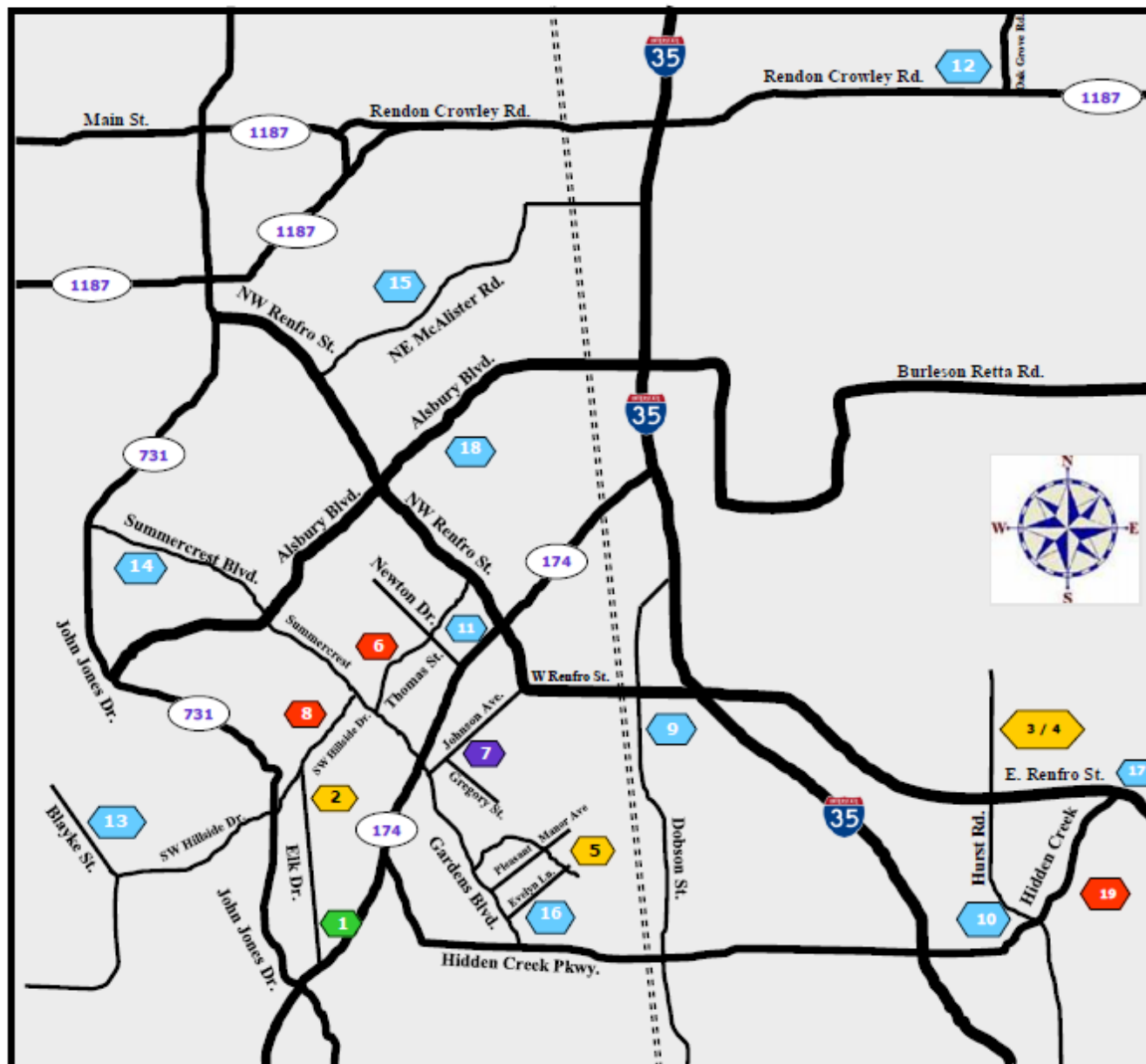
# Burleson Independent School District

# Schedule 22

## School Building Information Last Ten Years (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elementary</b>										
# of Locations	10	10	10	10	10	10	10	10	10	10
Sq. Footage	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479
Capacity	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242
Enrollment	4,900	5,078	5,184	5,214	5,283	5,534	5,670	5,725	5,725	5,798
<b>Middle Schools</b>										
# of Locations	2	2	2	2	2	3	3	3	3	3
Sq. Footage	383,563	383,563	383,563	383,563	383,563	434,793	434,793	434,793	434,793	426,188
Capacity	2,200	2,200	2,200	2,200	2,200	2,700	2,700	2,700	2,700	3,300
Enrollment	2,282	2,331	2,342	2,388	2,446	2,571	2,750	2,896	2,896	2,827
<b>High Schools</b>										
# of Locations	3	3	3	3	3	3	4	4	4	4
Sq. Footage	947,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947
Capacity	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
Enrollment	2,651	2,750	2,931	3,016	3,076	3,271	3,328	3,433	3,433	3,853
<b>Secondary Schools</b>										
# of Locations										1
Sq. Footage										97,174
Capacity										600
Enrollment										297
<b>Athletic Facilities</b>										
Multi-purpose Buildings	1	1	1	1	1	1	1	1	1	2
Football fields	4	4	4	4	4	4	4	4	4	4
Running tracks	5	5	5	5	5	5	5	5	5	5
Ball Fields	4	4	4	4	4	4	4	4	4	4
Tennis Courts	28	28	28	28	28	28	28	28	28	28
<b>Playgrounds</b>	10	10	10	10	10	10	10	10	10	10
<b>Administrative</b>										
# of Locations	2	2	2	2	2	2	2	2	2	2
Sq. Footage	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437
<b>Agriculture Science Center</b>										
Sq. Footage							28,900	28,900	28,900	28,900

# Burleson ISD School Location Map



## ADMINISTRATION

- 1** BISD Administration Bldg  
160 SW Wilshire Blvd  
817-245-1000

## HIGH SCHOOLS

- 2** Burleson High School (001)  
100 Elk Drive 817-245-0000
- 5** Crossroads High School (003)  
505 Pleasant Manor 817-245-0500
- 3** Centennial High School (006)  
201 N Hurst Rd 817-245-0250

- 4** Burleson Collegiate HS (007)  
201 N Hurst Rd 817-245-1600

## Secondary School

- 7** Realm (008)  
517 SW Johnson Ave 817-245-1700

## MIDDLE SCHOOLS

- 6** Hughes Middle School (041)  
316 SW Thomas Street 817-245-0600
- 19** Kerr Middle School (042)  
1320 E Hidden Creek Pkwy 817-245-0750

- 8** STEAM Middle School (043)  
900 SW Hillside Dr 817-245-1500

## ELEMENTARY SCHOOLS

- 9** Academy @ Nola Dunn (101)  
201 S Dobson Street 817-245-3300

- 14** Frazier Elementary (102)  
1125 NW Summercrest Blvd  
817-245-3000

- 11** Academy of Leadership & Tech @  
Mound (103)  
205 SW Thomas St 817-245-3100

- 16** Norwood Elementary (104)  
619 Evelyn Lane 817-245-3400

- 18** Taylor Elementary (105)  
400 NE Alsbury Blvd 817-245-3200

- 17** STEAM Academy@Stribling(107)  
1881 E Renfro Street 817-245-3500

- 10** Academy of Arts @ Bransom (108)  
820 S Hurst Road 817-245-3600

- 15** Hajek Elementary (109)  
555 NE McAllister Road 817-245-3700

- 12** Brock Elementary (110)  
12000 Oak Grove Rd 817-245-3800

- 13** Clinkscale Elementary (111)  
600 Blayke Street 817-245-3900

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## **Federal Awards Section**

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**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 Education  
Burleson Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Burleson Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 9, 2020.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

Board of Education  
Burleson Independent School District

### **Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 9, 2020

**Independent Auditor's Report on Compliance for Each  
Major Federal Program and Report on Internal Control over  
Compliance in accordance with the Uniform Guidance**

Board of Trustees  
Burleson Independent School District

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

We have audited Burleson Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of 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 the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 9, 2020

**Burleson Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020

**Section I – Summary of Auditors' Results**

**Financial Statements**

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None Reported

An unmodified opinion was issued on compliance for all major programs.

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

84.010A	ESEA, Title I, Part A
84.027A	IDEA – Part B, Formula <sup>(1)</sup>
84.173	IDEA - Preschool <sup>(1)</sup>

(1) Special Education Cluster

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

## **Burleson Independent School District**

Schedule of Findings and Questioned Costs – Continued  
Year Ended June 30, 2020

### **Section II – Financial Statement Findings**

There were no findings reported.

### **Section III – Federal Award Findings and Questioned Costs**

There were no findings reported.



**Burleson Independent School District**  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

**Finding 2019-01**

*Other Matter* – Negative Budget Variance

**Condition:** Actual expenditures exceeded budgeted amounts in functions 23 due to excess payroll costs incurred during the year ended June 30, 2019.

**Criteria:** According to the Texas Education Agency's Financial Accountability System Resource Guide, Module 4.6.2.9, a district may not expend amount in excess of budget.

**Cause:** Accruals completed in early June did not include one job type classification.

**Status:** Corrected

**Burleson Independent School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

**Exhibit K-1**

(1) FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Junior ROTC	12.000	126902	\$ 56,606
<b>TOTAL DEPARTMENT OF DEFENSE</b>			56,606
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	19610101126902	52,561
ESEA, Title I, Part A	84.010A	20610101126902	953,402
Total CFDA Number 84.010A			1,005,963
Special Education Cluster			
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	186600011269026000	70,656
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	196600011269026000	181,332
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	206600011269026000	1,608,702
Total CFDA Number 84.027A			1,860,690
IDEA - Preschool	84.173 <sup>(1)</sup>	186610011269026000	10,655
IDEA - Preschool	84.173 <sup>(1)</sup>	196610011269026000	2,714
IDEA - Preschool	84.173 <sup>(1)</sup>	206610011269026000	31,753
Total CFDA Number 84.173			45,122
Total Special Education Cluster			1,905,812
Career and Technical - Basic Grant	84.048	19420006126902	-
Career and Technical - Basic Grant	84.048	20420006126902	94,084
Total CFDA Number 84.048			94,084
Title III, Part A - English Language Acquisition	84.365A	19671001126902	31,786
Title III, Part A - English Language Acquisition	84.365A	20671001126902	53,474
Total CFDA Number 84.365A			85,260
Title II, Part A - Teacher & Principal Training	84.367A	18694501126902	52,181
Title II, Part A - Teacher & Principal Training	84.367A	19694501126902	171,133
Total CFDA Number 84.367A			223,314
ESEA, Title VI, Part A - Subpart 1	84.424A	19680101126902	5,896
ESEA, Title VI, Part A - Subpart 1	84.424A	20680101126902	86,700
Total CFDA Number 84.424A			92,596
ESEA, Title VI, Part A - Summer School LEP	84.369A	69551902	2,671
Total CFDA Number 84.369A			2,671
Total Passed Through State Department of Education			3,409,700
<b>TOTAL DEPARTMENT OF EDUCATION</b>			3,409,700

**Burleson Independent School District**  
Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2020

**Exhibit K-1**

(1) FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through State Department of Agriculture</u>			
Child Nutrition Cluster:			
School Breakfast Program	10.553 <sup>(2)</sup>	71401901	91,410
School Breakfast Program	10.553 <sup>(2)</sup>	71402001	558,217
Total CDFA Number 10.553			<u>649,627</u>
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71301901	407,511
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71302001	1,533,879
National School Program Lunch - Non-Cash Assistance	10.555 <sup>(2)</sup>	71301001	435,805
Total CDFA Number 10.555			<u>2,377,195</u>
Total Passed Through the State Department of Agriculture			<u>3,026,822</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			3,026,822
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 6,493,128</u>
School Health & Related Services (SHARS) <sup>(3)</sup>			<u>741,011</u>
<b>TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3</b>			<u>\$ 7,234,139</u>

(1) Reported as Special Education Cluster, as required by Compliance Supplement August 2020

(2) Reported as Child Nutrition Cluster, as required by Compliance Supplement August 2020

(3) Amounts not considered federal financial assistance subject to requirements in accordance with Uniform Guidance

## **Note 1. Basis of Presentation**

The District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*. Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Government Fund types are accounted for using a current financial resources measurement focus. All federal grants were accounted for in a Special Revenue Fund or the General Fund which are Governmental Fund types. With this measurement focus, only current assets, deferred outflows, current liabilities, deferred inflows and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues on the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

## **Note 2. Basis of Funding**

The District participates in numerous state and federal grant programs that 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying financial statements for such contingencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

## **Note 3. Food Donation**

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. As of June 30, 2020, the District recognized food commodities totaling \$435,805 with a remaining \$212 in inventory.

## **Note 4. Indirect Cost Rate**

The District elected not to use the 10% de minimis cost indirect cost rate.