

# Burleson Independent School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017  
Burleson, Texas



**Independent School District  
Burleson, Texas**



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2017

Prepared by:  
Brenda Mize, Chief Financial Officer

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



**Burleson Independent School District**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**  
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# Introductory Section



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

November 13, 2017

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 unqualified opinion based upon the audit of the Burleson Independent School District's financial statements for the fiscal year ended June 30, 2017 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 17 schools serving more than 11,800 students. BISD employs approximately 1,500 staff members with 50% 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.

### **Value Statements**

#### **Regarding the Organization:**

- Data informed decisions.
- Every staff member collectively takes responsibility for every variable we control to help students success.
- Improving systems and processes to be more effective and efficient.
- Fiscally responsible.
- Continuous development of leadership throughout the organization.
- Developing both internal and external partnerships.
- Adaptability toward changing demographics, external forces, changing technology in order to be more proactive and less reactive.
- Agility in anticipation of the changing needs of students, changes in accountability, resource availability, and markets for our students.

#### **Regarding Relationships:**

- Mutual respect.
- Transparent communication.
- Valuing diversity.
- Friendliness and acceptance.
- Kindness and empathy.
- Our service for the welfare of others.

#### **Regarding Students and Parents:**

- Academic recovery through coaching every student across the finish line.
- Organize our resources to add the most value to students and parents.
- Partner with parents for the success of their student.

## **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 initially calculated the estimated rollback tax rate and published the required legal notice in June 2016. The Board held the required public meeting on June 13, 2016 to discuss the proposed rate of \$1.04 maintenance and operations (General Fund) + \$.50 interest and sinking (Debt Service Fund) = \$1.54 per \$100 taxable valuation, however no action was taken. The Board of Trustees held the required public meeting on August 8, 2016, to discuss and adopt the 2016 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.

Local measures of business activity have recovered and surpassed peak levels. The City is currently experiencing its largest expansion of business with more than \$107 million in new taxable value, with more in the development pipeline.

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. Thus, functionally



speaking, Burleson's estimated population of over 42,000 belies the true size of the community's economy. 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.

### **State Funding Components**

- Maintenance and Operations Tax Rate – \$1.04
- Interest and Sinking Tax Rate – \$0.50
- High School Allotment – \$275 per grades 9-12 ADA
- Basic Allotment – \$5,140
- Equalized Wealth Level – \$319,500
- A guaranteed yield to \$77.53 per penny of tax effort on the first 6 cents of local option
- A guaranteed yield to \$31.95 per penny of tax effort on the last 11 cents of local option

### **State Accountability System**

Texas Legislature mandated the creation of a public school accountability system to evaluate and rate school districts. The state accountability system assigns one of three academic ratings to each district and campus: *Met Standard*, *Met Alternative Standard*, or *Improvement Required*. These ratings are based on a framework of four indices that combine a range of indicators into a comprehensive measure of performance. The performance indices are student achievement, student progress, closing performance gaps, and postsecondary readiness.

The performance index framework combines results from STAAR assessments, graduation rates, rates of students completing the various graduation plans, and other indicators. The District received a rating of "Met Standard."

<b>Performance Index Summary</b>	<b>Points Earned</b>	<b>Maximum Points</b>	<b>Index Score</b>
Student Achievement	16,091	20,152	80
Student Progress	746	2,000	37
Closing Performance Gaps	1,256	3,000	42
Postsecondary Readiness			73
<b>District Rating</b>	<b>Met Standard</b>		

<b>System Safeguards</b>	<b>Number of Indicators Met</b>	<b>Percent</b>
Performance Rates	35 of 45	78%
Participation Rates	20 of 20	100%
Graduation Rates	6 of 7	86%
Federal Limits on Alternative Assessments	1 of 1	100%
<b>Total</b>	<b>62 of 73</b>	<b>85%</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, 2016. This was the eight 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.

**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 2011-2016.

### **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**

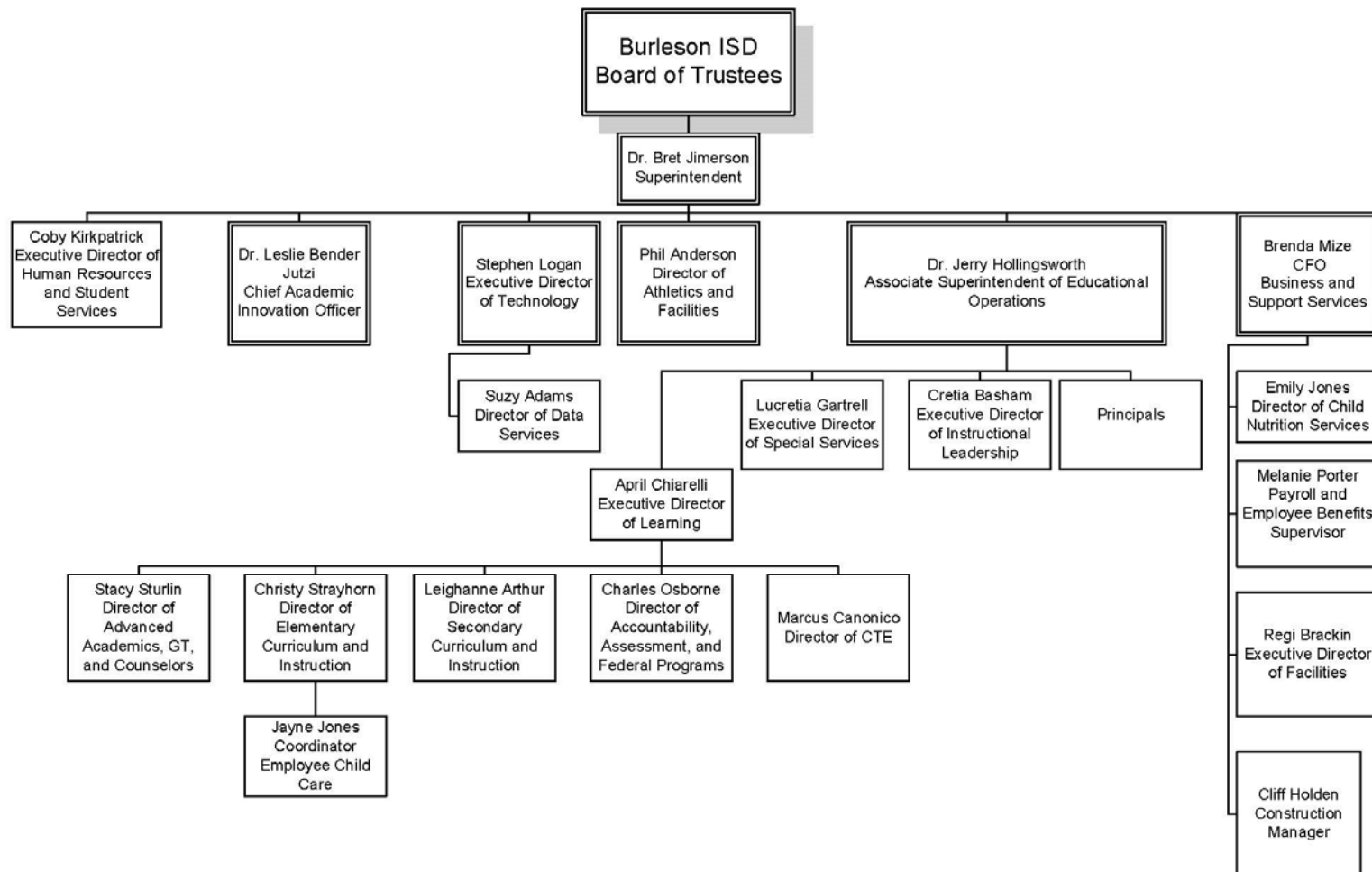
Andy Pickens.....	President
Pat Worrell .....	Vice-President
Staci Eisner.....	Secretary
Shawn Minor.....	Member
Michael Ancy.....	Member
Beverly Volkman-Powell .....	Member
Ryan Richardson.....	Member

**Administrative Staff**

Dr. Bret Jimerson .....	Superintendent of Schools
Cretia Basham .....	Executive Director of Instructional Support
April Chiarelli .....	Executive Director of Learning
Dr. Leslie Bender-Jutzi .....	Chief Academic Innovation Officer
Dr. Lucretia Gartrell .....	Executive Director of Special Services
Dr. Jerry Hollingsworth.....	Associate Superintendent of Educational Operations
Coby Kirkpatrick .....	Executive Director of Human Resources and Student Services
Mikala Hill .....	Director of Communications
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
SAMCO Capital.....	Financial Advisor
McCall, Parkhurst, & Horton.....	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, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

## Certificate of Board

Burleson Independent  
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, 2017, at a meeting of the Board of Trustees of such school district on the 13 day of November, 2017.

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

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

## **Financial Section**



## 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – General Fund, schedule of the District's proportionate share of the net pension liability, schedule of the District's contributions and the notes to the required supplementary information on pages 7 – 13 and 62 – 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, compliance schedules – required by the Texas Education Agency, budgetary comparison schedules 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, compliance schedules – required by the Texas Education Agency, budgetary comparison schedules 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, compliance schedules – required by the Texas Education Agency, budgetary comparison schedules 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.

To 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 13, 2017, 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 13, 2017

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## **Management's Discussion and Analysis**

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, 2017. 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**

The Texas State Legislature enacted legislation in 1999 that gives school districts the option to change their fiscal year-end to June 30. The District elected to act on this option and changed its fiscal year-end to June 30 effective with the fiscal period beginning September 1, 2008. By changing to a June 30 fiscal year-end, the District is able to align its budget, accounting, and reporting year more closely with its educational year. Annually, tax collections for the District's debt service payment due in August will be levied and collected in the fiscal year ended on June 30 prior to the August debt payment.

- 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 \$2,803,535 (net position). This is primarily the result of a decrease in cash of \$3,891,843 used to fund capital expenditure purchases in 2017 of \$3,905,395. Unrestricted net position was \$6,582,805 as of June 30, 2017.
- The District's total net position increased by \$193,789, which is due to an increase in attendance, and a corresponding increase in State Aid and property tax revenue.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$48,931,136. Approximately 47% of this total amount, \$22,981,552, 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 \$22,981,552 or 26% of the total general fund expenditures.
- The District's Enterprise Fund net position increased by \$40,713 from operations with net position of \$159,743. Increase in the Enterprise Fund was the result of client composition falling within the higher rate classification and increase in rates for each classification between 1 and 2%. This was met with more favorable expenses, leading to an overall increase in net position.

### **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 activity in the government-wide financial statements. This fund is used to account for the District's Day Care 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, 2017, assets and deferred outflows have fallen behind liabilities and deferred inflows by \$2.8 million with an increase in net position of \$193,789 indicating that the District's overall financial position remains sound. A portion of the District's net position represented resources subject to external restrictions on how they may be used. As of June 30, 2017, the District's restricted net position for grant funds was \$432,066 and restricted net assets for debt service was \$9.1 million. As of June 30, 2017, the unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements were \$6.5 million.

The net investment in capital assets is a deficit of \$18.9 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, 2017 and fiscal year ended June 30, 2016:

**Table I**  
**Burleson Independent School District**  
**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	61,412,707	64,004,558	\$ 222,211	\$ 184,630	\$ 61,634,918	\$ 64,189,188
Capital assets	277,332,349	280,467,828	-	-	277,332,349	280,467,828
Long-term investments	1,960,421	1,216,845	-	-	1,960,421	1,216,845
Total assets	340,705,477	345,689,231	222,211	184,630	340,927,688	345,873,861
Deferred outflow of resources	2,243,196	24,557,541	-	-		24,557,541
Current Liabilities	\$ 25,718,006	\$ 25,963,812	\$ 62,468	\$ 65,600	\$ 25,780,474	\$ 26,029,412
Long-term liabilities	339,167,187	344,336,666	-	-	339,167,187	344,336,666
Total liabilities	364,885,193	370,300,478	62,468	65,600	364,947,661	370,366,078
Deferred inflow of resources	1,221,758	3,062,648	-	-	1,221,758	3,062,648
Net position						
Net investment in capital assets	(18,985,241)	(23,725,928)	-	-	(18,985,241)	(23,725,928)
Restricted	9,598,901	9,356,974	-	-	9,598,901	9,356,974
Unrestricted	6,423,062	11,252,600	159,743	119,030	6,582,805	11,371,630
Total net position	\$ (2,963,278)	\$ (3,116,354)	\$ 159,743	\$ 119,030	\$ (2,803,535)	\$ (2,997,324)

Table

II presents a summary of the changes in net position for the fiscal year ended June 30, 2017 with a comparison to the fiscal year ended June 30, 2016. Net position of the District's governmental activities increased \$193,789 from \$1 million in the prior year. Increase was due to an increase attendance, which lead to additional revenue received during 2017, and less capital expenditures from the previous fiscal year.

Revenues in the business-type activities exceeded costs, resulting in a \$40,713 increase in net position.

**Table II**  
**Burleson Independent School District**  
**Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 6,420,911	\$ 6,099,191	\$ 577,388	\$ 540,404	\$ 6,998,299	\$ 6,639,595
Operating grants and contributions	8,215,605	9,720,657	29,719	28,848	8,245,324	9,749,505
General Revenues					-	-
Maintenance and operations taxes	39,179,085	37,793,546	-	-	39,179,085	37,793,546
Debt service taxes	18,733,850	18,104,303	-	-	18,733,850	18,104,303
State aid	53,075,316	46,369,557	-	-	53,075,316	46,369,557
Investment Earnings	351,980	213,369	-	-	351,980	213,369
Miscellaneous	957,418	1,096,123	-	-	957,418	1,096,123
Total Revenue	126,934,165	119,396,746	607,107	569,252	127,541,272	119,965,998
Expenses						
Instruction, curriculum and media services	68,931,840	63,018,278	-	-	68,931,840	63,018,278
Instructional and school leadership	9,014,348	8,207,034	-	-	9,014,348	8,207,034
Student support services	8,817,627	8,169,758	-	-	8,817,627	8,169,758
Child nutrition	5,997,147	5,746,504	-	-	5,997,147	5,746,504
Extracurricular activities	4,315,441	3,955,992	-	-	4,315,441	3,955,992
General administration	4,082,942	3,339,681	-	-	4,082,942	3,339,681
Plant maintenance, security & data processing	12,310,302	11,388,778	-	-	12,310,302	11,388,778
Community Services	973,505	815,466	566,394	562,388	1,539,899	1,377,854
Debt service	12,337,937	13,725,282	-	-	12,337,937	13,725,282
Intergovernmental charges	-	-	-	-	-	-
Total Expenses	126,781,089	118,366,773	566,394	562,388	127,347,483	118,929,161
Change in net position	153,076	1,029,973	40,713	6,864	193,789	1,036,837
Net position at beginning of year	(3,116,354)	(4,146,327)	119,030	112,166	(2,997,324)	(4,034,161)
Prior Period Adjustment	-	-	-	-	-	-
Net position at end of year	\$ (2,963,278)	\$ (3,116,354)	\$ 159,743	\$ 119,030	\$ (2,803,535)	\$ (2,997,324)

As shown in Table II, the cost of all governmental activities for the current fiscal year was \$127,347,483. 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 \$57,912,935 because some of the costs were paid by those who directly benefited from the programs (\$6,420,911) or by other governments and organizations that subsidized certain programs with grants and contributions (\$8,215,605) or by State equalization funding (\$53,075,316).

## **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 \$48,931,136, which is \$2,228,028 less than last year's total of \$51,159,164. Included in this year's total change in fund balance is an increase of \$812,747 in the District's General Fund, an increase of \$454,041 in the District's Debt Service Fund, and a decrease of \$3,870,905 in the District's Capital Projects Fund. The decrease in the Capital Projects Fund is primarily due to planned capital expenditures and transfers from the General Fund to the Capital Projects Fund in the previous fiscal year, which did not occur in the current fiscal year.

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 2016). 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 \$23,252,166 reported on pages 20 differs from the General Fund's budgetary fund balance of \$22,452,966 reported in the budgetary comparison schedule on page 62. This is principally due to local revenues in excess of budgeted amounts and cost savings throughout most functions.

The debt service fund has a total fund balance of \$13,542,177, 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, 2017 were \$20,485,605.

The capital projects fund has a total fund balance of \$10,154,163 all of which is committed for authorized construction and technology projects/enhancements. The net decrease in fund balance during the current year of \$3,870,905 was primarily due to the resolution adopted on June 13, 2016 by the Board of Trustees transferring General Fund excess to Capital Project funds to finish summer projects and technology upgrades, along with the expenditure of funds in completing construction of Taylor Elementary.

The day care fund has total net position of \$159,743, after recording a net gain of \$40,713 for the year.

## **Capital Assets and Debt Administration**

### **Capital Assets**

At June 30, 2017, the District had \$277,332,349 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a decrease of \$3,135,479 below 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 \$349,015,025 in bonds and other long-term liabilities outstanding (including accreted interest on bonds) versus \$354,889,637 last year—an increase of \$5,874,612. This increase was largely driven by a \$3,117,708 increase in the net pension liability and accretion of \$1,128,107, as certain capital appreciation bonds are maturing. 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.

Net position: Net Investment in Capital Assets

Land	\$ 12,020,716
Buildings	328,026,626
Furniture and Equipment	9,787,473
Construction in Progress	-
	<hr/>
Total Capital Assets	\$ 349,834,815
Less Accumulated Depreciation	<hr/> (72,502,466)
Related Debt	
Bonds Payable	288,945,852
Premium on Capital Appreciation Bonds	19,397,019
Less Deferred Loss on Refunding	<hr/> (12,025,281)
Net Related Debt	<hr/> 296,317,590
Net Investment in capital assets	<hr/> <hr/> \$ (18,985,241)

At June 30, 2017, the District had invested \$349,834,815 in capital assets with \$296,317,590 from debt financing. The amount of unspent bond proceeds is not used as a financing source due to the availability for use for future projects. The negative net position of \$18,985,241 is derived from netting the total assets, net of related debt with accumulated depreciation (non-cash expenditure) resulting in a current year calculation of \$(18,985,241) for Net Investment in Capital Assets.

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

- The General Fund budgeted expenditures for the 2017-2018 year increased \$5.3 million compared to the 2016-2017 budgeted expenditures.
- The District increased the maintenance and operations property tax rate at \$1.17 per \$100 valuation. The debt service rate remained \$0.50 per \$100 valuation. Based on this information and rates, original budgeted local tax revenues increased by approximately \$7 million and original budgeted State foundation funding increased approximately \$5.6 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**



**Burleson Independent School District**  
Statement of Net Position  
June 30, 2017

**Exhibit A-1**

Control Data Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
1110	Cash and temporary investments	\$ 43,283,211	\$ 169,993	\$ 43,453,204
1220	Property taxes receivable (delinquent)	2,042,655	-	2,042,655
1230	Allowance for uncollectible taxes	(202,210)	-	(202,210)
1240	Due from other governments	15,908,852	-	15,908,852
1290	Other receivables, net	-	52,218	52,218
1300	Inventories	38,501	-	38,501
1410	Prepaid expenses	341,698	-	341,698
	Capital assets			
1510	Land	12,020,716	-	12,020,716
1520	Buildings, net	261,863,160	-	261,863,160
1530	Furniture and equipment, net	3,448,473	-	3,448,473
1910	Long term investments	1,960,421	-	1,960,421
1000	Total assets	340,705,477	222,211	340,927,688
DEFERRED OUTFLOWS OF RESOURCES				
1700	Deferred loss on refunding	12,025,281	-	12,025,281
1705	Deferred outflows - pension	10,412,915	-	10,412,915
	Total deferred outflows of resources	22,438,196	-	22,438,196
LIABILITIES				
2110	Accounts payable	739,626	-	739,626
2140	Accrued interest payable	4,867,330	-	4,867,330
2150	Payroll deductions and withholdings	1,085,482	5,368	1,090,850
2160	Accrued wages payable	9,177,202	57,100	9,234,302
2180	Due to other governments	528	-	528
2300	Unearned revenues	-	-	-
	Noncurrent liabilities			
2501	Due within one year	9,847,838	-	9,847,838
2502	Due in more than one year	317,970,650	-	317,970,650
2540	Net pension liability	21,196,537	-	21,196,537
2000	Total liabilities	364,885,193	62,468	364,947,661
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	1,221,758	-	1,221,758
	Total deferred inflows of resources	1,221,758	-	1,221,758
NET POSITION				
3200	Net investment in capital assets	(18,985,241)	-	(18,985,241)
3820	Restricted for federal and state programs	432,066	-	432,066
3850	Restricted for debt service	9,166,835	-	9,166,835
3900	Unrestricted net position	6,423,062	159,743	6,582,805
3000	Total net position	\$ (2,963,278)	\$ 159,743	\$ (2,803,535)

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

# Burleson Independent School District

## Statement of Activities

Year Ended June 30, 2017

Data Control Codes		Program Revenues		
		Expenses	Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
11	Instruction	\$ 65,545,974	\$ 3,258,332	\$ 1,926,781
12	Instructional resources and media services	1,259,513	-	24,922
13	Curriculum and staff development	2,126,353	-	200,965
21	Instructional leadership	2,184,617	-	77,472
23	School leadership	6,829,731	-	113,539
31	Guidance, counseling and evaluation services	4,393,048	-	231,312
32	Social work services	130,744	-	1,595
33	Health services	1,351,624	-	16,342
34	Student (pupil) transportation	2,942,211	-	41,741
35	Food services	5,997,147	2,567,586	4,686,940
36	Extracurricular activities	4,315,441	489,433	374,501
41	General administration	4,082,942	-	80,757
51	Plant maintenance and operations	9,329,370	105,560	135,304
52	Security and monitoring services	377,468	-	20,758
53	Data processing services	2,603,464	-	30,197
61	Community services	973,505	-	252,479
72	Debt service - interest on long term debt	12,017,106	-	-
73	Debt service - bond issuance cost and fees	320,831	-	-
	Total governmental activities	126,781,089	6,420,911	8,215,605
	Business-type activities			
	Child care	566,394	577,388	29,719
	Total business-type activities	566,394	577,388	29,719
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 127,347,483	\$ 6,998,299	\$ 8,245,324

	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
	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.

# EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (60,360,861)	\$ -	\$ (60,360,861)
(1,234,591)	-	(1,234,591)
(1,925,388)	-	(1,925,388)
(2,107,145)	-	(2,107,145)
(6,716,192)	-	(6,716,192)
(4,161,736)	-	(4,161,736)
(129,149)	-	(129,149)
(1,335,282)	-	(1,335,282)
(2,900,470)	-	(2,900,470)
1,257,379	-	1,257,379
(3,451,507)	-	(3,451,507)
(4,002,185)	-	(4,002,185)
(9,088,506)	-	(9,088,506)
(356,710)	-	(356,710)
(2,573,267)	-	(2,573,267)
(721,026)	-	(721,026)
(12,017,106)	-	(12,017,106)
(320,831)	-	(320,831)
(112,144,573)	-	(112,144,573)
-	40,713	40,713
-	40,713	40,713
\$ (112,144,573)	\$ 40,713	\$ (112,103,860)
39,179,085	-	39,179,085
18,733,850	-	18,733,850
53,075,316	-	53,075,316
351,980	-	351,980
957,418	-	957,418
112,297,649	-	112,297,649
153,076	40,713	193,789
(3,116,354)	119,030	(2,997,324)
\$ (2,963,278)	\$ 159,743	\$ (2,803,535)

# Burleson Independent School District

## Balance Sheet – Governmental Funds

June 30, 2017

<b>Data Control Codes</b>		<b>10 General Fund</b>	<b>50 Debt Service Fund</b>
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ 17,638,052	\$ 12,962,174
1220	Property taxes receivable (delinquent)	1,507,332	535,323
1230	Allowance for uncollectible taxes	(158,875)	(43,335)
1240	Due from other governments	14,413,553	558,048
1260	Due from other funds	146,433	81,609
1290	Other receivables	-	-
1300	Inventories	30,387	-
1410	Prepaid items	240,227	-
1910	Long term investments	1,960,421	-
1000	Total assets	35,777,530	14,093,819
1700	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
1000A	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 35,777,530</u>	<u>\$ 14,093,819</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 625,239	\$ 59,654
2150	Payroll deductions and withholdings	1,046,996	-
2160	Accrued wages payable	8,612,820	-
2170	Due to other funds	171,898	-
2181	Due to state	-	-
2300	Unearned revenues	-	-
2000	Total liabilities	10,456,953	59,654
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Deferred revenue and property taxes	2,068,411	491,988
<b>FUND BALANCES</b>			
Nonspendable			
3410	Inventories	30,387	-
3430	Prepaid items	240,227	-
Restricted			
3480	Debt service	-	13,542,177
3450	Grant funds	-	-
Committed			
3510	Construction	-	-
3545	Other purposes	-	-
Assigned			
3600	Unassigned	22,981,552	-
3000	Total fund balances	23,252,166	13,542,177
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 35,777,530</u>	<u>\$ 14,093,819</u>

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

EXHIBIT C-1

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 10,080,535	\$ 1,776,416	\$ 42,457,177
-	-	2,042,655
-	-	(202,210)
-	937,251	15,908,852
88,191	472,917	789,150
-	-	-
-	8,114	38,501
101,471	-	341,698
-	-	1,960,421
10,270,197	3,194,698	63,336,244
-	-	-
<u>\$ 10,270,197</u>	<u>\$ 3,194,698</u>	<u>\$ 63,336,244</u>
\$ -	\$ 42,706	\$ 727,599
744	37,742	1,085,482
14,605	549,777	9,177,202
100,685	581,315	853,898
-	528	528
-	-	-
116,034	1,212,068	11,844,709
-	-	2,560,399
-	8,114	38,501
-	-	240,227
-	-	13,542,177
-	432,066	432,066
-	-	-
10,154,163	1,542,450	11,696,613
-	-	22,981,552
<u>10,154,163</u>	<u>1,982,630</u>	<u>48,931,136</u>
<u>\$ 10,270,197</u>	<u>\$ 3,194,698</u>	<u>\$ 63,336,244</u>

**Burleson Independent School District****Exhibit C-2**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2017

Total fund balances - governmental funds	\$ 48,931,136
Capital assets used in governmental activities are not financial resources; therefore are not reported in the fund financial statements.	349,834,815
Accumulated depreciation is not reported in the fund financial statements.	(72,502,466)
Bonds payable, capital lease obligations and accumulated sick leave benefits are not reported in the fund financial statements.	(289,306,320)
Net pension liability is not reported in the fund financial statements.	(21,196,537)
Accreted interest on capital appreciation bonds is not reported in the fund financial statements.	(18,937,924)
Bond premiums on outstanding bonds payable are not recorded in the fund financial statements.	(19,397,019)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	12,025,281
Property tax and other revenue reported as deferred inflows in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,560,399
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(4,867,330)
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	10,412,915
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(1,221,758)
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.	<u>701,530</u>
Net position of governmental activities	<u><u>\$ (2,963,278)</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, 2017

<b>Data Control Codes</b>		<b>10 General Fund</b>	<b>50 Debt Service Fund</b>
	<b>REVENUES</b>		
5700	Local and intermediate sources	\$ 40,229,411	\$ 18,885,605
5800	State program revenues	47,345,766	1,738,210
5900	Federal program revenues	1,155,895	-
5020	Total revenues	88,731,072	20,623,815
	<b>EXPENDITURES</b>		
	Current		
0011	Instruction	53,332,030	-
0012	Instructional resources and media services	1,072,215	-
0013	Curriculum and instructional staff development	1,319,349	-
0021	Instructional leadership	1,723,372	-
0023	School leadership	5,722,176	-
0031	Guidance, counseling and evaluation services	3,196,795	-
0032	Social work services	112,998	-
0033	Health services	1,152,444	-
0034	Student (pupil) transportation	2,933,393	-
0035	Food services	32,953	-
0036	Extracurricular activities	3,044,171	-
0041	General administration	2,942,363	-
0051	Facilities maintenance and operations	8,412,133	-
0052	Security and monitoring services	312,399	-
0053	Data processing services	1,935,745	-
0061	Community services	36,382	-
	Debt service		
0071	Principal on long-term debt	-	7,735,000
0072	Interest on long-term debt	-	12,429,774
0073	Bond issuance cost and fees	-	320,831
	Capital outlay		
0081	Facilities acquisition and construction	-	-
	Intergovernmental		
0093	Payments to fiscal agent/member districts of SSA	-	-
0095	Payments to juvenile justice alternative ed. prg.	-	-
0099	Other intergovernmental charges	637,407	-
6030	Total expenditures	87,918,325	20,485,605
1100	Excess (deficiency) of revenues over (under) expenditures	812,747	138,210
	<b>OTHER FINANCING SOURCES (USES)</b>		
7900			
7911	Issuance of bonds	-	17,630,000
7915	Transfers in	-	-
7916	Premium or discount on issuance of bonds	-	832,340
8911	Transfers out	-	-
8949	Payment to refunded bond escrow agent	-	(18,146,509)
7080	Total other financing sources (uses)	-	315,831
1200	Net change in fund balances	812,747	454,041
0100	<b>FUND BALANCE at July 1 (beginning)</b>	22,439,419	13,088,136
3000	<b>FUND BALANCE at June 30 (ending)</b>	\$ 23,252,166	\$ 13,542,177

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 830,900	\$ 5,808,240	\$ 65,754,156
4,235	852,222	49,940,433
-	5,825,630	6,981,525
835,135	12,486,092	122,676,114
226,301	2,909,066	56,467,397
-	32,291	1,104,506
-	601,875	1,921,224
-	175,408	1,898,780
1,488	108,080	5,831,744
-	614,547	3,811,342
-	-	112,998
-	231	1,152,675
234,632	-	3,168,025
-	5,536,646	5,569,599
-	1,094,314	4,138,485
84,458	5,874	3,032,695
104,560	52,666	8,569,359
7,741	53,820	373,960
521,828	-	2,457,573
-	831,714	868,096
-	-	7,735,000
-	-	12,429,774
-	-	320,831
3,525,032	-	3,525,032
-	93,471	93,471
-	-	-
-	-	637,407
4,706,040	12,110,003	125,219,973
(3,870,905)	376,089	(2,543,859)
-	-	17,630,000
-	-	-
-	-	832,340
-	-	-
-	-	(18,146,509)
-	-	315,831
(3,870,905)	376,089	(2,228,028)
14,025,068	1,606,541	51,159,164
\$ 10,154,163	\$ 1,982,630	\$ 48,931,136

**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, 2017

Total net change in fund balances - governmental funds	\$ (2,228,028)
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.	3,905,395
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.	(7,040,874)
The current year issuance of bonds are shown as another resource in the fund financial statements but are shown as an increase in long term debt in the government-wide financial statements.	(17,630,000)
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.	17,750,000
Current year long-term debt principal payments on bonds payable and capital lease obligations are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	7,735,000
The change in current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements.	341,893
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(386,222)
The decrease in other long-term debt for local leave payable is not recognized in the fund financial statements.	37,209
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 increase to net position.	(2,734,435)
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.	181,244
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.	(317,246)
Current year amortization 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.	1,000,140
Current year deferred loss on refunding associated with bonds payable is reported net of amortization on the government-wide financial statements.	(661,728)
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.	200,728
Change in net position of governmental activities	<u>\$ 153,076</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, 2017

**Exhibit D-1**

	Business-type Activities Enterprise Funds <u>Day Care Fund</u>	Governmental Activities Internal Service Fund <u>Insurance Fund</u>
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$ 169,993	\$ 826,034
Receivables	52,218	-
Due from Other Funds	-	64,748
	<u>222,211</u>	<u>890,782</u>
Total current assets		
	<u>222,211</u>	<u>890,782</u>
<b>TOTAL ASSETS</b>		
	<u>222,211</u>	<u>890,782</u>
<b>DEFERRED OUTFLOWS</b>	-	-
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	-	12,027
Payroll taxes payable	5,368	-
Accrued wages payable	57,100	-
Claims payable	-	157,681
	<u>62,468</u>	<u>169,708</u>
Total current liabilities		
	<u>62,468</u>	<u>169,708</u>
Noncurrent liabilities		
Claims payable	-	19,544
	<u>-</u>	<u>19,544</u>
Total noncurrent liabilities		
	<u>-</u>	<u>19,544</u>
<b>TOTAL LIABILITIES</b>	62,468	189,252
<b>DEFERRED INFLOWS</b>	-	-
<b>NET POSITION</b>		
Unrestricted	<u>159,743</u>	<u>701,530</u>
<b>TOTAL NET POSITION</b>	<u>\$ 159,743</u>	<u>\$ 701,530</u>

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

**Burleson Independent School District**  
Statement of Revenues, Expenses, and Changes In  
Net Position – Proprietary Funds  
Year Ended June 30, 2017

**Exhibit D-2**

	Business-type Activities Enterprise Funds <u>Day Care Fund</u>	Governmental Activities Internal Service Fund <u>Insurance Fund</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 577,388	\$ 486,331
Total operating revenues	577,388	486,331
<b>OPERATING EXPENSES</b>		
Personnel services	519,089	-
Contractual services	6,979	-
Utilities	17,465	-
Other supplies and expenses	21,644	-
Other operating costs	1,217	285,603
Total operating expenses	566,394	285,603
Operating income	10,994	200,728
<b>NONOPERATING REVENUES</b>		
State on-behalf revenue	29,719	-
Total nonoperating revenue	29,719	-
Income before contributions and transfers	40,713	200,728
Change in net position	40,713	200,728
<b>TOTAL NET POSITION, beginning</b>	119,030	500,802
<b>TOTAL NET POSITION, ending</b>	\$ 159,743	\$ 701,530

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, 2017

**Exhibit D-3**

	Business-type Activities Enterprise Funds Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and interfund services	\$ 575,166	\$ 421,583
Payments to suppliers	(47,305)	(360,299)
Payments to employees	(492,502)	-
Net cash provided by operating activities	35,359	61,284
Net increase in cash and temporary investments	35,359	61,284
<b>BALANCES, beginning of the year</b>	134,634	764,750
<b>BALANCES, end of the year</b>	<u>\$ 169,993</u>	<u>\$ 826,034</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 10,994	\$ 200,728
Adjustments to reconcile operating income to net cash provided by operating activities		
State on-behalf revenue	29,719	-
Change in assets and liabilities		
Receivables	(2,222)	-
Due from other funds	-	(64,748)
Accounts and payroll taxes payables	(1,203)	628
Accrued wages payable	(1,929)	-
Claims payable	-	(75,324)
Net cash provided by operating activities	<u>\$ 35,359</u>	<u>\$ 61,284</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, 2017

**Exhibit E-1**

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and temporary investments	\$ 33,715	\$ 74,520
Total assets	<u>\$ 33,715</u>	<u>\$ 74,520</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 191
Due to student groups	-	74,329
Total liabilities	-	<u>\$ 74,520</u>
<b>NET POSITION</b>		
Held in trust for scholarships and other purposes	<u>\$ 33,715</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, 2017

**Exhibit E-2**

	Private Purpose Trust Fund
<b>NET POSITION, beginning of the year</b>	\$ 34,715
Deductions	
Scholarships granted	(1,000)
<b>NET POSITION, end of year</b>	<u>\$ 33,715</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.

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.

Additionally, the District reports the following fund types:

Special Revenue Funds – These 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.

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 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, 2017 is as follows:

Appropriated budget funds	
Child nutrition program	\$ 193,290
Nonappropriated budget funds	1,789,340
	<hr/>
All special revenue funds	\$ 1,982,630
	<hr/>

#### 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, 2017, there were no outstanding purchase orders.

## **Burleson Independent School District**

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

#### **Cash Equivalents**

For purposes of the statement of cash flows, investments are considered to be cash equivalents if they are 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".

#### **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

## **Burleson Independent School District**

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

#### **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 14.

#### **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.

#### **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.



## **Burleson Independent School District**

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

#### **Deferred Outflows and Deferred Outflows 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 \$1,348,457 and \$491,988 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.

#### **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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

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, 2017 are classified in the accompanying financial statements as follows:

Primary government	\$ 45,413,625
Fiduciary funds	108,235
	<hr/>
	\$ 45,521,860
	<hr/>

Cash and investments as of June 30, 2017 consist of the following:

Cash and temporary investments	\$ 43,561,439
Long term investments	1,960,421
	<hr/>
	\$ 45,521,860
	<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. As of June 30, 2017, the District's bank balance of cash deposits, including money markets and certificates of deposit, totaled \$5,619,513 and the carrying amount was \$4,915,921. This entire amount was either collateralized with securities held by the District's agent or covered by FDIC insurance.

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: \$13,487,857;
- Largest cash, savings, and certificate of deposit combined account balance amounted to \$11,771,603 and occurred during November 2016;
- Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

At the date of the highest combined balance, the District was fully collateralized.

*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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

*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, 2017, the District was not exposed to foreign currency risk.

*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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

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 considered deposits with financial institutions and are also excluded.

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:

	Fair Value Measurements Using				Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
	Value at June 30, 2017	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs			
Investments measured at amortized cost							
Investment pools							
TexPool	\$ 21,711,151	\$ -	\$ -	\$ -	53%	39	AAAm
Lonestar	16,934,379	-	-	-	42%	46	AAA
Investments by fair value level							
Commercial Paper	762,676	-	762,676	-	2%	387	A+
Municipal Bonds	1,197,745	-	1,197,745	-	3%	322	A1
Total	<u>\$ 40,605,951</u>	<u>\$ -</u>	<u>\$ 1,197,745</u>	<u>\$ -</u>	<u>100%</u>		
Portfolio weighted average maturity						<u>57.39</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 organization, 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.

# Burleson Independent School District

## Notes to the Basic Financial Statements

### Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions/ Completions	(Retirements)/ Adjustments	Balance June 30, 2017
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,020,716	\$ -	\$ -	\$ 12,020,716
Total capital assets not being depreciated	12,020,716	-	-	12,020,716
Capital assets being depreciated				
Buildings	324,586,765	3,439,861	-	328,026,626
Furniture and equipment	9,321,939	465,534	-	9,787,473
Total assets being depreciated	333,908,704	3,905,395	-	337,814,099
Less accumulated depreciation for				
Buildings	(59,659,053)	(6,504,413)	-	(66,163,466)
Furniture and equipment	(5,802,539)	(536,461)	-	(6,339,000)
Total accumulated depreciation	(65,461,592)	(7,040,874)	-	(72,502,466)
Total capital assets being depreciated, net	268,447,112	(3,135,479)	-	265,311,633
Governmental activities capital assets, net	\$ 280,467,828	\$ (3,135,479)	\$ -	\$ 277,332,349

Depreciation expense was charged as direct expense as follows:

Governmental activities	
Instruction	\$ 4,838,335
Instructional resources and media services	81,983
Curriculum and staff development	98,162
Instructional leadership	146,304
School leadership	527,743
Guidance, counseling and evaluation services	287,561
Social Services	9,386
Health services	105,223
Student (pupil) transportation	4,663
Food services	226,119
Extracurricular activities	19,663
General administration	168,942
Plant maintenance and operations	436,593
Data processing services	87,731
Community services	2,466
Total depreciation expense - governmental activities	\$ 7,040,874

# Burleson Independent School District

## Notes to the Basic Financial Statements

### 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.

The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2017:

	Interest Rate Payable	Amounts Outstanding 7/1/2016	Issued Current Year	Refunded Current Year	Interest Accretion	Retired	Amounts Outstanding 6/30/2017	Due Within One Year
<b>Bond indebtedness</b>								
1995 Refunding bonds	5.90-5.95%	\$ 65,852	\$ -	\$ -	\$ -	\$ -	\$ 65,852	\$ -
2007 School building and refunding bonds	4.00-5.00%	25,735,000	-	16,780,000	-	4,395,000	4,560,000	4,560,000
2008 School building bonds	4.00-5.50%	1,370,000	-	970,000	-	125,000	275,000	135,000
2009 School building bonds	2.45-5.00%	66,290,000	-	-	-	75,000	66,215,000	55,000
2010 School building and refunding bonds	4.00%	25,840,000	-	-	-	360,000	25,480,000	1,300,000
2011 School building and refunding bonds	2.00-5.00%	23,305,000	-	-	-	1,185,000	22,120,000	295,000
2012 School building and refunding bonds	.057-3.00%	8,160,000	-	-	-	215,000	7,945,000	225,000
2015 School building and refunding bonds	2.00-5.00%	25,315,000	-	-	-	-	25,315,000	25,000
2016 School building and refunding bonds	2.00-5.00%	120,720,000	-	-	-	1,380,000	119,340,000	245,000
2017 School building and refunding bonds	2.00-5.00%		17,630,000	-	-	-	17,630,000	180,000
<b>Total bonded indebtedness</b>		<b>296,800,852</b>	<b>17,630,000</b>	<b>17,750,000</b>	<b>-</b>	<b>7,735,000</b>	<b>288,945,852</b>	<b>7,020,000</b>
<b>Other district obligations</b>								
Accreted interest on Capital appreciation bonds		19,279,817	-	-	1,128,107	1,470,000	18,937,924	1,500,000
Premium on bonds		20,079,913	832,340	-	-	1,515,234	19,397,019	1,125,987
Accumulated sick leave benefits		397,677	11,520	-	-	48,729	360,468	44,170
Claims payable		252,549	116,169	-	-	191,493	177,225	157,681
Net Pension Liability		18,078,829	4,903,455	-	-	1,785,747	21,196,537	-
<b>Total other obligations</b>		<b>58,088,785</b>	<b>5,863,484</b>	<b>-</b>	<b>1,128,107</b>	<b>5,011,203</b>	<b>60,069,173</b>	<b>2,827,838</b>
<b>Total obligation of district</b>		<b>\$ 354,889,637</b>	<b>\$ 23,493,484</b>	<b>\$ 17,750,000</b>	<b>\$ 1,128,107</b>	<b>\$ 12,746,203</b>	<b>\$ 349,015,025</b>	<b>\$ 9,847,838</b>

## Burleson Independent School District

### Notes to the Basic Financial Statements

Presented below is a summary of general obligation bond requirements to maturity as of June 30:

	Principal	Interest	Total Requirements
2018	\$ 7,020,000	\$ 13,167,248	\$ 20,187,248
2019	7,095,000	13,018,135	20,113,135
2020	7,390,000	12,716,510	20,106,510
2021	5,328,837	14,836,423	20,165,260
2022	7,090,416	13,034,294	20,124,710
2023-2027	41,646,599	58,924,352	100,570,951
2028-2032	59,985,000	40,162,039	100,147,039
2033-2037	74,295,000	25,541,619	99,836,619
2038-2042	79,095,000	21,867,140	100,962,140
	<u>\$ 288,945,852</u>	<u>\$ 213,267,760</u>	<u>\$ 502,213,613</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 2017 through 2041. 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, 2017.

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

On May 4, 2017 the District issued Unlimited Tax Refunding Bonds, Series 2017 for \$17,630,000 to refund a portion of the Unlimited Tax School Building and Refunding Bonds, Series 2007 and Series 2008. The bonds bear accrue 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 2017 and 2040. The refunding was undertaken to reduce the District's total debt service payments over the next 21 years by \$3,003,946 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,170,137.

The District defeased certain outstanding unlimited tax school building bonds from Series 2007 and 2008 by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2017, \$16,780,000 and \$970,000 are considered defeased on Series 2007 and 2008, respectively.

Subsequent to June 30, 2017, the District issued Unlimited Tax School Building Bonds, Series 2017 for \$52,335,000. The bonds bear accrue interest at rates from 4% to 5%, which is due and payable on February 1 and August 1 of each year. The bonds are scheduled to mature between 2018 and 2047.

## **Burleson Independent School District**

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

#### **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 2017 fiscal year was based was \$3,880,366,485. 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, 2017 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.50 per \$100 valuation, respectively, for a total of \$1.54 per \$100 valuation.

Current tax collections for the year ended June 30, 2017 were 101% 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, 2017, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,348,457 and \$491,988 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.

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

##### **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\\_2016.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.



## Burleson Independent School District

### Notes to the Basic Financial Statements

#### 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 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Contribution rates can be found in the TRS 2016 CAFR, Note 12, on Page 82.

	Contribution Rates	
	2016	2017
Member	7.2%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

Employer #0442	2017
Employer contributions	\$ 1,785,747
Member contributions	5,105,613
NECE on-behalf contributions	3,309,615

## Burleson Independent School District

### Notes to the Basic Financial Statements

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.

### Actuarial Assumptions

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

Valuation date	August 31, 2016
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long term expected investment rate of return	8.00%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll growth rate	2.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

	<u>1% Decrease in discount rate (7.0%)</u>	<u>Discount rate (8.0%)</u>	<u>1% Increase in discount rate (9.0%)</u>
District's proportionate share of the net pension liability	\$ 32,805,099	\$ 21,196,537	\$ 11,350,130

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

At June 30, 2017, the District reported a liability of \$21,196,537 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	\$ 21,196,537
State's proportionate share that is associated with District	39,284,622
Total	<u>\$ 60,481,159</u>

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

At August 31, 2016, the employer's proportion of the collective net pension liability was 0.05609%, which was an increase from 0.05114%, its proportion measured as of August 31, 2015.

#### Changes Since the Prior Actuarial Valuation

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended August 31, 2017, the District recognized pension expense of \$4,076,807 and revenue of \$4,076,807 for support provided by the State.

## Burleson Independent School District

### Notes to the Basic Financial Statements

At August 31, 2017, 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	\$ 332,358	\$ 632,916
Changes in actuarial assumptions	646,032	587,540
Differences between projected and actual investment earnings	1,794,879	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	6,662,400	1,302
Contributions paid to TRS subsequent to the measurement dates	977,246	-
	<u>\$ 10,412,915</u>	<u>\$ 1,221,758</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows, except the portion related to District contributions made subsequent to the measurement date, which will be recognized as a reduction in the net pension liability:

Year ended August 31:	Pension Expense Amount
2018	\$ 1,454,886
2019	1,454,886
2020	2,599,747
2021	1,366,917
2022	1,008,201
Thereafter	329,274

## Note 7. School District Retiree Health Plan

### Plan Description

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payrolls set at 0.55% for fiscal years 2017, 2016 and 2015. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2017, 2016 and 2015, the State's contributions to TRS-Care were \$644,870, \$620,599 and \$546,846, respectively, the active member contributions were \$435,471, \$403,390 and \$368,752, respectively, and the school district's contributions were \$368,471, \$339,953 and \$312,022, respectively, which equaled the required contributions each year.

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, 2017, 2016 and 2015, the contributions made on behalf of the District were \$206,023, \$246,135 and \$168,936, respectively.

#### Note 8. 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, 2016	\$	397,677
Additions		
new entrants, days earned (net), and salary increments		11,520
Deductions		
payments to participants		(48,729)
Balance at June 30, 2017	\$	<u>360,468</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 9. 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	\$ 146,433	\$ 171,898
Capital projects fund	88,191	100,685
Debt service fund	81,609	-
Nonmajor governmental funds		
Special revenue funds		
Child nutrition program	436,017	573,150
Campus activity funds	36,900	8,165
Internal service fund	64,748	-
Total	<u>\$ 853,898</u>	<u>\$ 853,898</u>

#### Note 10. 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 2016-2017, 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, 2017, includes \$177,225 for workers' compensation case reserve losses, with \$157,681 of this amount due within one year. This liability includes estimated outstanding claims from October 1, 2012 to June 30, 2017. The liabilities reported in the fund at June 30, 2017 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, 2017, 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, 2016 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 11. 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, 2017, are summarized below:

	State Entitlements	Federal Grants	Total
General fund	\$ 13,693,598	\$ 719,955	\$ 14,413,553
Debt service fund	558,048	-	558,048
Other funds	143,116	794,135	937,251
Total	<u>\$ 14,394,762</u>	<u>\$ 1,514,090</u>	<u>\$ 15,908,852</u>

#### Note 12. 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, 2017 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 2017 issues nor future costs that will have a material effect on the financial statements of the District.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 13. 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	\$ 38,890,354	\$ 18,697,207	\$ -	\$ -	\$ 57,587,561
Food sales	-	-	-	2,567,586	2,567,586
Investment income	192,400	75,036	83,912	632	351,980
Penalties, interest and other tax related income	322,924	113,362	-	-	436,286
Co-curricular student activities	489,433	-	-	3,229,682	3,719,115
Mineral Interests	-	-	746,988	-	746,988
Other	334,300	-	-	10,340	344,640
Total	\$ 40,229,411	\$ 18,885,605	\$ 830,900	\$ 5,808,240	\$ 65,754,156

#### Note 14. 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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

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, 2017, total committed fund balance was \$12,576,695.

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, 2017, 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.

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 thirty-two percent (32%) of the total operating expenditures.

#### **Note 15. 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 \$501,654 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, 2017, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 16. New Accounting Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement is effective for financial statements for reporting periods beginning after June 15, 2017.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is effective for financial statements for reporting periods beginning after December 15, 2015.

In January 2016, GASB issued Statement No. 80: *Blending Requirements for Certain Component Units – on amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for periods beginning after December 15, 2016.

In March 2016, GASB issued Statement No. 82: *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

## **Burleson Independent School District**

### Notes to the Basic Financial Statements

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In March 2017, GASB issued Statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In May 2017, GASB issued Statement No. 86, Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The District's management is reviewing the implementation process of these standards by gathering required information.

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## **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, 2017

Data Control Codes				Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Budgeted Amounts			
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 41,134,849	\$ 41,134,849	\$ 40,229,411	\$ (905,438)
5800	State program revenues	46,110,282	46,510,282	47,345,766	835,484
5900	Federal program revenues	918,000	918,000	1,155,895	237,895
5020	Total revenues	88,163,131	88,563,131	88,731,072	167,941
EXPENDITURES					
Current					
0011	Instruction	53,559,311	53,336,557	53,332,030	4,527
0012	Instructional resources and media services	1,078,481	1,078,481	1,072,215	6,266
0013	Curriculum and instructional staff development	1,313,511	1,351,694	1,319,349	32,345
0021	Instructional leadership	1,630,047	1,734,466	1,723,372	11,094
0023	School leadership	5,709,747	5,725,821	5,722,176	3,645
0031	Guidance, counseling and evaluation services	3,076,146	3,197,748	3,196,795	953
0032	Social work services	69,260	110,810	112,998	(2,188)
0033	Health services	1,147,311	1,152,461	1,152,444	17
0034	Student (pupil) transportation	2,952,931	2,952,931	2,933,393	19,538
0035	Food services	15,000	35,000	32,953	2,047
0036	Extracurricular activities	2,962,586	3,059,380	3,044,171	15,209
0041	General administration	2,660,989	3,035,811	2,942,363	93,448
0051	Facilities maintenance and operations	8,998,572	8,763,163	8,412,133	351,030
0052	Security and monitoring services	307,493	326,670	312,399	14,271
0053	Data processing services	1,993,682	2,003,682	1,935,745	67,937
0061	Community services	28,305	38,699	36,382	2,317
Debt services					
0071	Principal on long-term debt	-	-	-	-
Capital outlay					
0081	Facilities acquisition and construction	-	-	-	-
Intergovernmental					
0095	Payments to juvenile justice alternative ed. prg.	3,500	3,500	-	3,500
0099	Other intergovernmental charges	642,710	642,710	637,407	5,303
6030	Total expenditures	88,149,582	88,549,584	87,918,325	631,259
1100	Excess of revenues over expenditures	13,549	13,547	812,747	799,200
OTHER FINANCING SOURCES					
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total other financing sources	-	-	-	-
1200	Net change in fund balances	13,549	13,547	812,747	799,200
0100	FUND BALANCE - July 1 (beginning)	22,439,419	22,439,419	22,439,419	-
3000	FUND BALANCE - June 30 (ending)	\$ 22,452,968	\$ 22,452,966	\$ 23,252,166	\$ 799,200



**Burleson Independent School District****Exhibit G-2**Schedule of the District's Proportionate Share of  
the Net Pension Liability  
Year Ended June 30, 2017

	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.056092500%	0.051144300%	0.028050900%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 21,196,537	\$ 18,078,829	\$ 7,492,783
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	39,284,622	37,390,769	31,992,845
Total	\$ 60,481,159	\$ 55,469,598	\$ 39,485,628
District's Covered-Employee Payroll	\$ 65,990,540	\$ 57,353,065	\$ 56,750,102
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	32.12%	31.52%	13.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note 1: 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, 2016.

Note 2: In accordance with GASB 68, Paragraph 138, only three years of data are presented this reporting period.

**Burleson Independent School District**

## Schedule of District Contributions

Year Ended June 30, 2017

**Exhibit G-3**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,151,179	\$ 980,294	767,797
Contribution in Relation to the Contractually Required Contribution	<u>(1,151,179)</u>	<u>(980,294)</u>	<u>(767,797)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 66,995,472	\$ 62,059,880	56,750,102
Contributions as a Percentage of Covered-Employee Payroll	1.72%	1.58%	1.35%

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.

## **Burleson Independent School District**

### Notes to the Required Supplementary Information

#### **Changes of benefit terms:**

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

#### **Changes of assumptions**

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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



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

# Burleson Independent School District

## Combining Balance Sheet

### Non Major Governmental Funds

June 30, 2017

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS				
1110	Cash and temporary investments	\$ -	\$ 3	\$ 9,319
1240	Due from other governments	243,031	463,165	5,648
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1000	Total assets	243,031	463,168	14,967
TOTAL ASSETS		\$ 243,031	\$ 463,168	\$ 14,967
LIABILITIES				
2110	Accounts payable	\$ 1,536	\$ 2,383	\$ -
2150	Payroll deductions and withholdings	4,967	8,076	1,091
2160	Accrued wages payable	86,045	132,483	6,181
2170	Due to other funds	150,483	320,226	7,695
2181	Due to state	-	-	-
2000	Total liabilities	243,031	463,168	14,967
FUND BALANCES				
	Nonspendable			
3410	Inventories	-	-	-
3430	Prepaid items	-	-	-
	Restricted			
3480	Debt service	-	-	-
3470	Capital acquisitions	-	-	-
3450	Grant funds	-	-	-
	Committed			
3545	Other purposes	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 243,031	\$ 463,168	\$ 14,967



240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP
\$ 22,043	\$ -	\$ -	\$ -	\$ 3,443
-	20,007	43,313	18,971	-
436,017	-	-	-	-
8,114	-	-	-	-
466,174	20,007	43,313	18,971	3,443
<u>\$ 466,174</u>	<u>\$ 20,007</u>	<u>\$ 43,313</u>	<u>\$ 18,971</u>	<u>\$ 3,443</u>
\$ 2,208	\$ 4,197	\$ 3,121	\$ -	\$ -
16,871	-	426	63	-
253,805	-	6,103	2,407	-
-	15,810	33,663	16,501	-
-	-	-	-	-
272,884	20,007	43,313	18,971	-
8,114	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
185,176	-	-	-	3,443
-	-	-	-	-
-	-	-	-	-
193,290	-	-	-	3,443
<u>\$ 466,174</u>	<u>\$ 20,007</u>	<u>\$ 43,313</u>	<u>\$ 18,971</u>	<u>\$ 3,443</u>

# Burleson Independent School District

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2017

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ -	\$ 6,244
1240	Due from other governments	3,470	19,350
1260	Due from other funds	-	-
1300	Inventories	-	-
1000	<b>Total assets</b>	<u>3,470</u>	<u>25,594</u>
<b>TOTAL ASSETS</b>		<u>\$ 3,470</u>	<u>\$ 25,594</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ -	\$ -
2150	Payroll deductions and withholdings	-	-
2160	Accrued wages payable	-	-
2170	Due to other funds	3,470	-
2181	Due to state	-	-
2000	<b>Total liabilities</b>	<u>3,470</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable			
3410	Inventories	-	-
3430	Prepaid items	-	-
Restricted			
3480	Debt service	-	-
3470	Capital acquisitions	-	-
3450	Grant funds	-	25,594
Committed			
3545	Other purposes	-	-
3600	Unassigned	-	-
3000	<b>Total fund balances</b>	<u>-</u>	<u>25,594</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,470</u>	<u>\$ 25,594</u>

Exhibit H-1 (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
\$ 121,431	\$ -	\$ 1,612,505	\$ 1,428	\$ 1,776,416
94,857	25,439	-	-	937,251
-	-	36,900	-	472,917
-	-	-	-	8,114
216,288	25,439	1,649,405	1,428	3,194,698
<u>\$ 216,288</u>	<u>\$ 25,439</u>	<u>\$ 1,649,405</u>	<u>\$ 1,428</u>	<u>\$ 3,194,698</u>
\$ -	\$ -	\$ 29,261	\$ -	\$ 42,706
-	-	6,248	-	37,742
-	-	62,753	-	549,777
-	25,302	8,165	-	581,315
-	-	528	-	528
-	25,302	106,955	-	1,212,068
-	-	-	-	8,114
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
216,288	137	-	1,428	432,066
-	-	1,542,450	-	1,542,450
-	-	-	-	-
216,288	137	1,542,450	1,428	1,982,630
<u>\$ 216,288</u>	<u>\$ 25,439</u>	<u>\$ 1,649,405</u>	<u>\$ 1,428</u>	<u>\$ 3,194,698</u>

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2017

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	832,203	1,769,573	37,707
5020	<b>Total revenues</b>	<u>832,203</u>	<u>1,769,573</u>	<u>37,707</u>
<b>EXPENDITURES</b>				
Current				
0011	Instruction	790,543	670,556	37,707
0012	Instructional resources and media services	-	-	-
0013	Curriculum and Instructional staff development	30,241	296,533	-
0021	Instructional leadership	-	174,050	-
0023	School leadership	3,706	-	-
0031	Guidance, counseling and evaluation services	-	534,535	-
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	6,550	153	-
0041	General administration	-	150	-
0051	Facilities maintenance and operations	-	125	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	1,163	-	-
Intergovernmental				
0093	Payments to fiscal agent/member districts of SSA	-	93,471	-
6030	<b>Total expenditures</b>	<u>832,203</u>	<u>1,769,573</u>	<u>37,707</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
7900	<b>OTHER FINANCING SOURCES (USES)</b>	-	-	-
1200	Net change in fund balances	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP
\$ 2,568,218	\$ -	\$ -	\$ -	\$ -
121,789	-	-	-	-
2,887,376	91,751	162,949	41,741	2,330
5,577,383	91,751	162,949	41,741	2,330
-	83,280	-	37,066	-
-	-	-	-	-
-	4,300	162,391	4,120	-
-	-	558	-	-
-	1,390	-	-	-
-	2,781	-	-	-
-	-	-	-	-
5,532,898	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,126	-	-	-	-
-	-	-	-	-
-	-	-	555	-
-	-	-	-	-
5,564,024	91,751	162,949	41,741	-
13,359	-	-	-	2,330
-	-	-	-	-
13,359	-	-	-	2,330
179,931	-	-	-	1,113
\$ 193,290	\$ -	\$ -	\$ -	\$ 3,443

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes In  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2017

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	10,667	43,200
5900	Federal program revenues	-	-
5020	Total revenues	10,667	43,200
<b>EXPENDITURES</b>			
Current			
0011	Instruction	10,053	12,041
0012	Instructional resources and media services	-	-
0013	Curriculum and Instructional staff development	614	19,350
0021	Instructional leadership	-	-
0023	School leadership	-	-
0031	Guidance, counseling and evaluation services	-	-
0033	Health services	-	-
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	10,667	31,391
1100	Excess (deficiency) of revenues over (under) expenditures	-	11,809
<b>OTHER FINANCING SOURCES (USES)</b>		-	-
1200	Net change in fund balances	-	11,809
0100	Fund Balance - July 1 (Beginning)	-	13,785
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 25,594

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
\$ -	\$ -	\$ 3,240,022	\$ -	\$ 5,808,240
501,654	125,809	49,103	-	852,222
-	-	-	-	5,825,630
501,654	125,809	3,289,125	-	12,486,092
290,892	120,076	856,852	-	2,909,066
-	-	32,291	-	32,291
-	4,509	79,817	-	601,875
-	288	512	-	175,408
-	-	102,984	-	108,080
-	-	77,231	-	614,547
-	-	231	-	231
-	-	89	3,659	5,536,646
-	-	1,087,611	-	1,094,314
-	-	5,724	-	5,874
-	-	21,415	-	52,666
-	-	53,820	-	53,820
-	-	-	-	-
-	857	829,139	-	831,714
-	-	-	-	93,471
290,892	125,730	3,147,716	3,659	12,110,003
210,762	79	141,409	(3,659)	376,089
-	-	-	-	-
210,762	79	141,409	(3,659)	376,089
5,526	58	1,401,041	5,087	1,606,541
\$ 216,288	\$ 137	\$ 1,542,450	\$ 1,428	\$ 1,982,630

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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, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets				
Cash and temporary investments	\$ 66,293	\$ 210,319	\$ 202,092	\$ 74,520
Other receivables	-	10,945	10,945	-
Total assets	<u>\$ 66,293</u>	<u>\$ 221,264</u>	<u>\$ 213,037</u>	<u>\$ 74,520</u>
Liabilities				
Accounts payable	\$ 164	\$ 27	\$ -	\$ 191
Due to student groups	66,129	8,200	-	74,329
Total liabilities	<u>\$ 66,293</u>	<u>\$ 8,227</u>	<u>\$ -</u>	<u>\$ 74,520</u>

**Compliance Schedule  
(Required by Texas Education Agency)**

**Burleson Independent School District**  
Schedule of Delinquent Taxes Receivable  
Year Ended June 30, 2016

Last Ten Years		(1)	(2)	(3)	(10)
		Tax Rates		Assessed/Appraised	Beginning
		Maintenance	Debt Service	Value for School Tax Purposes	Balance 7/1/2016
2008	and prior years	Various	Various	Various	\$ 446,316
2009		1.040000	0.428800	3,127,365,597	54,903
2010		1.040000	0.500000	3,735,829,511	114,263
2011		1.040000	0.500000	3,517,047,761	68,836
2012		1.040000	0.500000	3,471,316,519	105,416
2013		1.040000	0.500000	3,434,466,119	120,585
2014		1.040000	0.500000	3,342,805,197	128,220
2015		1.040000	0.500000	3,639,098,970	237,546
2016		1.040000	0.500000	3,638,375,969	916,450
2017	(School year under audit)	1.040000	0.500000	3,880,366,485	-
1000	TOTALS				<u>\$ 2,192,535</u>

(a) Current year's total levy is net of \$1,994,344 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 6/30/2017
\$ -	\$ 186	\$ 276	\$ (92,997)	\$ 352,857
-	158	65	(3,091)	51,589
-	1,346	647	(43)	112,227
-	10,234	4,920	(45)	53,637
-	2,445	1,175	(3,620)	98,176
-	6,545	3,147	2,326	113,219
-	16,707	8,032	4,266	107,747
-	43,947	21,128	(46,340)	126,131
-	321,367	154,503	(149,196)	291,384
57,369,629	38,487,419	18,503,498	356,976	735,688
<u>\$ 57,369,629</u>	<u>\$ 38,890,354</u>	<u>\$ 18,697,391</u>	<u>\$ 68,236</u>	<u>\$ 2,042,655</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, 2017

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 2,683,000	\$ 2,683,000	\$ 2,568,218	\$ (114,782)
5800	State program revenues	105,000	105,000	121,789	16,789
5900	Federal program revenues	2,781,471	2,781,471	2,887,376	105,905
5020	Total revenues	5,569,471	5,569,471	5,577,383	7,912
	EXPENDITURES				
0035	Food services	5,500,122	5,500,122	5,532,898	(32,776)
0051	Facilities maintenance and operations	35,000	35,000	31,126	3,874
6030	Total expenditures	5,535,122	5,535,122	5,564,024	(28,902)
1200	Net change in fund balances	34,349	34,349	13,359	(20,990)
0100	Fund balance - July 1 (beginning)	179,931	179,931	179,931	-
3000	Fund balance - June 30 (ending)	\$ 214,280	\$ 214,280	\$ 193,290	\$ (20,990)



# 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, 2017

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 18,818,619	\$ 18,818,619	\$ 18,885,605	\$ 66,986
5800	State program revenues	1,633,952	1,633,952	1,738,210	104,258
5020	Total revenues	20,452,571	20,452,571	20,623,815	171,244
	EXPENDITURES				
0071	Debt service	20,615,161	20,615,161	20,485,605	129,556
6030	Total expenditures	20,615,161	20,615,161	20,485,605	129,556
1100	Excess (deficiency) of revenues over (under) expenditures	(162,590)	(162,590)	138,210	300,800
	OTHER FINANCING SOURCES (USES)				
7911	Issuance of bonds	-	-	17,630,000	17,630,000
7916	Premium or discount on issuance of bonds	-	-	832,340	832,340
8949	Other uses - refunding of bonds	-	-	(18,146,509)	(18,146,509)
7080	Total other financing sources (uses)	-	-	315,831	315,831
1200	Net change in fund balances	(162,590)	(162,590)	454,041	616,631
0100	Fund balance - July 1 (beginning)	13,088,136	13,088,136	13,088,136	-
3000	Fund balance - June 30 (ending)	\$ 12,925,546	\$ 12,925,546	\$ 13,542,177	\$ 616,631

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## **Statistical Section (Unaudited)**

## Burleson Independent School District

Net Position by Component

Last Ten Years

*(accrual basis of accounting)*

(Unaudited)

	2008	2009	2010	2011
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 1,576,441	\$ (1,920,816)	\$ (9,471,391)	\$(13,749,605)
Restricted	3,807,939	10,575,998	13,963,180	17,531,664
Unrestricted	142,950	8,114,988	15,986,510	7,973,873
<b>Business Type Activities</b>				
Unrestricted	-	-	-	-
<b>Total Primary Government Net Position</b>	<b>\$ 5,527,330</b>	<b>\$ 16,770,170</b>	<b>\$ 20,478,299</b>	<b>\$ 11,755,932</b>

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

# SCHEDULE 1

2012	2013	2014	2015	2016	2017
\$ (18,016,518)	\$ (20,842,058)	\$ (28,305,183)	\$ (30,697,028)	\$ (23,725,928)	\$ (18,985,241)
15,934,357	12,663,826	10,081,840	8,800,546	9,356,974	9,598,901
14,612,284	10,459,002	19,861,926	17,862,321	11,252,600	6,423,062
78,246	66,612	73,853	112,166	119,030	159,743
\$ 12,608,369	\$ 2,347,382	\$ 1,712,436	\$ (3,921,995)	\$ (2,997,324)	\$ (2,803,535)

**Burleson Independent School District**  
Governmental Activities Revenue and Expense  
Last Ten Years  
*(accrual basis of accounting)*  
(Unaudited)

	2008	2009	2010	2011
<b>Expenses by Function</b>				
Governmental Activities				
Instruction	\$ 40,742,985	\$ 40,374,755	\$ 46,550,341	\$ 50,533,901
Instructional Resources & Media Services	867,896	800,081	1,031,336	1,254,218
Curriculum & Staff Development	1,605,063	1,226,390	1,417,810	1,834,757
Instructional Leadership	1,427,589	1,064,653	1,003,556	1,018,989
School Leadership	4,198,881	4,190,475	4,814,938	5,377,191
Guidance, Counseling, & Evaluation Services	2,677,273	2,854,114	3,067,309	3,012,553
Social Work Services	185,244	163,417	62,780	1,990
Health Services	699,838	798,480	940,645	1,061,363
Student (Pupil) Transportation	1,948,316	2,034,790	2,103,204	1,921,336
Food Services	3,381,141	3,560,810	4,066,610	4,501,219
Extracurricular Activities	3,453,731	3,710,434	3,258,847	3,646,269
General Administration	2,834,436	2,488,798	2,815,412	2,947,019
Plant Maintenance & Operations	6,915,557	6,516,267	7,831,173	9,371,292
Security & Monitoring Services	251,279	295,649	350,455	322,064
Data Processing Services	1,289,998	1,149,780	1,456,979	1,983,971
Community Services	904,386	889,056	970,831	920,207
Debt Service - Interest on Long Term Debt	7,884,567	10,025,985	14,623,053	16,109,185
Debt Service - Bond Insurance Cost & Fees	4,388	3,888	4,300	201,675
Facilities Acquisition & Construction	486,765	192,680	66,160	-
<b>Total Governmental Activities Expense</b>	<b>\$ 81,759,333</b>	<b>\$ 82,340,502</b>	<b>\$ 96,435,739</b>	<b>\$ 106,019,199</b>
<b>Business Type Activities Expense</b>				
Child Care	\$ -	\$ -	\$ -	\$ -
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$ 221,394	\$ 299,594	\$ 404,912	\$ 433,452
Food Service	2,244,002	2,138,260	2,180,157	2,093,910
Extracurricular Activities	1,530,042	1,705,929	1,970,401	2,287,479
Community Services	357,275	450,943	580,681	691,256
Other	39,136	28,993	43,414	42,046
Operating Grants and Contributions	10,258,182	9,946,077	12,429,245	10,681,528
<b>Total Governmental</b>				
<b>Activities Program Revenue</b>	<b>\$ 14,650,031</b>	<b>\$ 14,569,796</b>	<b>\$ 17,608,810</b>	<b>\$ 16,229,671</b>
<b>Business Type Activities Revenues</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	-	-	-	-
<b>Net (Expense)/Revenue And</b>				
<b>Changes in Net Position</b>	<b>\$ (67,109,302)</b>	<b>\$ (67,770,706)</b>	<b>\$ (78,826,929)</b>	<b>\$ (89,789,528)</b>

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

## Schedule 2

2012	2013	2014	2015	2016	2017
\$ 48,097,966	\$ 48,317,821	\$ 51,233,610	\$ 52,121,810	\$ 59,854,511	\$ 65,545,974
1,090,999	1,176,099	1,241,127	1,174,637	1,232,622	1,259,513
1,394,480	1,387,812	1,324,047	1,412,597	1,931,145	2,126,353
875,690	946,455	1,075,638	1,642,223	1,935,294	2,184,617
5,104,708	5,102,142	5,569,981	5,698,793	6,271,740	6,829,731
2,911,712	3,096,151	3,330,123	3,432,098	4,046,727	4,393,048
-	56,328	59,666	64,471	67,371	130,744
1,011,880	1,093,506	1,042,166	1,088,384	1,261,473	1,351,624
1,771,166	1,864,305	1,880,920	1,915,025	2,794,187	2,942,211
4,351,854	4,750,681	5,188,060	5,371,267	5,746,504	5,997,147
2,825,755	3,026,639	3,117,749	3,753,960	3,955,992	4,315,441
2,450,929	2,707,304	2,852,421	3,080,199	3,339,681	4,082,942
7,997,299	9,040,355	8,584,064	8,936,625	8,761,763	9,329,370
265,415	276,481	445,356	314,735	361,066	377,468
1,384,539	1,411,545	1,547,764	2,643,544	2,265,949	2,603,464
1,391,995	643,776	687,624	671,939	815,466	973,505
15,522,282	15,492,377	14,959,125	15,143,300	12,307,683	12,017,106
109,175	624,805	128,539	5,000	1,417,599	320,831
-	-	-	-	-	-
<u>\$ 98,557,844</u>	<u>\$ 101,014,582</u>	<u>\$ 104,267,980</u>	<u>\$ 108,470,607</u>	<u>\$ 118,366,773</u>	<u>\$ 126,781,089</u>
 \$ 604,630	 \$ 610,249	 \$ 543,580	 \$ 552,290	 \$ 562,388	 \$ 566,394
 \$ 44,285	 \$ 2,573,230	 \$ 2,775,865	 \$ 2,908,785	 \$ 3,023,031	 \$ 3,258,332
2,222,403	2,394,643	2,613,549	2,586,788	2,515,875	2,567,586
471,228	441,557	415,322	436,947	461,277	489,433
-	-	-	-	-	-
57,805	48,873	140,105	127,308	99,008	105,560
<u>12,625,718</u>	<u>6,760,500</u>	<u>6,858,969</u>	<u>6,365,989</u>	<u>9,720,657</u>	<u>8,215,605</u>
 <u>\$ 15,421,439</u>	 <u>\$ 12,218,803</u>	 <u>\$ 12,803,810</u>	 <u>\$ 12,425,817</u>	 <u>\$ 15,819,848</u>	 <u>\$ 14,636,516</u>
 \$ 574,687	 \$ 566,867	 \$ 521,753	 \$ 560,564	 \$ 540,404	 \$ 577,388
-	-	29,068	30,039	28,848	29,719
 \$ (83,136,405)	 \$ (88,839,161)	 \$ (91,456,929)	 \$ (96,006,477)	 \$ (102,540,061)	 \$ (112,103,860)

## Burleson Independent School District

### General Revenues And Changes In Net Position

Last Ten Years

(*accrual basis of accounting*)

(Unaudited)

	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (67,109,302)	\$ (67,770,706)	\$ (78,826,929)	\$ (89,789,528)
Business-type Activities	-	-	-	-
	<u>\$ (67,109,302)</u>	<u>\$ (67,770,706)</u>	<u>\$ (78,826,929)</u>	<u>\$ (89,789,528)</u>
<b>General Revenue and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 25,612,070	\$ 33,573,417	\$ 38,214,968	\$ 35,719,185
Property Taxes, Levied for Debt Service	8,947,708	13,802,085	18,329,719	17,257,445
State Aid - Unrestricted Formula Grants	27,578,651	24,801,197	23,494,941	25,221,315
Investment Earnings	3,041,204	1,155,732	294,249	155,843
Miscellaneous Local and Intermediate Revenue	3,268,926	5,681,115	2,201,181	2,713,373
Total Governmental Activities	<u>68,448,559</u>	<u>79,013,546</u>	<u>82,535,058</u>	<u>81,067,161</u>
Business-type Activities:	-	-	-	-
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 68,448,559</u>	<u>\$ 79,013,546</u>	<u>\$ 82,535,058</u>	<u>\$ 81,067,161</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 1,339,257	\$ 11,242,840	\$ 3,708,129	\$ (8,722,367)
Business-type Activities	-	-	-	-
<b>Total Change in Net Position</b>	<u>\$ 1,339,257</u>	<u>\$ 11,242,840</u>	<u>\$ 3,708,129</u>	<u>\$ (8,722,367)</u>

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.



## Schedule 3

2012	2013	2014	2015	2016	2017
\$ (83,136,405)	\$ (88,839,161)	\$ (91,464,170)	\$ (96,044,790)	\$ (102,546,925)	\$ (112,144,573)
(2,339)	(11,634)	7,241	38,313	6,864	40,713
<u>\$ (83,138,744)</u>	<u>\$ (88,850,795)</u>	<u>\$ (91,456,929)</u>	<u>\$ (96,006,477)</u>	<u>\$ (102,540,061)</u>	<u>\$ (112,103,860)</u>
\$ 35,171,679	\$ 35,332,535	\$ 34,367,419	\$ 37,232,750	\$ 37,793,546	\$ 39,179,085
16,855,823	16,919,470	16,495,771	17,896,527	18,104,303	18,733,850
30,548,650	31,980,677	38,320,076	42,264,958	46,369,557	53,075,316
80,209	83,777	57,588	58,632	213,369	351,980
1,266,642	923,169	1,581,129	1,689,255	1,096,123	957,418
<u>83,923,003</u>	<u>85,239,628</u>	<u>90,821,983</u>	<u>99,142,122</u>	<u>103,576,898</u>	<u>112,297,649</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 83,923,003</u>	<u>\$ 85,239,628</u>	<u>\$ 90,821,983</u>	<u>\$ 99,142,122</u>	<u>\$ 103,576,898</u>	<u>\$ 112,297,649</u>
\$ 687,798	\$ (3,556,151)	\$ (642,187)	\$ 3,097,332	\$ 1,029,973	\$ 153,076
78,246	(11,634)	7,241	38,313	6,864	40,713
<u>\$ 766,044</u>	<u>\$ (3,567,785)</u>	<u>\$ (634,946)</u>	<u>\$ 3,135,645</u>	<u>\$ 1,036,837</u>	<u>\$ 193,789</u>

# Burleson Independent School District

## Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2008	2009	2010	2011
<b>General Fund</b>				
Nonspendable	\$ 241,361	\$ 12,665	\$ 127,843	\$ 122,163
Committed	-	-	-	13,874,622
Unassigned	15,020,575	23,016,263	28,042,051	14,707,187
<b>Total General Fund</b>	<u>15,261,936</u>	<u>23,028,928</u>	<u>28,169,894</u>	<u>28,703,972</u>
<b>All Other Governmental Funds</b>				
Nonspendable	-	-	-	86,041
Committed	-	-	-	-
Restricted for:				
Debt Service	15,103,211	33,507,870	23,517,201	21,588,409
Capital Acquisitions	-	-	-	5,466,278
Grant Funds	1,050,084	1,039,337	711,665	1,134,146
<b>Total All Other Governmental Funds</b>	<u>16,153,295</u>	<u>34,547,207</u>	<u>24,228,866</u>	<u>28,274,874</u>
<b>Total All Government Funds</b>	<u>\$ 31,415,231</u>	<u>\$ 57,576,135</u>	<u>\$ 52,398,760</u>	<u>\$ 56,978,846</u>
<b>Change in Fund Balance for Governmental Funds</b>	<u>\$ (65,269,629)</u>	<u>\$ 26,160,904</u>	<u>\$ (5,177,375)</u>	<u>\$ 4,580,086</u>

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

## Schedule 4

2012	2013	2014	2015	2016	2017
\$ 226,556	\$ 304,651	\$ 250,157	\$ 400,292	\$ 278,233	\$ 270,614
99,806	149,325	20,706	287,680	161,186	-
20,112,493	19,596,818	23,647,503	24,524,180	22,000,000	22,981,552
<u>20,438,855</u>	<u>20,050,794</u>	<u>23,918,366</u>	<u>25,212,152</u>	<u>22,439,419</u>	<u>23,252,166</u>
58,212	11,495	34,886	30,963	27,825	8,114
14,876,611	14,943,344	15,068,464	18,835,540	15,422,545	11,696,613
19,707,583	17,694,475	15,061,089	14,137,487	13,088,136	13,542,177
4,647,629	3,469,281	1,934,410	-	-	-
396,979	241,104	312,276	181,750	181,239	432,066
39,687,014	36,359,699	32,411,125	33,185,740	28,719,745	25,678,970
<u>\$ 60,125,869</u>	<u>\$ 56,410,493</u>	<u>\$ 56,329,491</u>	<u>\$ 58,397,892</u>	<u>\$ 51,159,164</u>	<u>\$ 48,931,136</u>
<u>\$ 3,147,023</u>	<u>\$ (3,715,376)</u>	<u>\$ (81,002)</u>	<u>\$ 2,068,401</u>	<u>\$ (7,238,728)</u>	<u>\$ (2,228,028)</u>

## Burleson Independent School District

### Governmental Funds Revenues

Last Nine Years

(Unaudited)

	2009	2010	2011	2012
<b>Local Sources:</b>				
Local Maintenance and Debt Service Tax \$	46,129,572	\$ 56,285,603	\$ 53,763,202	\$ 52,371,892
Tuition from Patrons	89,392	108,451	90,193	-
Other Revenue from Local Sources	7,664,087	4,730,998	6,548,106	4,199,895
Other Revenue from Intermediate Source	-	-	-	-
Co-curricular Revenues	3,863,337	2,552,714	2,505,836	3,309,125
<b>Total Local Sources</b>	<b>57,746,388</b>	<b>63,677,766</b>	<b>62,907,337</b>	<b>59,880,912</b>
<b>State Programs:</b>				
Per Capita and Foundation	25,233,912	23,927,656	21,849,929	27,372,818
Other State Program Revenues	5,947,848	3,946,145	4,250,107	4,741,181
<b>Total State Programs</b>	<b>31,181,760</b>	<b>27,873,801</b>	<b>26,100,036</b>	<b>32,113,999</b>
<b>Federal Programs:</b>				
State Distributed Revenues from Federal Source:	3,786,423	8,333,217	8,557,069	7,180,955
<b>Total Federal Programs:</b>	<b>3,786,423</b>	<b>8,333,217</b>	<b>8,557,069</b>	<b>7,180,955</b>
<b>Other Financing Sources:</b>				
Bond Proceeds and Other	83,252,283	70,342,359	27,106,510	13,874,622
<b>Total Revenues</b>	<b>\$ 175,966,854</b>	<b>\$ 170,227,143</b>	<b>\$ 124,670,952</b>	<b>\$ 113,050,488</b>

Note 1: Fiscal Year End is August 31 for years 2004-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: Data not available for 2001-2003. District changed financial software in 2004 and 2005 and is unable to obtain local revenue by source prior to 2004.

Note 3: Includes General, Special Revenue, Debt Service, and Capital Projects Funds

## Schedule 5

2013	2014	2015	2016	2017
\$ 52,219,304	\$ 51,003,758	\$ 55,150,878	\$ 55,876,497	\$ 58,023,847
-	-	-	-	-
3,444,393	3,888,383	3,961,718	3,868,962	4,000,853
-	-	-	-	-
3,020,855	3,695,172	3,834,222	3,539,722	3,729,456
58,684,552	58,587,313	62,946,818	63,285,181	65,754,156
28,670,064	38,320,076	38,654,135	42,197,507	43,220,942
4,034,466	1,362,739	4,375,445	5,447,670	6,719,491
32,704,530	39,682,815	43,029,580	47,645,177	49,940,433
5,654,017	5,652,580	5,650,616	6,171,935	6,981,525
5,654,017	5,652,580	5,650,616	6,171,935	6,981,525
12,031,542	-	-	-	-
\$ 109,074,641	\$ 103,922,708	\$ 111,627,014	\$ 117,102,293	\$ 122,676,114

**Burleson Independent School District**  
Governmental Funds Expenditures By Function  
Last Ten Years  
*(modified accrual basis of accounting)*  
(Unaudited)

<b>Expenditures by Function</b>	2008	2009	2010	2011
Current				
Instruction	\$ 39,620,427	\$ 38,610,549	\$ 44,527,640	\$ 46,919,595
Instructional Resources & Media Services	851,130	764,992	985,550	1,181,495
Curriculum & Staff Development	1,591,399	1,190,116	1,367,305	1,718,588
Instructional Leadership	1,391,757	1,022,985	961,847	939,953
School Leadership	4,053,084	3,984,545	4,694,167	4,848,447
Guidance, Counseling, & Evaluation Services	2,594,301	2,737,105	2,915,507	2,738,289
Social Work Services	178,541	155,153	62,457	1,796
Health Services	675,910	759,570	890,829	958,774
Student (Pupil) Transportation	1,943,241	2,027,350	2,095,728	1,909,710
Food Services	3,328,198	3,503,925	3,963,316	4,291,391
Extracurricular Activities	3,431,739	3,657,273	3,201,740	3,639,118
General Administration	2,776,922	1,949,950	2,206,564	2,308,809
Plant Maintenance & Operations	7,006,636	6,407,009	7,868,048	8,872,279
Security & Monitoring Services	766,330	856,546	383,195	315,198
Data Processing Services	1,293,798	1,115,070	2,046,096	1,902,742
Community Services	897,874	882,129	959,657	899,742
Debt Service				
Principal on Long Term Debt	1,115,291	-	1,348,967	1,978,720
Interest on Long Term Debt	9,156,321	5,451,736	14,497,891	16,582,361
Bond Issuance Cost & Fees	4,388	249,721	1,621,180	359,923
Capital Outlay				
Facilities Acquisition & Construction	65,796,915	73,923,837	78,210,386	17,178,744
Intergovernmental				
Payments to Fiscal Agent/Member Districts of S	-	69,033	68,394	5,114
Payments to Juvenile Justice Alternative Ed. Pr	9,744	18,481	6,225	316
Other Governmental Charges	-	468,875	521,829	539,762
<b>Total Expenditures</b>	<b>\$ 148,483,946</b>	<b>\$149,805,950</b>	<b>\$ 175,404,518</b>	<b>\$ 120,090,866</b>
Debt Service as a percentage of noncapital expenditures	12.43%	7.51%	17.97%	18.39%
Capital Outlay as a percentage of operating expenditures	44.65%	49.75%	45.23%	14.65%

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

## Schedule 6

2012	2013	2014	2015	2016	2017
\$ 44,241,226	\$ 43,964,457	\$ 46,101,876	\$ 47,663,770	\$ 53,309,040	\$ 56,467,397
1,053,707	1,083,010	1,132,587	1,083,901	1,117,396	1,104,506
1,273,094	1,282,555	1,223,021	1,325,555	1,785,669	1,921,224
804,834	866,516	975,378	1,504,517	1,727,316	1,898,780
4,561,622	4,600,600	4,967,091	5,167,382	5,552,533	5,831,744
2,721,542	2,860,732	3,044,477	3,171,903	3,603,519	3,811,342
-	56,328	59,666	64,471	67,334	112,998
959,767	986,455	926,800	987,154	1,114,998	1,152,675
1,761,046	1,854,085	1,871,241	1,906,042	2,783,872	3,168,025
4,138,943	4,850,615	4,947,288	5,329,987	5,408,386	5,569,599
2,819,380	3,015,594	3,130,083	3,831,252	3,886,937	4,138,485
1,869,336	2,127,303	2,190,131	2,237,327	2,411,313	3,032,695
7,453,681	8,559,424	8,133,280	8,563,837	8,276,005	8,569,359
264,347	317,253	445,368	314,811	360,600	373,960
1,274,022	1,316,464	1,432,054	2,671,521	2,155,227	2,457,573
784,338	648,288	687,546	675,254	781,105	868,096
2,140,256	2,864,688	3,175,487	3,681,207	5,967,905	7,735,000
16,736,906	16,691,000	17,086,032	16,646,700	14,074,789	12,429,774
3,800	276,535	128,539	5,000	1,417,599	320,831
719,626	3,624,760	1,881,859	2,057,524	8,639,262	3,525,032
6,192	40,048	63,532	74,669	67,632	93,471
10,625	158	7,426	1,501	1,343	-
418,146	384,873	392,948	605,045	627,746	637,407
<u>\$ 96,016,436</u>	<u>\$ 102,271,741</u>	<u>\$ 104,003,710</u>	<u>\$ 109,570,330</u>	<u>\$ 125,137,526</u>	<u>\$ 125,219,973</u>
19.81%	20.10%	19.97%	18.91%	18.42%	16.89%
0.91%	3.90%	1.28%	2.33%	6.73%	3.12%

**Burleson Independent School District**

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

Last Ten Years

*(modified accrual basis of accounting)*

(Unaudited)

	2008	2009	2010	2011
Excess of revenues over (under) expenditures	\$ (65,269,629)	\$ (57,091,379)	\$ (75,519,734)	\$ (22,526,424)
Other Financing Sources (Uses)				
Capital Related Debt Issued (Regular Bonds)	-	82,600,000	66,700,000	51,095,000
Transfers In	357,524	239,192	416,051	-
Transfers Out	-	-	-	-
Premium or Discount on Issuance of Bonds	-	279,259	3,642,359	6,111,165
Prepaid Interest	-	373,024	-	-
Other Uses (Refunding Bonds)	(357,524)	(239,192)	(416,051)	(30,099,655)
Capital Leases	-	-	-	-
Non-Current Loans	-	-	-	-
Sale of Real and Personal Property	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	-	83,252,283	70,342,359	27,106,510
<b>Net Change in Fund Balances</b>	<b>\$ (65,269,629)</b>	<b>\$ 26,160,904</b>	<b>\$ (5,177,375)</b>	<b>\$ 4,580,086</b>

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.



# Schedule 7

2012	2013	2014	2015	2016	2017
\$ 3,159,430	\$ (5,228,642)	\$ (81,002)	\$ 2,056,624	\$ (8,035,233)	\$ (2,543,859)
-	8,575,000	-	-	146,039,656	17,630,000
13,874,622	1,505,006	-	-	5,558,760	-
(13,973,422)	(1,505,006)	-	-	(5,558,760)	-
-	529,340	-	-	16,247,550	832,340
-	-	-	-	-	-
-	(9,013,270)	-	-	-	-
-	1,422,196	-	-	-	-
-	-	-	-	-	-
-	-	-	11,776	-	-
-	-	-	-	(161,490,701)	(18,146,509)
-	-	-	-	-	-
(98,800)	1,513,266	-	11,776	796,505	315,831
\$ 3,060,630	\$ (3,715,376)	\$ (81,002)	\$ 2,068,400	\$ (7,238,728)	\$ (2,228,028)

**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			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	Less Exemptions				
2008	2,596,478,583	451,516,000	550,938,663	2,497,055,920	1.41	3,047,994,583	81.92%
2009	3,524,175,672	329,647,356	627,435,498	3,226,387,530	1.47	3,853,823,028	83.72%
2010	3,873,172,152	349,137,487	694,216,279	3,528,093,360	1.54	4,222,309,639	83.56%
2011	3,753,814,574	425,735,259	731,948,413	3,447,601,420	1.54	4,179,549,833	82.49%
2012	3,714,753,439	576,869,842	848,822,476	3,442,800,805	1.54	4,291,623,281	80.22%
2013	3,895,626,794	409,373,981	870,534,656	3,434,466,119	1.54	4,305,000,775	79.78%
2014	3,836,856,513	426,168,092	920,219,408	3,342,805,197	1.54	4,263,024,605	78.41%
2015	4,218,002,480	423,228,388	1,002,131,898	3,639,098,970	1.54	4,641,230,868	78.41%
2016	4,516,474,211	355,362,516	1,162,757,413	3,709,079,314	1.54	4,871,836,727	76.13%
2017	4,802,189,112	391,474,242	1,313,296,869	3,880,366,485	1.54	5,193,663,354	74.71%

Sources: Johnson and Tarrant County Appraisal District

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: Effective January 1, 2008, the District was also valued by Tarrant County in accordance with HB1010.

<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)

	2008	2009	2010	2011	2012
Burleson ISD:					
Maintenance and Operations	1.04000	1.04000	1.0400	1.0400	1.0400
Interest and Sinking	0.3651	0.4288	0.5000	0.5000	0.5000
Total	1.4051	1.4688	1.5400	1.5400	1.5400
City of Burleson <sup>1</sup>	0.0661825	0.694	0.694	0.710	0.690
City of Fort Worth <sup>1</sup>	0.855	0.855	0.855	0.855	0.855
Johnson County <sup>1</sup>	0.356962	0.306708	0.300589	0.3275	0.3305
Tarrant County <sup>1</sup>	0.2665	0.264	0.264	0.264	0.264
Tarrant County Hospital District <sup>1</sup>	0.230397	0.227897	0.227897	0.22789	0.22789
Tarrant County College District <sup>1</sup>	0.13938	0.13796	0.13767	0.13764	0.14897
Tarrant County Regional Water District	0.0194	0.0194	0.0194	0.0194	0.0194

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

Note 1: Fiscal Year End is August 31 for years 2002-2008.

Fiscal Year End changed to June 30 effective September 1, 2008.

<sup>1</sup>Overlapping rates

## Schedule 9

2013	2014	2015	2016	2017
1.0400	1.0400	1.0400	1.0400	1.0400
0.5000	0.5000	0.5000	0.5000	0.5000
1.5400	1.5400	1.5400	1.5400	1.5400
0.690	0.690	0.740	0.740	0.646027
0.855	0.855	0.855	0.855	0.835
0.333229	0.371154	0.445	0.448	0.431713
0.264	0.264	0.264	0.264	0.264
0.227897	0.227897	0.227897	0.227897	0.227897
0.14897	0.1495	0.1495	0.1495	0.14473
0.0194	0.0194	0.0194	0.0194	0.0194

# Burleson Independent School District

# Schedule 10

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

2017				2008		
Principal Employer	Rank	Percentage		Rank	Percentage	
		of Total			of Total	
		2016-2017 Taxable Assessed Value <sup>1</sup>	Taxable Assessed Value		2007-2008 Total Taxable Assessed Value <sup>2</sup>	Taxable Assessed Value
XTO Energy, Inc.	1	\$ 36,106,136	0.93%	1	\$ 33,825,000	1.35%
Barnett Gathering, LP	2	35,209,581	0.91%			
Burleson Gateway	3	32,578,090	0.84%			
Wagner Smith	4	29,847,294	0.77%			
Devon Energy Operating Co, Inc.	5	23,812,079	0.61%			
H E Butt Grovery Co.	6	20,725,568	0.53%			
Halliburton	7	19,393,074	0.50%			
Sam's Real Estate	8	18,817,470	0.48%			
EB Reserve	9	15,808,651	0.41%			
Covington Gateway	10	14,516,770	0.37%			
EE Burleson LP				2	29,804,176	1.19%
Oncor Electric				3	19,986,440	0.80%
Wal-Mart Real Estate				4	17,066,688	0.68%
SW Bell Telephone Co.				5	12,911,920	0.52%
Home Depot				6	12,000,214	0.48%
Centex Homes				7	11,459,097	0.46%
Jahco Burleson Town Center				8	11,456,256	0.46%
Target Corporation				9	11,005,945	0.44%
LynnSmith Investment				10	10,513,121	0.42%
		\$ 246,814,713	6.36%		\$ 170,028,857	6.81%

Source: Johnson and Tarrant County Appraisal District

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: Effective January 1, 2008, the District was also valued by Tarrant County in accordance with HB1010.

<sup>1</sup>Total 2016-2017 taxable assessed value equals \$3,880,366,485

<sup>2</sup>Total 2007-2008 taxable assessed value equals \$2,497,055,920

**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
2008	34,005,554	33,641,590	98.93%	253,098	33,894,688	99.67%
2009	46,373,915	45,656,613	98.45%	165,317	45,821,930	98.81%
2010	56,030,178	54,488,463	97.25%	1,062,866	55,551,329	99.15%
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	54,887,816	98.77%
2017	57,723,302	56,990,775	98.73%	330,566	57,321,341	99.30%

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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

Source: Johnson County Tax Office

**Burleson Independent School District**  
**Outstanding Debt by Type**  
**Last Ten Years**  
**(Unaudited)**

**Schedule 12**

Fiscal Year	General Obligation Debt	Other Obligations	Capital Leases	Notes Payables	Total Primary Government	Percentage of Personal Income	Per Capita
2008	146,852,976	18,860,047	-	-	165,713,023	3.42%	4,984
2009	229,452,976	20,036,613	-	-	249,489,589	5.26%	7,263
2010	294,804,009	22,417,818	-	-	317,221,827	6.47%	9,235
2011	315,003,199	27,040,861	-	-	342,044,060	6.49%	9,958
2012	312,862,942	25,180,886	-	-	338,043,828	6.27%	9,841
2013	310,441,243	24,364,535	979,175	-	335,784,953	6.07%	9,775
2014	307,661,941	26,463,747	582,990	-	334,708,678	5.76%	9,744
2015	304,395,852	24,703,067	167,874	-	329,266,793	5.67%	9,586
2016	296,800,852	39,757,407	-	-	336,558,259	N/A	9,798
2017	288,945,852	38,695,411	-	-	327,641,263	N/A	9,538

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: See Schedule 16 for personal income and population data.



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

## Direct and Overlapping Governmental Activities Debt

June 30, 2013

(Unaudited)

Taxing Body	Net Debt Outstanding	As of	Percent Overlapping	Amount Overlapping Net
City of Burleson	\$ 93,363,213	9/30/2016	6.37%	\$ 5,943,134
City of Fort Worth	952,474,000	9/30/2016	64.94%	618,543,480
Johnson County	34,175,000	9/30/2016	2.33%	796,308
Tarrant County	344,185,000	9/30/2016	23.47%	80,769,585
Tarrant County Hospital District	42,485,000	9/30/2016	2.90%	1,230,652
Tarrant County College District	-	9/30/2016	0.00%	-
Total Overlapping Net Debt	1,466,682,213			<u>707,283,160</u>
Burleson ISD	327,280,795	6/30/2017	100%	<u>327,280,795</u>
Total Direct and Overlapping Debt				<u><u>\$ 1,034,563,955</u></u>
Ratio of Total Direct and Overlapping Net Debt to 2017 Taxable Assessed Valuation \$3,880,366,485				<u><u>26.66%</u></u>

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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****Schedule 14**

## Legal Debt Margin Information

Last Ten Years

(Unaudited)

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
2008	230,991,165	162,370,933	68,620,232	70.29%
2009	312,736,560	235,510,891	77,225,669	75.31%
2010	344,741,846	298,564,366	46,177,480	86.61%
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%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed value	<u>\$ 3,880,366,485</u>
Debt Limit (10% of assessed value)	\$ 388,036,649
Debt applicable to limit	<u>\$ 318,474,428</u>
Legal debt margin	<u>\$ 69,562,221</u>

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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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	Debt Outstanding at Year End <sup>1</sup>	Reserve for Retirement of Bonded Debt	Debt Outstanding at Year End
2008	2,497,055,920	100%	146,852,976	3,012,140	143,840,836
2009	3,312,806,512	100%	229,452,976	9,936,998	219,515,978
2010	3,528,093,360	100%	294,804,009	13,431,061	281,372,948
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%	327,280,795	9,166,835	318,113,960

Sources: Johnson and Tarrant County Appraisal District, District records

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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

Fiscal Year	to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Assessed Value Per Capita
2008	5.76%	33,250	4,326	75,099
2009	6.63%	34,350	6,391	96,443
2010	7.98%	35,050	8,028	100,659
2011	8.66%	36,990	8,075	93,204
2012	8.67%	38,130	7,825	90,291
2013	8.68%	39,000	7,642	88,063
2014	8.91%	39,000	7,638	85,713
2015	8.13%	41,280	7,165	88,156
2016	7.75%	41,818	6,878	88,696
2017	8.20%	42,560	7,474	91,174

**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>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>3</sup>	Residential Units <sup>4</sup>	Assessed Value of Residential Units <sup>4</sup>	Average Assessed Value of Residential Units <sup>4</sup>	Average Daily Attendance
2008	33,250	4,840,657,000	32,567	4.2%	15,084	1,920,896,257	127,347	8,544
2009	34,350	4,746,660,000	31,522	6.6%	17,133	2,066,448,481	120,612	9,025
2010	35,030	4,901,585,000	32,405	7.2%	17,465	2,177,409,710	124,673	9,241
2011	36,690	5,267,069,000	34,662	7.4%	17,651	2,198,943,494	124,579	9,404
2012	38,130	5,388,351,000	35,128	7.1%	18,043	2,207,991,229	122,374	9,704
2013	38,983	5,531,556,000	35,757	6.7%	18,377	2,237,896,377	121,777	9,990
2014	39,000	5,806,055,000	36,931	6.0%	18,583	2,330,451,271	125,408	10,186
2015	41,280	6,164,852,000	38,533	4.4%	18,745	2,479,984,947	132,301	10,389
2016	41,818	N/A	N/A	4.6%	18,932	2,660,145,544	140,511	10,804
2017	42,560	N/A	N/A	4.7%	19,473	3,092,091,053	158,789	11,226

Sources:

<sup>1</sup>City of Burleson Economic Development

<sup>2</sup>Bureau of Economic Analysis. Personal income for Johnson County updated through 2015.

<sup>3</sup>US Department of Labor - Bureau of Labor Statistics

<sup>4</sup>Johnson County and Tarrant County Appraisal District

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: Effective January 1, 2008, the District was also valued by Tarrant County in accordance with HB1010.

# Burleson Independent School District

# Schedule 17

Principal Employers  
Current Year and Five Years Ago  
(Unaudited)

Principal Employer	Business Type	Rank	2016-2017		Rank	2011-2012	
			Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment
Burleson ISD	Education	1	1482	10.59%	1	1325	12.05%
City of Burleson	Municipality	2	408	2.91%	3	383	3.48%
Wal-Mart	Retail	3	385	2.75%	2	416	3.78%
H.E.B. Grocery Store	Grocery	4	370	2.64%	4	375	3.41%
Champion Buildings	Manufacturing	5	335	2.39%	7	125	1.14%
Kroger Marketplace	Retail	6	200	1.43%			
Target	Retail	7	175	1.25%	6	144	1.31%
Sam's Club	Retail	8	170	1.21%			
Basden Steel	Manufacturing	9	161	1.15%			
Lowe's	Retail	10	140	1.00%			
Thomas Conveyor	Manufacturing				8	115	1.05%
KWS Manufacturing	Manufacturing				5	145	1.32%
Indicom Buildings	Manufacturing				9	85	0.77%
Industrial Screw	Manufacturing				10	65	0.59%
			<u>3826</u>	<u>27.33%</u>			
						<u>3178</u>	<u>28.89%</u>

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2

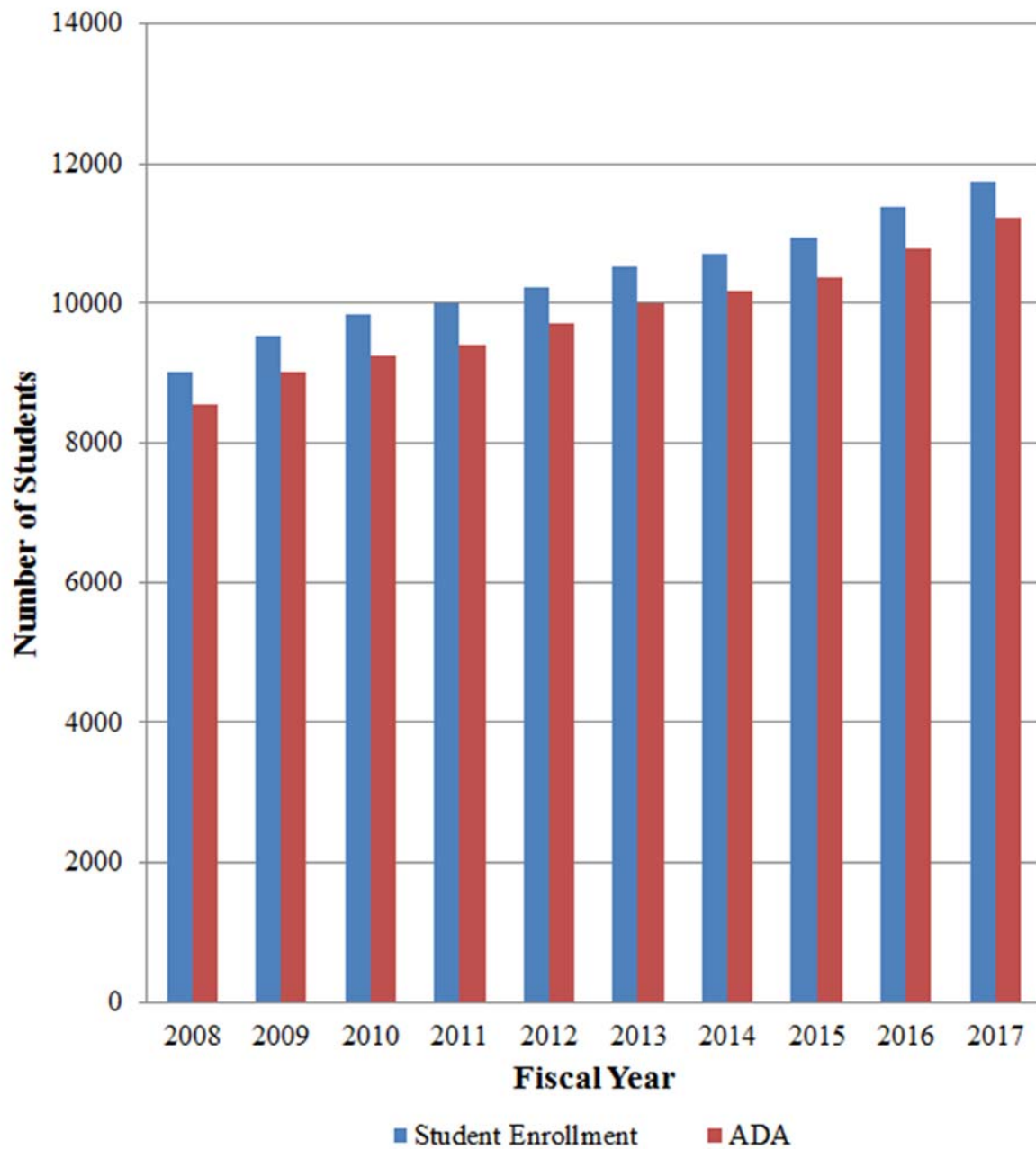
# Burleson Independent School District

## 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**

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction</b>								
Elementary Classroom Teachers	345	327	324	329	313	304	322	353
Secondary Classroom Teachers	226	252	255	260	323	324	344	374
Other Teachers	63	82	73	75	39	56	40	32
Total Instruction	634	661	652	665	675	685	706	759
<b>Professional Support</b>								
Guidance Counselors	22	19	19	21	23	22	23	23
Therapists	17	16	15	16	17	17	17	19
Psychologists/Diagnosticians	14	15	15	16	16	15	17	20
Teacher Facilitators	17	17	7	7	8	8	14	13
Other Campus Professional	9	10	7	9	10	17	18	10
Other Non-Instructional	19	19	13	17	18	21	20	24
Athletic Trainer	1	2	1	3	3	2	4	3
Librarians	13	13	13	14	14	13	14	14
Nurses/Physicians	15	16	16	16	14	15	16	16
Total Professional Support	127	127	107	119	123	129	142	142
<b>Administrative Staff</b>								
Principals	14	14	15	15	15	14	15	17
Assistant Principals	29	27	24	25	24	26	26	26
Superintendent	1	1	1	1	1	1	1	1
Assistant Superintendent	4	3	1	1	1	2	2	2
Directors	10	10	13	11	13	15	14	19
Total Central Administration	58	55	53	53	54	58	58	65
<b>Support Staff</b>								
Educational Aides	133	132	123	122	119	128	126	134
Auxiliary	399	400	390	390	363	369	349	382
Total Support and Auxiliary Staff	532	532	513	512	482	497	475	516
Total	1351	1375	1325	1348	1334	1369	1382	1482

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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

## Teacher Salary Data

Last Ten Years

(Unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Region Average Salary	State Average Salary
2008	42,500	65,300	46,495	48,394	46,179
2009	43,200	66,000	46,841	49,584	47,159
2010	43,200	66,000	47,302	50,642	48,263
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

Source: District Records and PEIMS Standards Report

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

Note 2: 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
2008	9005	8454	72,411,031	8,565		81,759,333	9,671
2009	9588	9025	70,180,656	7,776	-9.21%	82,340,502	9,124
2010	9846	9241	79,726,094	8,627	10.95%	96,435,739	10,436
2011	9989	9404	72,120,557	7,669	-11.11%	106,019,199	11,274
2012	10,160	9705	75,980,885	7,829	2.09%	98,557,844	10,156
2013	10,457	9990	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

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

Note 1: Fiscal Year End is August 31 for years 2002-2008. Fiscal Year End changed to June 30 effective September 1, 2008.

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

Percent Change	Teaching Staff	Pupil- Teacher Ratio	Students Receiving Free or Reduced- Price Meals
	575	14.7	27.4%
-5.66%	628	14.4	29.5%
14.38%	634	14.6	33.0%
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%

**Burleson Independent School District****Schedule 22**

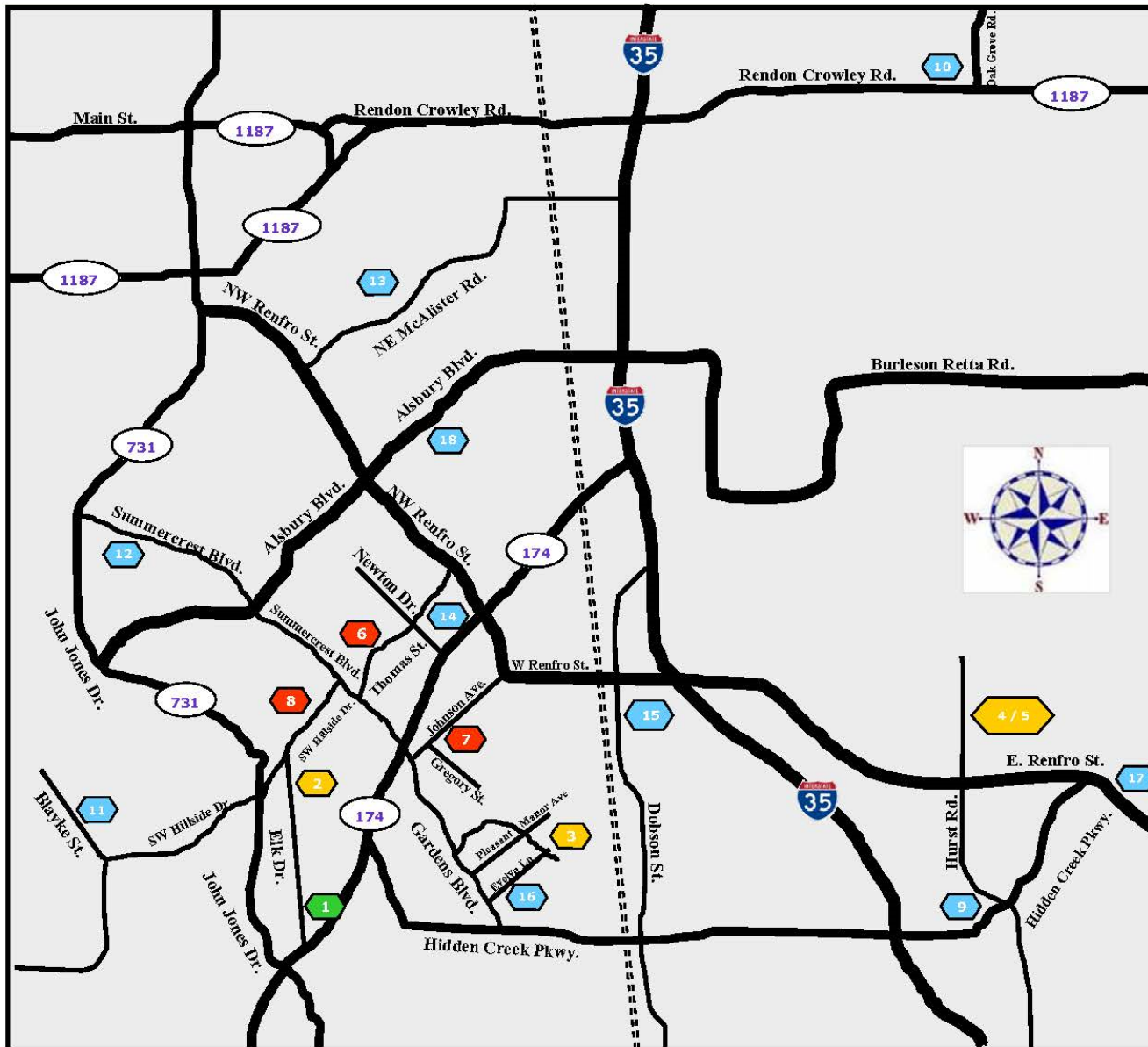
## School Building Information

Last Ten Years

(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Elementary</b>										
# of Locations	7	10	10	10	10	10	10	10	10	10
Sq. Footage	555,812	813,061	813,061	813,061	813,061	813,061	813,061	813,061	813,061	813,061
Capacity	4,298	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242
Enrollment	4,458	4,749	4,862	4,900	5,078	5,184	5,214	5,283	5,534	5,670
<b>Middle Schools</b>										
# of Locations	2	2	2	2	2	2	2	2	3	3
Sq. Footage	383,563	383,563	383,563	383,563	383,563	383,563	383,563	383,563	434,793	434,793
Capacity	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,700	2,700
Enrollment	2,181	2,339	2,278	2,282	2,331	2,342	2,388	2,446	2,571	2,750
<b>High Schools</b>										
# of Locations	2	2	2	3	3	3	3	3	3	3
Sq. Footage	447,947	447,947	447,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947
Capacity	2,150	2,150	2,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
Enrollment	2,366	2,500	2,756	2,651	2,750	2,931	3,016	3,076	3,271	3,328
<b>Athletic Facilities</b>										
Football fields	3	3	3	4	4	4	4	4	4	4
Running tracks	4	4	4	5	5	5	5	5	5	5
Ball Fields	2	2	2	4	4	4	4	4	4	4
<b>Playgrounds</b>										
	7	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

# Burleson ISD School Location Map



## ADMINISTRATION

- 1** **BISD Administration Bldg**  
1160 SW Wilshire Blvd  
817-245-1000

## HIGH SCHOOLS

- 2** **Burleson High School** (001)  
100 Elk Drive 817-245-0000
- 3** **Crossroads High School** (003)  
505 Pleasant Manor  
817-245-0500
- 4** **Centennial High School** (006)  
201 N Hurst Rd 817-245-0250
- 5** **Burleson Collegiate HS** (007)  
201 N Hurst Rd 817-245-1600

## MIDDLE SCHOOLS

- 6** **Hughes Middle School** (041)  
316 SW Thomas Street  
817-245-0600
- 7** **Kerr Middle School** (042)  
517 SW Johnson Avenue  
817-245-0750
- 8** **STEAM Middle School** (043)  
900 SW Hillside Drive  
817-245-1500

## ELEMENTARY SCHOOLS

- 9** **Bransom (Academy of Arts)** (108)  
820 S Hurst Road  
817-245-3600
- 10** **Brock Elementary** (110)  
12000 Oak Grove Road  
817-245-3800
- 11** **Clinkscale Elementary** (111)  
600 Blayke Street  
817-245-3900
- 12** **Frazier Elementary** (102)  
1125 NW Summercrest Blvd  
817-245-3000
- 13** **Hajek Elementary** (109)  
555 NE McAlister Road  
817-245-3700
- 14** **Mound (Academy of Leadership and Technology)** (103)  
205 SW Thomas Street  
817-245-3100
- 15** **Nola Dunn Academy** (101)  
201 S Dobson Street  
817-245-3300
- 16** **Norwood Elementary** (104)  
619 Evelyn Lane  
817-245-3400
- 17** **Stribling (STEAM Academy)** (107)  
1881 E Renfro Street  
817-245-3500
- 18** **Taylor Elementary** (105)  
400 NE Absbury Blvd  
817-245-3200

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## **Federal Awards Section**



**Independent Auditor's Report on  
Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
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 *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Burleson Independent School District (the District), as of and for the year ended June 30, 2017, 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 13, 2017.

***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 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 Trustees  
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 entity'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 13, 2017

**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, 2017. 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, 2017.

## 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 13, 2017

**Burleson Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

**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:

10.553	National School Breakfast Program <sup>(1)</sup>
10.555	National School Lunch Program <sup>(1)</sup>
10.555	National School Lunch Program – Non-cash Assistance <sup>(1)</sup>
84.010A	ESEA, Title I, Part A

(1) Child Nutrition 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, 2017

**Section II – Financial Statement Findings**

NONE

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

NONE



## **Burleson Independent School District**

Schedule of Prior Audit Findings

Year Ended June 30, 2017

### **Federal Award Finding**

#### **Finding 2016-01**

**Status of Prior Finding:** Planned corrective action completed this fiscal year.

**Burleson Independent School District**  
Corrective Action Plan  
Year Ended June 30, 2017

There were no matters reported.

**Burleson Independent School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

**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	\$ 58,549
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<u>58,549</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	15610101126902	18,774
ESEA, Title I, Part A	84.010A	16610101126902	834,057
Total CFDA Number 84.010A			<u>852,831</u>
Special Education Cluster			
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	156600011269026000	145,768
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	166600011269026000	1,666,702
Total CFDA Number 84.027A			<u>1,812,470</u>
IDEA - Preschool	84.173 <sup>(1)</sup>	156610011269026000	266
IDEA - Preschool	84.173 <sup>(1)</sup>	166610011269026000	38,373
Total CFDA Number 84.173			<u>38,639</u>
Total Special Education Cluster			1,851,109
Career and Technical Education- Basic Grant	84.048	16420006126902	93,311
Total CFDA Number 84.048			<u>93,311</u>
Title III, Part A - English Language Acquisition	84.365A	15671001126902	88
Title III, Part A - English Language Acquisition	84.365A	16671001126902	42,488
Total CFDA Number 84.365A			<u>42,576</u>
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	15694501126902	17,792
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	16694501126902	149,071
Total CFDA Number 84.367A			<u>166,863</u>
ESEA, Title VI, Part A - Summer School LEP	84.369A	69551502	2,330
Total CFDA Number 84.369A			<u>2,330</u>
Total Passed Through State Department of Education			<u>3,009,020</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<u><u>3,009,020</u></u>

**Burleson Independent School District**Schedule Of Expenditures Of Federal Awards - Continued  
Year Ended June 30, 2017

(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>	71401501	65,063
School Breakfast Program	10.553 <sup>(2)</sup>	71401601	374,080
Total CDFA Number 10.553			<u>439,143</u>
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71301501	330,135
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71301601	1,721,671
National School Program Lunch - Non-Cash Assistance	10.555 <sup>(2)</sup>	71301001	395,765
Total CDFA Number 10.555			<u>2,447,571</u>
Total Passed Through the State Department of Agriculture			<u>2,886,714</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			2,886,714
<b>U.S. GENERAL SERVICES ADMINISTRATION</b>			
<u>Direct Programs</u>			
Donation of Federal Surplus Personal Property	39.003	n/a	661
<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>			<u>661</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 5,954,944</u>
School Health & Related Services (SHARS) <sup>(3)</sup>			<u>1,026,581</u>
<b>TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3</b>			<u>\$ 6,981,525</u>

(1) Reported as Special Education Cluster, as required by Compliance Supplement June 2017

(2) Reported as Child Nutrition Cluster, as required by Compliance Supplement June 2017

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

## **Burleson Independent School District**

### **Notes to the Schedule of Expenditures of Federal Awards**

#### **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, 2017, 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, 2017, the District recognized food commodities totaling \$395,765 with a remaining \$8,114 in inventory.