



Annual Comprehensive
FINANCIAL REPORT

Fiscal year ended
June 30, 2023
Burleson, Texas



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**Independent School District
Burleson, Texas**



Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Prepared by:
Brenda Mize, Chief Financial Officer

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Burleson Independent School District
Annual Comprehensive Financial Report

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Introductory Section

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1160 SW Wilshire Blvd. • Burleson, Texas 76028 • 817.245.1000 • Fax: 817.447.5737 • www.burlesonisd.net

November 13, 2023

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 Annual Comprehensive Financial Report (ACFR) of the Burleson Independent School District (District), approved by the Board of Trustees, is filed with the Texas Education Agency no later than the 150th 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 ACFR 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 the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The District engaged Weaver and Tidwell, L.L.P., Certified Public Accountants, to audit the District's financial statements. Their unmodified opinion based upon the audit of the Burleson Independent School District's financial statements for the fiscal year ended June 30, 2023 is presented as the first component of the financial section of this report.

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

Profile of the District

In 1901, Burleson's first school, the Red Oak Academy was constructed. It was destroyed by fire in 1909. The State of Texas granted a charter for an independent school district and the citizens of Burleson voted to construct a new school. By 1910 the new school was opened. Burleson Independent School District is located just south of Fort Worth in Tarrant and Johnson Counties. Burleson ISD covers 52 square miles. Burleson ISD has a tradition of providing an excellent education with highly-qualified teachers passionate and dedicated to student success. Burleson ISD has 18 schools serving approximately 12,631 students. The District provides a full range of educational services appropriate to grade levels pre-Kindergarten through twelve. These include regular and enriched academic education, special education, occupational education, and language training for those with limited English proficiency. BISD employs approximately 1,594 staff members with 60% serving as classroom instructional employees.

Governing Body

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

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

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

Strategic Plan

Core Values:

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

Objectives:

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

Strategies:

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

Budget Process

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

1. Before June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
3. Before July 1, the Board legally enacts the budget through passage of a resolution.

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

Tax Rate Adoption. The District Tax Assessor-Collector and Chief Financial Officer calculated the estimated rollback tax rate and published the required legal notice in June 2022. The Board of Trustees held the required public meeting on June 13, 2022, to discuss the proposed tax rate of \$.9429 maintenance and operations (General Fund) + \$.50 interest and sinking (Debt Service Fund) = \$1.4429 per \$100 taxable valuation, however no action was taken. The Board of Trustees held the required public meeting on September 12, 2022, to discuss and adopt the 2022 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

Located within the Dallas-Fort Worth metropolitan area, Burleson is Fort Worth's closest and largest neighbor to the south. It is strategically bisected by one of the most traveled interstates in America, I-35 West, and the NAFTA corridor that supports North American manufacturing. The city surrounds this massive commerce pipeline, providing over nine miles of interstate frontage. I-35 West connects to a few other interstates, including I-30 and I-20, which traverse the state of Texas and branch across the country, allowing for the wide distribution of goods.

Prices in Burleson's housing market typically exceed regional averages due to quality of life and have increased the growth in population and employment. Burleson has been progressive in attracting businesses for economic development to diversify its tax base, as well as establishing development agreements within its extraterritorial jurisdiction to manage growth strategically outside its current borders.

State Funding Components

- Maintenance and Operations Tax Rate – \$.9429
- Interest and Sinking Tax Rate – \$.50
- Basic Allotment – \$6,160
- Per Capita Rate – \$631.045

State Accountability System

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

Awards

GFOA Certificate of Achievement. Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Burleson Independent School District for its annual financial report for the fiscal year ended June 30, 2022. This was the twelfth 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 annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Staci Eisner.....President
Ryan Richardson..... Vice-President
Jerri McNair Secretary
Michael Ancy.....Member
Pat WorrellMember
Shawn MinorMember
Dallas OwensMember

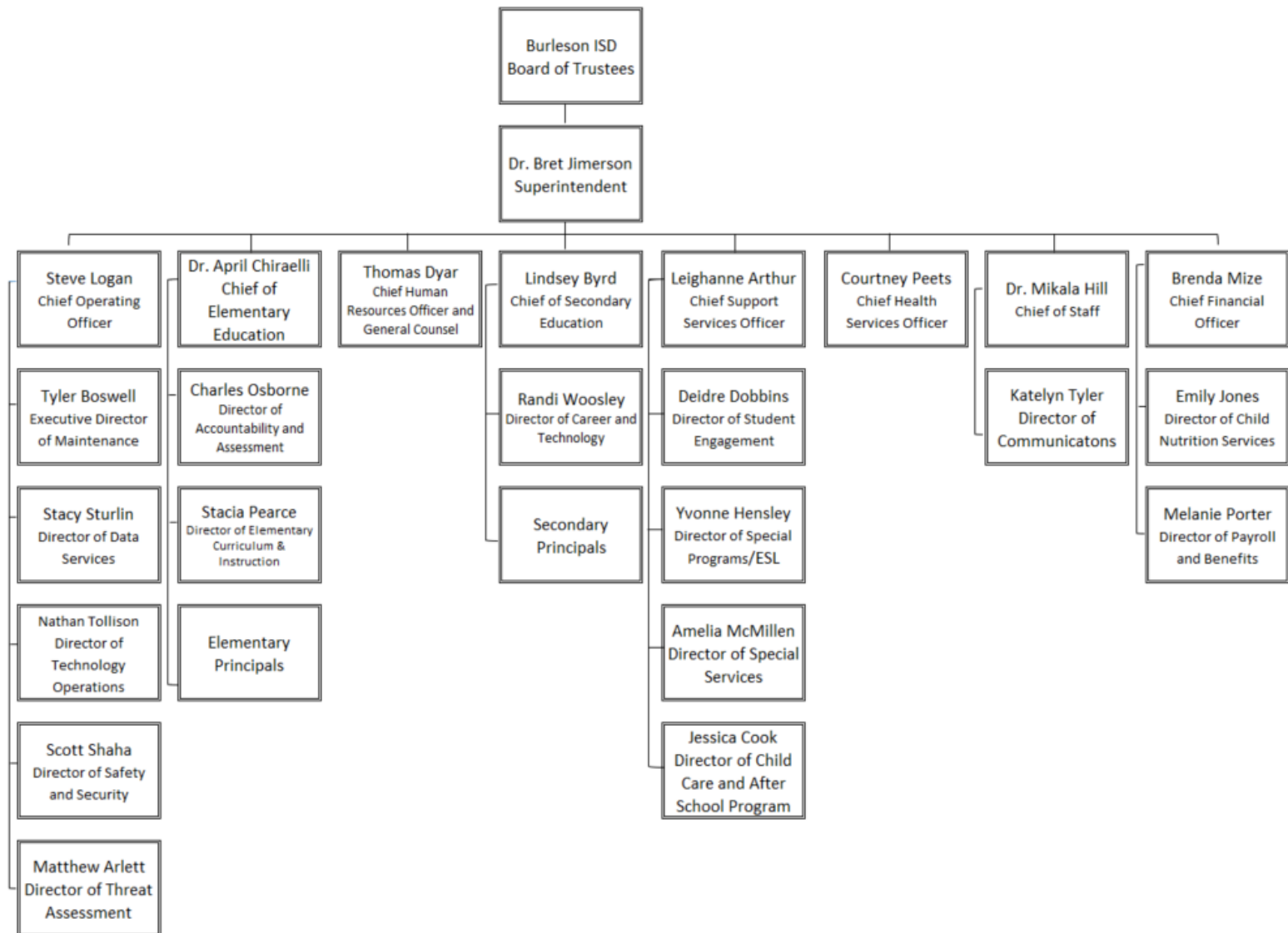
Administrative Staff

Dr. Bret JimersonSuperintendent of Schools
Leighanne Arthur.....Chief Support Services Officer
Dr. Lindsey Byrd.....Chief of Secondary Education
Dr. April Chiarelli Chief of Elementary Education
Thomas Dyar Chief Human Resources Officer and General Counsel
Dr. Mikala Hill.....Chief of Staff
Steve Logan Chief Operating Officer
Brenda MizeChief Financial Officer
Courtney PeetsChief Health Services Officer

Consultants and Advisors

Weaver and Tidwell, L.L.P.Independent Auditor
Leaser Crass, P.C.Legal Counsel
SAMCO Capital Financial Advisor
McCall, Parkhurst & Horton Bond Counsel

BURLESON ISD





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Burleson Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Certificate of the Board

Burleson Independent School District
Name of School District

Johnson
County

126-902
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _____disapproved for the year ended June 30, 2023 at a meeting of the Board of Trustees of such school district on the 13th day of November, 2023.


Signature of Board Secretary


Signature of Board President

Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Burleson Independent School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 4 to the basic financial statements, during the year ended June 30, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents on pages 7–13 and 69–77 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency, budgetary comparison schedules, use of funds report, statistical section and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency, budgetary comparison schedules, use of funds report, and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules – required by the Texas Education Agency, budgetary comparison schedules, use of funds report, 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.

Other Information included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR (Annual Comprehensive Financial Report). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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, 2023

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**Burleson Independent School District
Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

As management of Burleson Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. Please read this narrative in conjunction with the independent auditor's report on page 3, and the District's Basic Financial Statements that begin on page 17.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of Burleson Independent School District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$34,719,331 (net position). Unrestricted net position was (\$32,061,903) as of June 30, 2023.
- The District's total net position increased by \$18,909,884 which is due to an increase in charges for services, property tax revenue and investment revenue.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$82,832,435. Approximately 40% of this total amount, \$33,177,724, 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 \$33,177,724 or 28% of the total general fund expenditures.
- The District's Enterprise Fund net position increased by \$123,167 from operations with net position of \$306,317. Increase in the Enterprise Fund was a result of the daycare resuming to normal operations from COVID, and utilization of the Child Care and Development Block Grant.

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

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

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. The District's fiduciary activity is reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 30 and 31. 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, 2023, assets and deferred outflows have exceeded liabilities and deferred inflows by \$34.7 million with an increase in net position of \$18,909,884 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, 2023, the District's restricted net position for grant funds was \$3,401,085 and restricted net position for debt service was \$16.1 million. As of June 30, 2023, the unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements were a deficit of \$32 million.

The net investment in capital assets is \$47.2 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 assets for the fiscal year ended June 30, 2023 and fiscal year ended June 30, 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 105,553,581	\$ 108,560,854	\$ 375,005	\$ 323,897	\$ 105,928,586	\$ 108,884,751
Capital assets	347,373,215	350,037,614	-	-	347,373,215	350,037,614
Long term investments	746,205	975,367	-	-	746,205	975,367
Total assets	453,673,001	459,573,835	375,005	323,897	454,048,006	459,897,732
Deferred outflow of resources	40,139,365	34,794,485	-	-	40,139,365	34,794,485
Current Liabilities	25,932,784	24,265,406	68,688	140,747	26,001,472	24,406,153
Long-term liabilities	398,241,474	413,683,430	-	-	398,241,474	413,683,430
Total liabilities	424,174,258	437,948,836	68,688	140,747	424,242,946	438,089,583
Deferred inflow of resources	35,225,094	40,793,187	-	-	35,225,094	40,793,187
Net position						
Net investment in capital assets	47,271,107	25,472,654	-	-	47,271,107	25,472,654
Restricted	19,510,127	23,503,548	-	-	19,510,127	23,503,548
Unrestricted	(32,368,220)	(33,349,905)	306,317	183,150	(32,061,903)	(33,166,755)
Total net position	\$ 34,413,014	\$ 15,626,297	\$ 306,317	\$ 183,150	\$ 34,719,331	\$ 15,809,447

Table I presents a summary of the changes in net position for the fiscal year ended June 30, 2023 with a comparison to the fiscal year ended June 30, 2022. Net position of the District's governmental activities increased \$18.8 million from \$15.6 in the prior year.

Revenue in the business-type activities exceeded costs, resulting in a \$123,167 increase in net position. This increase is primarily due resuming normal operations from COVID, and utilization the of Child Care and Development Block Grant.

Government Activities

As shown in Table II, the cost of all governmental activities for the current fiscal year was \$163,507,165. 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 \$93,746,605 because some of the costs were paid by those who directly benefited from the programs (\$6,834,505) or by other governments and organizations that subsidized certain programs with grants and contributions offset by NECE, contributions related to OPEB (\$18,798,940) or by State equalization funding (\$57,905,614).

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 6,834,505	\$ 4,044,222	\$ 716,814	\$ 753,175	\$ 7,551,319	\$ 4,797,397
Operating grants and contributions	18,798,940	18,042,389	46,685	50,143	18,845,625	18,092,532
General Revenues						
Maintenance and operations taxes	61,320,329	57,722,680	-	-	61,320,329	57,722,680
Debt service taxes	32,426,276	28,773,078	-	-	32,426,276	28,773,078
State aid	57,905,614	59,432,188	-	-	57,905,614	59,432,188
Investment Earnings	3,009,739	190,159	-	-	3,009,739	190,159
Miscellaneous	1,998,479	877,121	-	-	1,998,479	877,121
Total Revenue	182,293,882	169,081,837	763,499	803,318	183,057,381	169,885,155
Expenses						
Instruction, curriculum and media services	85,903,404	73,642,506	-	-	85,903,404	73,642,506
Instructional and school leadership	11,327,955	9,688,042	-	-	11,327,955	9,688,042
Student support services	13,360,855	11,899,031	-	-	13,360,855	11,899,031
Child nutrition	7,646,608	7,199,693	-	-	7,646,608	7,199,693
Extracurricular activities	5,195,294	4,623,556	-	-	5,195,294	4,623,556
General administration	4,381,102	3,884,700	-	-	4,381,102	3,884,700
Plant maintenance, security & data processing	19,907,511	17,024,069	-	-	19,907,511	17,024,069
Community Services	1,426,855	988,576	640,332	740,975	2,067,187	1,729,551
Debt service	14,357,581	15,363,690	-	-	14,357,581	15,363,690
Intergovernmental charges	-	-	-	-	-	-
Total Expenses	163,507,165	144,313,863	640,332	740,975	164,147,497	145,054,838
Excess (deficit) before transfers	18,786,717	24,767,974	123,167	62,343	18,909,884	24,830,317
Transfers in (out)	-	-	-	-	-	-
Change in net position	18,786,717	24,767,974	123,167	62,343	18,909,884	24,830,317
Net position at beginning of year	15,626,297	(9,141,677)	183,150	120,807	15,809,447	(9,020,870)
Net position at end of year	\$ 34,413,014	\$ 15,626,297	\$ 306,317	\$ 183,150	\$ 34,719,331	\$ 15,809,447

The increase in net position resulted primarily from property tax revenue, charges for services, and investment earnings.

Revenues for the District's governmental activities increased \$13,212,045 for the year ended June 30, 2023. Approximately 51% of the District's revenues came from property taxes, with an additional 37% derived from state funding formulas and federal grants. Last fiscal year 51% of the District's revenues came from property taxes and 46% came from state funding formulas and federal grants.

Expenses for the District's governmental activities increased over prior year \$19.2 million for the year ended June 30, 2023. The majority of the District's governmental activities expenses (75.5%) pay for direct instructional and student support services and for plant maintenance, security and data processing (12.2%). The remainder (12.3%) is divided into general administration, debt service payments, community related services, and miscellaneous expenses.

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 \$82,832,435, which is \$5,302,625 less than last year's, total of \$88,135,060. Included in this year's total change in fund balance is an decrease of \$5,505,871 in the District's Debt Service Fund and an decrease of \$5,049,920 in the District's Capital Projects Fund.

Over the course of the fiscal year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the fiscal year and reflect the actual beginning balances (versus the amounts we estimated in June 2022). 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 \$33,525,005 reported on page 20 does differ from the General Fund's budgetary fund balance of \$29,876,532 reported in the budgetary comparison schedule on page 69. This is principally due to a board approval of a resolution to move excess funds to Capital Projects in the amount of \$1,300,000 and savings in expenses.

The debt service fund has a total fund balance of \$22,431,393, all of which is committed 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, 2023 were \$39,700,088.

The capital projects fund has a total fund balance of \$20,856,394 all of which is committed for authorized construction and technology projects/enhancements. The net decrease in fund balance during the current year of \$5,049,920 was primarily due to the transfer from General Fund of \$1,300,000 and the expenditure of funds in completing construction projects in the amount of \$8,963,490.

The day care fund has total net position of \$306,317, after recording an increase of \$123,167 for the year.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2023, the District had \$347,373,215 invested in a broad range of capital assets, including facilities and equipment for instruction, administration, and maintenance. This amount represents a net decrease of \$2,664,399 from 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 \$376,040,201 in bonds and other long-term liabilities outstanding (including accreted interest on bonds) versus \$400,075,201 last year-a decrease of \$24,035,000. This decrease was largely driven by bond reduction, refundings and leases. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies.

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

Land	\$ 12,229,213
Buildings	440,091,006
Furniture and equipment	10,699,078
Right-to-use asset	1,716,371
Construction in progress	2,881,944
	<hr/>
Total capital assets	467,617,612
	<hr/>
Less accumulated depreciation	(120,244,397)
	<hr/>
Related debt	
Bonds payable and leases	285,321,539
Premium on capital appreciation bonds	28,110,401
Capital accounts payable and retainage	2,183,976
Less deferred loss on refunding	(15,513,808)
	<hr/>
Net related debt	300,102,108
	<hr/>
Unspent bond proceeds	-
	<hr/>
Net investment in capital assets	\$ 47,271,107
	<hr/>

Net position: Net Investment in Capital Assets

At June 30, 2023, the District had invested \$347,373,215 in capital assets with \$300,102,108 from debt financing. The net position of \$47,271,107 is derived from netting the total assets, net of related debt with accumulated depreciation (non-cash expenditure) resulting in a current year calculation of \$47,271,107 for Net Investment in Capital Assets.

Economic Factors and Next Year's Budgets and Rates

- The General Fund budgeted expenditures for the 2023-2024 year increased \$2.4 million compared to the 2022-2023 budgeted expenditures.
- The District decreased the maintenance and operations property tax rate at \$0.7575 per \$100 valuation. The debt service rate remained \$0.50 per \$100 valuation. Based on this information and these rates, budgeted local tax revenues increased by approximately \$170,000 and State foundation funding increased approximately \$1 million.

Contacting the District's Financial Management

- This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Burleson Independent School District, 1160 SW Wilshire Blvd., Burleson, Texas 76028 (817) 245-1000.

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Basic Financial Statements

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Burleson Independent School District

Statement of Net Position

June 30, 2023

Exhibit A-1

Control Data Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
1110	Cash and temporary investments	\$ 84,994,556	\$ 279,698	\$ 85,274,254
1220	Property taxes receivable (delinquent)	2,374,020	-	2,374,020
1230	Allowance for uncollectible taxes	(276,163)	-	(276,163)
1240	Due from other governments	18,087,205	-	18,087,205
1250	Accrued Interest	20,887	-	20,887
1290	Other receivables, net	-	95,307	95,307
1300	Inventories	121,167	-	121,167
1410	Prepaid expenses	231,909	-	231,909
	Capital assets:			
1510	Land	12,229,213	-	12,229,213
1520	Buildings, net	327,771,589	-	327,771,589
1530	Furniture and equipment and right-to-use assets, net	3,862,821	-	3,862,821
1550	Right-To-Use Assets, net	627,648	-	627,648
1580	Construction in progress	2,881,944	-	2,881,944
1910	Long term investments	746,205	-	746,205
1000	Total assets	453,673,001	375,005	454,048,006
DEFERRED OUTFLOWS OF RESOURCES				
1700	Deferred loss on refunding	15,513,808	-	15,513,808
1705	Deferred outflows - pension	15,989,449	-	15,989,449
1706	Deferred outflows - OPEB	8,636,108	-	8,636,108
	Total deferred outflows of resources	40,139,365	-	40,139,365
LIABILITIES				
2110	Accounts payable	3,387,745	1,071	3,388,816
2140	Accrued interest payable	7,016,973	-	7,016,973
2150	Payroll deductions and withholdings	1,512,641	3,801	1,516,442
2160	Accrued wages payable	11,713,450	63,816	11,777,266
2180	Due to other governments	1,751,361	-	1,751,361
2300	Unearned revenues	550,614	-	550,614
	Noncurrent liabilities:			
2501	Due within one year	22,254,034	-	22,254,034
2502	Due in more than one year:	316,097,002	-	316,097,002
2540	Net pension liability	39,150,590	-	39,150,590
2545	OPEB liability	20,739,848	-	20,739,848
2000	Total liabilities	424,174,258	68,688	424,242,946
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	3,534,921	-	3,534,921
2606	Deferred inflows - OPEB	31,690,173	-	31,690,173
	Total deferred inflows of resources	35,225,094	-	35,225,094
NET POSITION				
3200	Net investment in capital assets	47,271,107	-	47,271,107
3820	Restricted for federal and state programs	3,401,085	-	3,401,085
3850	Restricted for debt service	16,109,042	-	16,109,042
3900	Unrestricted net position	(32,368,220)	306,317	(32,061,903)
3000	TOTAL NET POSITION	\$ 34,413,014	\$ 306,317	\$ 34,719,331

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

Burleson Independent School District

Statement of Activities

Year Ended June 30, 2023

Data Control Codes		Program Revenues		
		Expenses	Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
11	Instruction	\$ 80,997,105	\$ 3,308,875	\$ 5,097,409
12	Instructional resources and media services	1,440,599	-	74,930
13	Curriculum and staff development	3,465,700	-	945,173
21	Instructional leadership	2,670,638	-	355,685
23	School leadership	8,657,317	-	374,966
31	Guidance, counseling and evaluation services	6,999,845	-	956,323
32	Social work services	642,358	-	184,396
33	Health services	1,922,931	-	127,190
34	Student (pupil) transportation	3,795,721	-	84,067
35	Food services	7,646,608	2,838,107	8,397,237
36	Extracurricular activities	5,195,294	551,265	568,559
41	General administration	4,381,102	-	156,486
51	Plant maintenance and operations	14,906,774	136,258	484,134
52	Security and monitoring services	2,404,595	-	121,169
53	Data processing services	2,596,142	-	87,475
61	Community services	1,426,855	-	713,065
72	Debt service - interest on long term debt	14,357,581	-	70,676
	Total governmental activities	163,507,165	6,834,505	18,798,940
	Business-type activities			
	Child care	640,332	716,814	46,685
	Total business-type activities	640,332	716,814	46,685
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 164,147,497	\$ 7,551,319	\$ 18,845,625
	Data Control Codes	General revenues		
		Taxes		
	MT	Property taxes, levied for general purposes		
	DT	Property taxes, levied for debt service		
	SF	State aid - formula grants, unrestricted		
	IE	Investment earnings		
	MI	Miscellaneous revenue		
	TR	Total general revenues		
	CN	Change in net position		
	NB	Net position, beginning		
	NE	NET POSITION, ending		

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (72,590,821)	\$ -	\$ (72,590,821)
(1,365,669)	-	(1,365,669)
(2,520,527)	-	(2,520,527)
(2,314,953)	-	(2,314,953)
(8,282,351)	-	(8,282,351)
(6,043,522)	-	(6,043,522)
(457,962)	-	(457,962)
(1,795,741)	-	(1,795,741)
(3,711,654)	-	(3,711,654)
3,588,736	-	3,588,736
(4,075,470)	-	(4,075,470)
(4,224,616)	-	(4,224,616)
(14,286,382)	-	(14,286,382)
(2,283,426)	-	(2,283,426)
(2,508,667)	-	(2,508,667)
(713,790)	-	(713,790)
(14,286,905)	-	(14,286,905)
(137,873,720)	-	(137,873,720)
-	123,167	123,167
-	123,167	123,167
\$ (137,873,720)	\$ 123,167	\$ (137,750,553)
61,320,329	-	61,320,329
32,426,276	-	32,426,276
57,905,614	-	57,905,614
3,009,739	-	3,009,739
1,998,479	-	1,998,479
156,660,437	-	156,660,437
18,786,717	123,167	18,909,884
15,626,297	183,150	15,809,447
\$ 34,413,014	\$ 306,317	\$ 34,719,331

Burleson Independent School District

Balance Sheet – Governmental Funds

June 30, 2023

Data Control Codes		10 General Fund	50 Debt Service Fund
ASSETS			
1110	Cash and temporary investments	\$ 31,910,839	\$ 22,561,264
1220	Property taxes receivable (delinquent)	1,598,621	775,399
1230	Allowance for uncollectible taxes	(186,124)	(90,039)
1240	Due from other governments	14,726,377	-
1250	Accrued interest	20,887	-
1260	Due from other funds	3,366,965	-
1300	Inventories	115,372	-
1410	Prepaid items	231,909	-
1910	Long term investments	746,205	-
1000	Total assets	52,531,051	23,246,624
1000A	TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 52,531,051</u>	<u>\$ 23,246,624</u>
LIABILITIES			
2110	Accounts payable	\$ 691,694	\$ -
2150	Payroll deductions and withholdings	1,457,308	-
2160	Accrued wages payable	10,807,694	-
2170	Due to other funds	1,348,448	-
2181	Due to state	1,621,294	129,871
2300	Unearned revenues	-	-
2000	Total liabilities	15,926,438	129,871
DEFERRED INFLOWS OF RESOURCES			
2600	Deferred revenue and property taxes	3,079,608	685,360
FUND BALANCES			
Nonspendable			
3410	Inventories	115,372	-
3430	Prepaid items	231,909	-
Restricted			
3480	Debt service	-	22,431,393
3450	Grant funds	-	-
Committed			
3545	Other purposes	-	-
3600	Unassigned	33,177,724	-
3000	Total fund balances	33,525,005	22,431,393
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 52,531,051</u>	<u>\$ 23,246,624</u>

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

EXHIBIT C-1

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 23,016,796	\$ 6,675,167	\$ 84,164,066
-	-	2,374,020
-	-	(276,163)
-	3,360,828	18,087,205
-	-	20,887
133,025	415,217	3,915,207
-	5,795	121,167
-	-	231,909
-	-	746,205
<u>23,149,821</u>	<u>10,457,007</u>	<u>109,384,503</u>
<u><u>\$ 23,149,821</u></u>	<u><u>\$ 10,457,007</u></u>	<u><u>\$ 109,384,503</u></u>
\$ 2,183,976	\$ 468,157	\$ 3,343,827
456	54,877	1,512,641
15,827	889,929	11,713,450
93,168	2,473,591	3,915,207
-	196	1,751,361
-	550,614	550,614
<u>2,293,427</u>	<u>4,437,364</u>	<u>22,787,100</u>
-	-	3,764,968
-	5,795	121,167
-	-	231,909
-	-	22,431,393
-	3,401,085	3,401,085
20,856,394	2,612,763	23,469,157
-	-	33,177,724
<u>20,856,394</u>	<u>6,019,643</u>	<u>82,832,435</u>
<u><u>\$ 23,149,821</u></u>	<u><u>\$ 10,457,007</u></u>	<u><u>\$ 109,384,503</u></u>

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

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 82,832,435
Capital assets used in governmental activities are not financial resources; therefore are not reported in the fund financial statements.	467,617,612
Accumulated depreciation is not reported in the fund financial statements.	(120,244,397)
Bonds payable, leases, SBITAs and accumulated sick leave benefits are not reported in the fund financial statements.	(285,725,247)
Net pension liability is not reported in the fund financial statements.	(39,150,590)
Net OPEB liability is not reported in the fund financial statements.	(20,739,848)
Accreted interest on capital appreciation bonds is not reported in the fund financial statements.	(24,236,838)
Bond premiums on outstanding bonds payable are not recorded in the fund financial statements.	(28,110,401)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	15,513,808
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(7,016,973)
Property tax and other revenue reported as deferred inflows in the fund financial statements is recognized as revenue in the government-wide financial statements.	3,764,968
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	15,989,449
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(3,534,921)
Deferred outflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	8,636,108
Deferred inflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(31,690,173)
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.	508,022
NET POSITION of GOVERNMENTAL ACTIVITIES	<u><u>\$ 34,413,014</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, 2023

Data Control Codes		10 General Fund	50 Debt Service Fund
	REVENUES		
5700	Local and intermediate sources	\$ 63,514,325	\$ 33,025,755
5800	State program revenues	56,832,283	1,217,323
5900	Federal program revenues	2,425,801	-
5020	Total revenues	122,772,409	34,243,078
	EXPENDITURES		
	Current		
0011	Instruction	66,647,568	-
0012	Instructional resources and media services	1,227,165	-
0013	Curriculum and instructional staff development	1,486,261	-
0021	Instructional leadership	1,842,733	-
0023	School leadership	7,441,805	-
0031	Guidance, counseling and evaluation services	4,771,805	-
0032	Social work services	246,161	-
0033	Health services	1,570,766	-
0034	Student (pupil) transportation	3,785,415	-
0035	Food services	59,665	-
0036	Extracurricular activities	4,255,940	-
0041	General administration	3,077,929	-
0051	Facilities maintenance and operations	13,844,035	-
0052	Security and monitoring services	2,143,453	-
0053	Data processing services	2,773,885	-
0061	Community services	7,312	-
	Debt service		
0071	Principal on long-term debt	1,696,679	24,717,650
0072	Interest on long-term debt	-	14,776,986
0073	Bond issuance cost and fees	-	205,452
	Capital outlay		
0081	Facilities acquisition and construction	-	-
	Intergovernmental		
0093	Payments to fiscal agent/member districts of SSA	-	-
0099	Other intergovernmental charges	860,731	-
6030	Total expenditures	117,739,308	39,700,088
1100	Excess (deficiency) of revenues over (under) expenditures	5,033,101	(5,457,010)
7900	OTHER FINANCING SOURCES (USES)		
7911	Issuance of refunding bonds	-	19,310,000
7913	Proceeds from right-to-use assets	108,835	-
7915	Transfers in	-	-
7916	Premium or discount on issuance of bonds	-	574,202
8911	Transfers out	(1,300,000)	-
8949	Payment to refunded bond escrow agent	-	(19,933,063)
7080	Total other financing sources (uses)	(1,191,165)	(48,861)
1200	Net change in fund balances	3,841,936	(5,505,871)
0100	FUND BALANCE at July 1 (beginning), as restated	29,683,069	27,937,264
3000	FUND BALANCE at June 30 (ending)	\$ 33,525,005	\$ 22,431,393

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 2,603,133	\$ 6,278,409	\$ 105,421,622
10,437	3,257,012	61,317,055
-	11,042,994	13,468,795
2,613,570	20,578,415	180,207,472
-	5,054,481	71,702,049
-	58,254	1,285,419
-	1,787,725	3,273,986
-	566,255	2,408,988
-	156,153	7,597,958
-	1,531,450	6,303,255
-	360,000	606,161
-	128,101	1,698,867
-	-	3,785,415
-	7,128,629	7,188,294
-	875,024	5,130,964
39,490	6,842	3,124,261
171,522	130,863	14,146,420
-	121,728	2,265,181
537,309	-	3,311,194
-	1,412,633	1,419,945
-	69,347	26,483,676
-	-	14,776,986
-	-	205,452
8,215,169	-	8,215,169
-	53,905	53,905
-	-	860,731
8,963,490	19,441,390	185,844,276
(6,349,920)	1,137,025	(5,636,804)
-	-	19,310,000
-	274,205	383,040
1,300,000	-	1,300,000
-	-	574,202
-	-	(1,300,000)
-	-	(19,933,063)
1,300,000	274,205	334,179
(5,049,920)	1,411,230	(5,302,625)
25,906,314	4,608,413	88,135,060
\$ 20,856,394	\$ 6,019,643	\$ 82,832,435

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, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (5,302,625)
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.	9,928,373
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.	(12,592,772)
The current year refunding of bonds and proceeds from right-to-use assets are shown as an other resource in the fund financial statements but are shown as an increase in long term debt in the government-wide financial statements.	(19,310,000)
Current year payments to bond refunding escrow agent are included as other uses in the fund financial statements but are shown as reductions in long term debt and as a deferred loss on bond refunding in the government-wide financial statements.	19,685,000
Current year long-term debt principal payments on bonds payable, leases and SBITAs are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	26,436,589
The change in current year accretion on capital appreciation bonds is not reflected in the fund financial statements.	(937,758)
The change in current year interest on bonds, leases and SBITAs is not reflected in the fund financial statements.	468,498
The current year lease of subscription based information technology agreements are an increase in long term debt in the government-wide financial statements.	(979,648)
The change in other long-term debt for local leave payable is not recognized in the fund financial statements.	18,891
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.	(2,110,497)
Changes in the OPEB liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements.	2,764,850
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.	128,965
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.	(574,202)
Current year amortization and refunding of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	2,401,095
Current year deferred loss on refunding associated with bonds payable is reported net of amortization on the government-wide financial statements.	(1,012,007)
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.	(226,035)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 18,786,717</u></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, 2023

Exhibit D-1

	Business-type Activities Enterprise Fund Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
ASSETS		
Current assets		
Cash and temporary investments	\$ 279,698	\$ 830,490
Other receivables	95,307	-
Total current assets	375,005	830,490
TOTAL ASSETS	375,005	830,490
LIABILITIES		
Current liabilities		
Accounts payable	1,071	43,918
Payroll deductions and withholdings	3,801	-
Accrued wages payable	63,816	-
Claims payable	-	244,524
Total current liabilities	68,688	288,442
Noncurrent liabilities		
Claims payable	-	34,026
Total noncurrent liabilities	-	34,026
TOTAL LIABILITIES	68,688	322,468
NET POSITION		
Unrestricted	306,317	508,022
TOTAL NET POSITION	\$ 306,317	\$ 508,022

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

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

Statement of Revenues, Expenses, and Changes In
Net Position – Proprietary Funds
Year Ended June 30, 2023

	Business-type Activities Enterprise Fund Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
OPERATING REVENUES		
Charges for services	\$ 716,814	\$ 213,057
Total operating revenues	716,814	213,057
OPERATING EXPENSES		
Personnel services	582,666	-
Contractual services	8,813	-
Utilities	26,543	-
Other supplies and expenses	18,930	-
Other operating costs	3,380	439,092
Total operating expenses	640,332	439,092
Operating income (loss)	76,482	(226,035)
NONOPERATING REVENUES		
State on-behalf revenue	46,685	-
Total nonoperating revenue	46,685	-
Income (loss) before contributions and transfers	123,167	(226,035)
Change in net position	123,167	(226,035)
TOTAL NET POSITION, beginning	183,150	734,057
TOTAL NET POSITION, ending	\$ 306,317	\$ 508,022

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, 2023

Exhibit D-3

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Day Care Fund	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and interfund services	\$ 699,905	\$ 213,057
Payments to suppliers	(117,245)	(377,046)
Payments to employees	(548,461)	-
Net cash provided by (used in) operating activities	34,199	(163,989)
Net increase (decrease) in cash and temporary investments	34,199	(163,989)
BALANCES, beginning of the year	245,499	994,479
BALANCES, end of the year	\$ 279,698	\$ 830,490
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 76,482	\$ (226,035)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used in) operating activities		
State on-behalf revenue	46,685	-
Change in assets and liabilities		
Cash flows reported in other categories:		
Other receivables	(16,909)	-
Accounts payable	(59,579)	34,662
Payroll deductions and withholdings	(1,814)	
Accrued wages payable	(10,666)	-
Claims payable	-	27,384
Net cash provided by (used in) operating activities	\$ 34,199	\$ (163,989)

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

Burleson Independent School District**Exhibit E-1**Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2023

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and temporary investments	\$ 7,418	\$ 151,636
Due from other funds	-	4,286
Total assets	<u>\$ 7,418</u>	<u>\$ 155,922</u>
LIABILITIES		
Accounts payable	\$ -	\$ 1,794
Due to other funds	-	62
Total liabilities	<u>-</u>	<u>1,856</u>
Total Net Position	<u>\$ 7,418</u>	<u>\$ 154,066</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, 2023

Exhibit E-2

	Private Purpose Trust Fund	Custodial Fund
	<hr/>	<hr/>
ADDITIONS		
Miscellaneous revenue from student activities	\$ 5,000	\$ 227,484
	<hr/>	<hr/>
Total additions	5,000	227,484
	<hr/>	<hr/>
DEDUCTIONS		
Supplies	30,500	220,133
Contracted services	-	7,723
	<hr/>	<hr/>
Total deductions	30,500	227,856
	<hr/>	<hr/>
Change in net position	(25,500)	(372)
	<hr/>	<hr/>
NET POSITION		
Net position, beginning	32,918	154,438
	<hr/>	<hr/>
NET POSITION, ending	<u>\$ 7,418</u>	<u>\$ 154,066</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) basic 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 non-fiduciary activities of the District. The effect of interfund activity within the governmental activities columns has been removed from these statements. Taxes and intergovernmental revenues normally support governmental activities.

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

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

Fund Financial Statements

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

Burleson Independent School District

Notes to the Basic Financial Statements

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

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

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

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

Additionally, the District reports the following fund types:

Enterprise Fund – This fund is a proprietary fund used to account for the operations of the District's day care program. The enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses not meeting this definition are reported as non-operating 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.

Custodial Fund – The District accounts for resources held for others in a custodial capacity in a custodial fund. The fund is used to account for assets held by the District as a custodian/custodial for student and other organizations. These funds were previously reported in an agency fund. The implementation of GASB 84 resulted in reporting more detail of additions to and deductions from custodial funds than was reported for agency funds.

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.

Burleson Independent School District

Notes to the Basic Financial Statements

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. 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.

The private purpose trust funds and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting. Reporting is oriented towards providing accountability for the sources, uses, and balances or resources held in trust for others, therefore, the additions and deductions in fiduciary balances are reported. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the funds' statement of net position. The funds' equity is segregated into restricted net position and unrestricted net position.

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 or other compliance requirement is met. 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.

Burleson Independent School District

Notes to the Basic Financial Statements

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 is presented in the Accounting Code Section of the FAR.

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-2 and J-3.

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.

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, 2023, there were no outstanding purchase orders.

Cash and Temporary Investments

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

Burleson Independent School District

Notes to the Basic Financial Statements

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 non-spendable 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 non-spendable 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

Leases

The District is a lessee for non-cancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

Burleson Independent School District

Notes to the Basic Financial Statements

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The District monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

Net Position

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

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

Long-term Obligations

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Oil and Gas Royalties

Oil and gas royalties are generally payable to the District when production begins at which time revenue is considered earned and is therefore recognized. These revenues have been committed in the Capital Projects Fund by the Board for future capital projects.

GASB Pronouncements implemented by the District

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement were effective for reporting periods beginning after June 15, 2022.

Estimates

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

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

Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2023 will change.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets 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 assets 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 \$1,412,497 and \$685,360 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 inflow of resources.

Burleson Independent School District

Notes to the Basic Financial Statements

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

Other Post-Employment Benefits

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

Note 2. Deposits and Investments

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

Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy.

That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Burleson Independent School District

Notes to the Basic Financial Statements

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Primary government	\$ 86,020,459
Fiduciary funds	159,054
	<hr/>
	\$ 86,179,513
	<hr/>

Cash and investments as of June 30, 2023 consist of the following:

Cash	\$ 9,220,484
Temporary investments	76,212,824
Long term investments	746,205
	<hr/>
	\$ 86,179,513
	<hr/>

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

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

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

- Depository: Wells Fargo;
- Securities pledged as of the date of the highest balance: \$19,282,738;
- Largest cash, savings, and certificate of deposit combined account balance amounted to \$16,529,852 and occurred during December 2022;
- Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

The District was fully collateralized throughout the fiscal year ended June 30, 2023, including the date of the highest combined balance.

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

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

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, 2023, 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.

Burleson Independent School District

Notes to the Basic Financial Statements

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

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

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

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

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

	Value at June 30, 2023	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost				
Investment pools				
TexPool	\$ 40,686,424	0.53	39	AAAm
Lonestar	35,526,400	0.46	46	AAA
Other investments				
Certificates of deposit	746,205	0.01	-	AAAm
Total	\$ 76,959,029	1		
Portfolio weighted average maturity			42	

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

Burleson Independent School District

Notes to the Basic Financial Statements

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Restated Balance June 30, 2022	Additions/ Completions	(Retirements)/ Adjustments	Balance June 30, 2023
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 12,229,213	\$ -	\$ -	\$ 12,229,213
Construction in progress	7,922,969	2,213,058	(7,254,083)	2,881,944
Total capital assets not being depreciated/amortized	20,152,182	2,213,058	(7,254,083)	15,111,157
Capital assets being depreciated/amortized				
Buildings	426,818,823	6,018,100	7,254,083	440,091,006
Right-to-use leased equipment	3,558,308	-	(2,821,763)	736,545
Right-to-use leased SBITAs	-	979,826	-	979,826
Furniture and equipment	9,981,689	717,389	-	10,699,078
Total assets being depreciated/amortized	440,358,820	7,715,315	4,432,320	452,506,455
Less accumulated depreciation/amortized for				
Buildings	(103,680,634)	(8,638,783)	-	(112,319,417)
Right-to-use leased equipment	(18,172)	(2,981,492)	2,821,763	(177,901)
Right-to-use leased SBITAs	-	(352,178)	-	(352,178)
Furniture and equipment	(6,774,582)	(620,319)	-	(7,394,901)
Total accumulated depreciation/amortized	(110,473,388)	(12,592,772)	2,821,763	(120,244,397)
Total capital assets being depreciated/amortized, net	329,885,432	(4,877,457)	7,254,083	332,262,058
Governmental activities capital assets, net	\$ 350,037,614	\$ (2,664,399)	\$ -	\$ 347,373,215

Burleson Independent School District

Notes to the Basic Financial Statements

Depreciation/amortization expense was charged as direct expense as follows:

Governmental activities	
Instruction	\$ 8,383,955
Instructional resources and media services	141,013
Curriculum and staff development	167,612
Instructional leadership	228,619
School leadership	963,456
Guidance, counseling and evaluation services	599,133
Social services	32,232
Health services	201,554
Student (pupil) transportation	9,656
Food services	386,806
Extracurricular activities	32,889
General administration	307,964
Plant maintenance and operations	818,925
Security and monitoring services	127,899
Data processing services	190,318
Community services	741
	<hr/>
Total depreciation/amortization expense - governmental activities	\$ 12,592,772

Note 4. Long-Term Debt

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

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council.

This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Burleson Independent School District

Notes to the Basic Financial Statements

The following is the Bond debt payable as of June 30, 2023 as follows:

	Interest Rate Payable	Amounts Outstanding 7/1/2022	Issued Current Year	Refunded Current Year	Interest Accretion	Retired	Amounts Outstanding 6/30/2023	Due Within One Year
Bond indebtedness								
1995 Refunding bonds	5.90-5.95%	\$ 31,599	\$ -	\$ -	\$ -	\$ 12,650	\$ 18,949	\$ 10,411
2011 School building and refunding bonds	2.00-5.00%	3,855,000	-	-	-	-	3,855,000	-
2012 School building and refunding bonds	.057-3.00%	6,815,000	-	-	-	6,815,000	-	-
2015 School building and refunding bonds	2.00-5.00%	13,250,000	-	-	-	2,375,000	10,875,000	2,425,000
2016 School building and refunding bonds	2.00-5.00%	117,545,000	-	-	-	410,000	117,135,000	425,000
2017 School building and refunding bonds	2.00-5.00%	13,835,000	-	-	-	785,000	13,050,000	810,000
2017 School building bonds	4.00-5.00%	39,710,000	-	-	-	880,000	38,830,000	925,000
2017A School building and refunding bonds	3.00-6.00%	63,000,000	-	-	-	1,020,000	61,980,000	1,075,000
2018 School building bonds	5.00%	19,685,000	-	19,685,000	-	-	-	-
2020 School building and refunding bonds	2.00-5.00%	15,520,000	-	-	-	2,125,000	13,395,000	2,230,000
2020 Taxable school building and refunding bonds	1-2.812%	16,480,000	-	-	-	25,000	16,455,000	15,000
2022 Taxable school building and refunding bonds	5.00%		19,310,000	-	-	10,270,000	9,040,000	9,040,000
Total bonded indebtedness		\$ 309,726,599	\$ 19,310,000	\$ 19,685,000	\$ -	\$ 24,717,650	\$ 284,633,949	\$ 16,955,411

The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2023:

	Beginning Balance	Additions	Refunded	Reductions	Ending Balance	Due within One Year
Governmental activities						
Building bonds	\$ 59,395,000	\$ -	\$ 19,685,000	\$ 880,000	\$ 38,830,000	\$ 925,000
Refunding bonds	31,599	-	-	12,650	18,949	10,411
Building and Refunding bonds	250,300,000	19,310,000	-	23,825,000	245,785,000	16,020,000
Accreted interest on						
Capital appreciation bonds	23,299,080	937,758	-	-	24,236,838	2,399,589
Premium on bonds	29,937,294	574,202	-	2,401,095	28,110,401	2,141,959
Accumulated unpaid						
sick leave benefits	422,599	64,825	-	83,716	403,708	79,974
Leases	1,426,703	-	-	1,335,721	90,982	46,875
SBITAs	-	979,826	-	383,218	596,608	385,702
Claims payable	251,166	91,475	-	64,091	278,550	244,524
Net Pension Liability	15,912,770	26,315,067	-	3,077,247	39,150,590	-
Net OPEB Liability	32,707,219	1,552,402	-	13,519,773	20,739,848	-
Total other obligations	\$ 413,683,430	\$ 49,825,555	\$ 19,685,000	\$ 45,582,511	\$ 398,241,474	\$ 22,254,034

Burleson Independent School District

Notes to the Basic Financial Statements

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

	Principal	Interest	Requirements
2024	\$ 16,955,411	\$ 14,237,041	\$ 31,192,452
2025	7,913,538	14,771,266	22,684,804
2026	9,185,000	10,326,129	19,511,129
2027	9,550,000	10,856,129	20,406,129
2028	9,920,000	10,496,392	20,416,392
2029-2033	64,120,000	50,376,016	114,496,016
2034-2038	83,145,000	22,100,069	105,245,069
2039-2043	73,760,000	5,770,857	79,530,857
2044-2047	10,085,000	788,000	10,873,000
	<u>\$ 284,633,949</u>	<u>\$ 139,721,899</u>	<u>\$ 424,355,848</u>

The 1995 and 2011 bond series include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2024 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, 2023.

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

On July 19, 2022, the District issued Unlimited Tax Refunding Bonds, Series 2022 for \$19,310,000 to refund the Unlimited Tax School Building, Series 2018. The bonds bear an accrued interest rate of 5%, which is due and payable on February 1 and August 1 of each year. The bond is scheduled to mature next fiscal year. The refunding was undertaken to reduce the District's total debt service payments over the next 25 years by \$12,520,542 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,381,002.

Lease Payable

The District has entered into multiple lease agreements as lessee. The leases allow the District the right to use copiers, computers, scoreboards, and other equipment over the term of the lease. The District is to make monthly or annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

Burleson Independent School District

Notes to the Basic Financial Statements

The future principal and interest lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 46,875	\$ 3,825	\$ 50,700
2025	44,107	1,950	46,057
	<u>\$ 90,982</u>	<u>\$ 5,775</u>	<u>\$ 96,757</u>

The value of the right-to-use assets at the end of the current fiscal year was \$736,545 and had accumulated amortization of \$177,901.

SBITA Payable

The District has entered into multiple SBITAs as lessee. The leases allow the District the right to various softwares over the term of the lease. The District is to make monthly or annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending liability are as follows:

<u>Governmental activities</u>	<u>Interest Rate(s)</u>	<u>Liability at Commencement</u>	<u>Lease Term in Months</u>	<u>Ending Balance</u>
Softwares	2.024%-2.663%	\$ 979,826	48-84 months	\$ 596,608
		<u>\$ 979,826</u>		<u>\$ 596,608</u>

The future principal and interest lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 385,702	\$ 5,781	\$ 391,483
2025	119,859	15,946	135,805
2026	21,872	2,425	24,297
2027	22,455	1,842	24,297
2028	23,053	1,244	24,297
Thereafter	23,667	630	24,297
	<u>\$ 596,608</u>	<u>\$ 27,868</u>	<u>\$ 624,476</u>

The value of the right-to-use assets at the end of the current fiscal year was \$979,826 and had accumulated amortization of \$352,178.

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 2023 fiscal year was based was \$6,841,056,880. 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, 2023 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$.9429 and \$0.50 per \$100 valuation, respectively, for a total of \$1.4429 per \$100 valuation.

Current tax collections for the year ended June 30, 2023 were 100% 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, 2023, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,412,497 and \$685,360 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 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) and 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 TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafra.aspx; 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% (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 where the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing entity (state)	8.00%	7.75%
Employers (District)	8.00%	7.75%

Burleson Independent School District

Notes to the Basic Financial Statements

The contribution amounts for the District's fiscal year 2023 are as follows:

Employer #0442	2023
Employer contributions	\$ 3,077,247
Member contributions	7,113,067
NECE on-behalf contributions	4,561,684

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.

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 the 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 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 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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.

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

On June 30, 2023, the District reported a liability of \$39,150,590 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 are as follows:

District's Proportionate share of the collective net pension liability	\$ 39,150,590
State's proportionate share that is associated with District	58,036,493
Total	<u><u>\$ 97,187,083</u></u>

Burleson Independent School District

Notes to the Basic Financial Statements

The net pension liability was measured as of August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.06594% which was an increase of 0.00346% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized a negative pension expense of \$7,658,129 and revenue of \$5,547,631 for support provided by the State.

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 567,680	\$ 853,557
Changes in actuarial assumptions	7,295,029	1,818,125
Differences between projected and actual investment earnings	3,867,953	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	2,436,031	863,239
Contributions paid to TRS subsequent to the measurement dates	1,822,756	-
	<u>\$ 15,989,449</u>	<u>\$ 3,534,921</u>

\$1,822,756 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31,	Pension Expense Amount
2024	\$ 2,958,699
2025	1,567,832
2026	504,632
2027	4,776,319
2028	824,290
Thereafter	-
	<u>\$ 10,631,772</u>

Burleson Independent School District

Notes to the Basic Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2021	3.91%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in projection period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on the published PUB(2010) Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP").

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

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

Burleson Independent School District

Notes to the Basic Financial Statements

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 TRS's target asset allocation as of August 31, 2022 are summarized below:

Asset Class*	Target Allocation % **	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long Term Portfolio Returns
Global Equity			
USA	18%	4.60%	1.12%
Non-U.S. Developed	13%	4.90%	0.90%
Emerging Markets	9%	5.40%	0.75%
Private Equity*	14%	7.70%	1.55%
Stable Value			
Government Bonds	16%	1.00%	0.22%
Absolute return*	0%	3.70%	0.00%
Stable value hedge funds	5%	3.40%	0.18%
Real Return			
Real Estate	15%	4.10%	0.94%
Energy, natural resources and inflation	6%	5.10%	0.37%
Commodities	0%	3.60%	0.00%
Risk Parity	8%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2%	3.0%	0.01%
Asset Allocation Leverage	-6%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Total	100%		8.21%

* Absolute Return includes Credit Sensitive Investments

** Target allocations are based on the FY2022 policy model

*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

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

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease in discount rate (6.00%)	Discount rate (7.00%)	1% Increase in discount rate (8.00%)
District's proportionate share of the net pension liability	\$ 60,903,473	\$ 39,150,590	\$ 21,518,857

Burleson Independent School District

Notes to the Basic Financial Statements

Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change of Benefit Terms Since the Prior Measurement Date

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

Note 7. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	2022	2023
Active employees	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2023 are as follows:

Employer contributions	\$	711,430
Member contributions		555,229
NECE on-behalf contributions		867,833

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

The State of Texas also contributed \$485,052, \$358,614 and \$401,305 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19 related health care costs during fiscal year 2022.

Burleson Independent School District

Notes to the Basic Financial Statements

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

On June 30, 2023, the District reported a liability of \$20,739,848 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

District's Proportionate share of the collective net OPEB liability	\$	20,739,848
State's proportionate share that is associated with District		<u>25,299,356</u>
Total	\$	<u>46,039,204</u>

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.086618% which was a increase of 0.001828% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized net OPEB revenue of \$6,355,033 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$3,590,183 was recognized for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,153,062	\$ 17,278,155
Changes in actuarial assumptions	3,159,090	14,408,812
Differences between projected and actual investment earnings	61,778	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	3,649,753	3,206
Contributions paid subsequent to the measurement dates	<u>612,425</u>	<u>-</u>
	\$ 8,636,108	\$ 31,690,173

Burleson Independent School District

Notes to the Basic Financial Statements

\$612,425 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended August 31,</u>	<u>OPEB Expense Amount</u>
2024	\$ (4,396,055)
2025	(4,395,831)
2026	(3,516,329)
2027	(2,325,627)
2028	(3,059,543)
Thereafter	(5,973,105)
	<u>\$ (23,666,490)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2021. Update procedures were used to roll forward the total OPEB liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability incidence	

See Note 6 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

Burleson Independent School District

Notes to the Basic Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	3.91%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2022.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease (2.91%)	Current Single Discount Rate (3.91%)	1% Increase (4.91%)
District's proportionate share of the net OPEB liability	\$ 24,453,925	\$ 20,739,848	\$ 17,730,968

Healthcare Cost Trend Rates

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the OPEB liability	\$ 17,089,728	\$ 20,739,848	\$ 25,471,758

Burleson Independent School District

Notes to the Basic Financial Statements

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

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

Note 8. Medicare Part D

Plan Description

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the years ended June 30, 2023, 2022 and 2021, the contributions made on behalf of the District were \$485,052, \$358,614 and \$401,305, respectively.

Note 9. Accumulated Unpaid Sick Leave Benefits

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

Balance at July 1, 2022	\$	422,599
Additions		
New entrants, days earned (net), and salary increments		64,825
Deductions		
Payments to participants		<u>(83,716)</u>
Balance at June 30, 2023	\$	<u>403,708</u>

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

Burleson Independent School District

Notes to the Basic Financial Statements

Note 10. Interfund Activity

Interfund balances consist of short-term borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the General Fund and then charged back to the appropriate other fund. Additionally, some borrowing may occur between two or more nonmajor governmental funds. The District had not cleared the following interfund payables and receivables at year-end. Most of the amounts represent short-term borrowings between funds for operating expense payments. All other interfund transactions are treated as transfers. During the year ended June 30, 2023, the District transferred \$1,300,000 from the general fund to the capital projects to commit funds for capital projects.

	Due from Other Funds	Due to Other Funds
Major governmental funds		
General fund	\$ 3,366,965	\$ 1,348,448
Capital projects fund	133,025	93,168
Nonmajor governmental funds		
Special revenue funds		
Federal (funds 200-289)	408,366	1,722,690
State (funds 385-429)	-	750,892
Local (461-482)	6,851	9
Total	\$ 3,915,207	\$ 3,915,207

Note 11. Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss through self-insurance, by obtaining property, casualty, and liability coverage through commercial carriers. The District's participation in the risk pool is limited to payment of premiums. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Health Care

Employees of the District are covered under the State of Texas statewide health insurance plan (TRS Active-Care). TRS Active-Care is a fully insured plan. During 2022-2023, the District contributed \$250 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, 2023, includes \$278,550 for workers' compensation case reserve losses, with \$244,524 of this amount due within one year. This liability includes estimated outstanding claims from September 2020 to June 30, 2023. The liabilities reported in the fund at June 30, 2023 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, 2023, 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, 2022 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin, Texas.

Note 12. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023, are summarized below:

	State Entitlements	Federal Grants	Total
General fund	\$ 13,059,266	\$ 1,667,111	\$ 14,726,377
Other funds	1,002,552	2,358,276	3,360,828
Total	\$ 14,061,818	\$ 4,025,387	\$ 18,087,205

Burleson Independent School District

Notes to the Basic Financial Statements

Note 13. Litigation and Contingencies

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 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 2023 issues nor future costs that will have a material effect on the financial statements of the District.

Note 14. Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Total
Property taxes	\$ 60,756,529	\$ 32,204,866	\$ -	\$ -	\$ 92,961,395
Food sales	-	-	-	2,838,107	2,838,107
Investment income	1,372,058	670,342	858,953	108,386	3,009,739
Penalties, interest and other tax related income	466,957	150,547	-	-	617,504
Co-curricular student activities	551,265	-	-	3,279,441	3,830,706
Mineral Interests	-	-	744,180	-	744,180
Other	367,516	-	1,000,000	52,475	1,419,991
Total	\$ 63,514,325	\$ 33,025,755	\$ 2,603,133	\$ 6,278,409	\$ 105,421,622

Note 15. Classification of Fund Balance

The District classifies governmental fund balances, as follows:

Non-spendable 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.

Burleson Independent School District

Notes to the Basic Financial Statements

Spendable Fund Balance

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

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

As of June 30, 2023, total restricted fund balance was \$25,832,478.

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, 2023, total committed fund balance was \$23,469,157.

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, 2023, 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.

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.

Burleson Independent School District

Notes to the Basic Financial Statements

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

Note 16. Instructional Materials Allotment

In May 2011, Senate Rule 6 created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional material purchases must be made through TEA's online registration system. Instructional materials acquired through the IMA totaling \$951,058 are recorded as revenues 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, 2023, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

Note 17. Recent Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022* (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases were implemented in the District's fiscal year 2022 financial statements in conjunction with GASB 87. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the District's fiscal year 2023 financial statements in conjunction with GASB 94 and GASB 96 as described in Note 1. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

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Required Supplementary Information

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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, 2023

Data Control Codes				Actual Amounts	Variance With
		Budgeted Amounts		(GAAP BASIS)	Final Budget
		Original	Final		Positive or (Negative)
REVENUES					
5700	Local and intermediate sources	\$ 60,491,136	\$ 63,482,301	\$ 63,514,325	\$ 32,024
5800	State program revenues	57,512,164	55,512,164	56,832,283	1,320,119
5900	Federal program revenues	2,440,000	2,640,000	2,425,801	(214,199)
5020	Total revenues	120,443,300	121,634,465	122,772,409	1,137,944
EXPENDITURES					
	Current				
0011	Instruction	69,039,928	66,791,847	66,647,568	144,279
0012	Instructional resources and media services	1,293,956	1,265,456	1,227,165	38,291
0013	Curriculum and instructional staff development	1,658,200	1,555,264	1,486,261	69,003
0021	Instructional leadership	1,850,841	1,848,841	1,842,733	6,108
0023	School leadership	7,564,677	7,466,464	7,441,805	24,659
0031	Guidance, counseling and evaluation services	5,106,916	4,866,916	4,771,805	95,111
0032	Social work services	245,756	250,756	246,161	4,595
0033	Health services	1,700,417	1,600,417	1,570,766	29,651
0034	Student (pupil) transportation	3,908,225	3,883,225	3,785,415	97,810
0035	Food services	50,000	65,000	59,665	5,335
0036	Extracurricular activities	4,361,100	4,392,519	4,255,940	136,579
0041	General administration	3,071,419	3,081,506	3,077,929	3,577
0051	Facilities maintenance and operations	12,734,780	14,136,043	13,844,035	292,008
0052	Security and monitoring services	1,242,798	2,278,462	2,143,453	135,009
0053	Data processing services	3,709,478	2,967,862	2,773,885	193,977
0061	Community services	10,120	10,120	7,312	2,808
0071	Principal on long-term debt	112,408	2,927,408	1,696,679	1,230,729
0095	Payments to juvenile justice alternative ed. prg.	1,000	1,000	-	1,000
0099	Other intergovernmental charges	855,818	860,731	860,731	-
6030	Total expenditures	118,517,837	120,249,837	117,739,308	2,510,529
1100	Excess of revenues over expenditures	1,925,463	1,384,628	5,033,101	3,648,473
OTHER FINANCING SOURCES (USES)					
7913	Proceeds from right-to-use assets	-	108,835	108,835	-
8911	Transfers out	-	(1,300,000)	(1,300,000)	-
7080	Total other financing sources (uses)	-	(1,191,165)	(1,191,165)	-
1200	Net change in fund balances	1,925,463	193,463	3,841,936	3,648,473
0100	FUND BALANCE - July 1 (beginning)	29,683,069	29,683,069	29,683,069	-
3000	FUND BALANCE - June 30 (ending)	\$ 31,608,532	\$ 29,876,532	\$ 33,525,005	\$ 3,648,473

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

Burleson Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability Year Ended June 30, 2023

	2023	2022	2021	2020	2019
District's proportion of the net pension liability (asset)	0.0659462452%	0.0624852044%	0.0606223810%	0.0644070393%	0.063098416%
District's proportionate share of net pension liability (asset)	\$ 39,150,590	\$ 15,912,770	\$ 32,468,110	\$ 33,480,793	\$ 34,730,900
State's proportionate share of the net pension liability (asset) associated with the district	58,036,493	27,092,010	56,910,483	51,464,842	56,651,232
TOTAL	\$ 97,187,083	\$ 43,004,780	\$ 89,378,593	\$ 84,945,635	\$ 91,382,132
District's covered payroll	85,420,242	84,131,725	\$ 79,652,594	\$ 73,515,250	\$ 71,885,704
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.83%	18.91%	40.76%	45.54%	48.31%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%

*Note: Only nine years of data is presented in accordance with GASB Standard No. 68
as the data for the years prior to 2015 is not available.

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

Burleson Independent School District

Schedule of the District's Contributions

Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 3,077,247	\$ 2,666,541	\$ 1,635,637	\$ 1,554,068	\$ 1,390,203
Contribution in relation to the contractually required contribution	<u>(3,077,247)</u>	<u>(2,666,541)</u>	<u>(1,635,637)</u>	<u>(1,554,068)</u>	<u>(1,390,203)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	88,913,354	84,864,712	81,690,151	78,898,605	72,980,410
Contributions as a percentage of covered payroll	3.46%	3.14%	2.00%	1.97%	1.90%

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

Ten years of data is not available.

Exhibit G-3

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

Burleson Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan – Teacher Retirement System of Texas Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.09%	0.08%	0.08%	0.08%	0.08%	0.077%
District's proportionate share of net OPEB liability	20,739,848	32,707,219	31,613,166	39,330,928	40,995,985	33,288,447
State's proportionate share of the net OPEB liability associated with the District	25,299,356	43,820,385	42,480,518	52,262,005	61,891,748	54,213,057
TOTAL	\$ 46,039,204	\$ 76,527,604	\$ 75,187,737	\$ 91,592,933	\$ 102,887,733	\$ 87,501,504
District's covered payroll	85,420,242	84,131,725	79,652,594	73,515,250	71,885,704	69,580,209
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.28%	38.88%	39.69%	53.50%	57.03%	47.84%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: Only six years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2023, 2022, 2021, 2020, 2019 and 2018 are not available.

Burleson Independent School District**Exhibit G-5**Schedule of the District's Contributions to the OPEB Plan
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 711,430	\$ 662,401	\$ 654,492	\$ 628,565	\$ 585,522	\$ 529,186
Contribution in relation to the contractually required contribution	<u>(711,430)</u>	<u>(662,401)</u>	<u>(654,492)</u>	<u>(628,565)</u>	<u>(585,522)</u>	<u>(529,186)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	<u>\$ 88,913,354</u>	<u>\$ 84,864,712</u>	<u>\$ 81,690,151</u>	<u>\$ 78,898,605</u>	<u>\$ 72,980,410</u>	<u>\$ 70,639,806</u>
Contributions as a percentage of covered payroll	0.80%	0.78%	0.80%	0.80%	0.80%	0.75%

Note: Only six years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2023, 2022, 2021, 2020, 2019 and 2018 are not available.

Burleson Independent School District

Notes to the Required Supplementary Information

Note 1. Budgetary Data

A. Budgetary Information

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

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

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

B. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-Term Expected Rate of Return	Discount Rate
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Burleson Independent School District

Notes to the Basic Financial Statements

Pension Liability

Pension Changes of Benefit Terms

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

Pension Changes of Assumptions

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Other Post-employment Benefits

Other Post-Employment Benefits Changes of Benefit Terms and Assumptions

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

The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.

Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

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Supplementary Information Combining Statements and Schedules

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Combining and Individual Nonmajor Fund Financial Statements

Burleson Independent School District

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2023

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program	244 Career and Technical - Basic Grant
	ASSETS					
1110	Cash and temporary investments	\$ 37,447	\$ -	\$ -	\$ 2,968,506	\$ -
1240	Due from other governments	286,387	1,204,884	12,212	8,063	13,758
1260	Due from other funds	-	-	-	408,366	-
1300	Inventories	-	-	-	5,795	-
1000	Total assets	323,834	1,204,884	12,212	3,390,730	13,758
	TOTAL ASSETS	<u>\$ 323,834</u>	<u>\$ 1,204,884</u>	<u>\$ 12,212</u>	<u>\$ 3,390,730</u>	<u>\$ 13,758</u>
	LIABILITIES					
2110	Accounts payable	\$ -	\$ 5,188	\$ -	\$ 3,128	\$ -
2150	Payroll deductions and withholdings	6,044	9,916	585	23,843	9
2160	Accrued wages payable	115,491	216,363	3,873	312,360	-
2170	Due to other funds	202,299	973,417	7,754	44,635	13,749
2181	Due to state	-	-	-	-	-
2300	Unearned revenue	-	-	-	-	-
2000	Total liabilities	323,834	1,204,884	12,212	383,966	13,758
	FUND BALANCES					
	Nonspendable					
3410	Inventories	-	-	-	5,795	-
	Restricted					
3450	Grant funds	-	-	-	3,000,969	-
	Committed					
3545	Other purposes	-	-	-	-	-
3000	Total fund balances	-	-	-	3,006,764	-
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 323,834</u>	<u>\$ 1,204,884</u>	<u>\$ 12,212</u>	<u>\$ 3,390,730</u>	<u>\$ 13,758</u>

Exhibit H-1

255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 ESSER III-TCLAS	282 ESSER III-ARPA	283 ESSER Supplemental	284 IDEA-B Formula ARP	285 IDEA-B Preschool-ARP	289 Summer School LEP
\$ -	\$ -	\$ -	\$ 6,826	\$ -	\$ -	\$ -	\$ 347,219
42,722	25,807	43,792	307,065	61,914	95,766	5,573	250,333
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,722	25,807	43,792	313,891	61,914	95,766	5,573	597,552
<u>\$ 42,722</u>	<u>\$ 25,807</u>	<u>\$ 43,792</u>	<u>\$ 313,891</u>	<u>\$ 61,914</u>	<u>\$ 95,766</u>	<u>\$ 5,573</u>	<u>\$ 597,552</u>
\$ -	\$ 1,402	\$ -	\$ -	\$ -	\$ 3,119	\$ -	\$ 4,337
373	222	61	4,578	787	-	-	1,915
6,320	6,072	-	74,828	10,867	-	-	15,308
36,029	18,111	43,731	234,485	50,260	92,647	5,573	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	550,614
42,722	25,807	43,792	313,891	61,914	95,766	5,573	572,174
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,378
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,378
<u>\$ 42,722</u>	<u>\$ 25,807</u>	<u>\$ 43,792</u>	<u>\$ 313,891</u>	<u>\$ 61,914</u>	<u>\$ 95,766</u>	<u>\$ 5,573</u>	<u>\$ 597,552</u>

Burleson Independent School District

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2023

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives	410 Instructional Materials Allotment
	ASSETS			
1110	Cash and temporary investments	\$ -	\$ -	\$ 617,290
1240	Due from other governments	6,870	-	-
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1000	Total assets	<u>6,870</u>	<u>-</u>	<u>617,290</u>
	TOTAL ASSETS	<u>\$ 6,870</u>	<u>\$ -</u>	<u>\$ 617,290</u>
	LIABILITIES			
2110	Accounts payable	\$ 369	\$ -	\$ 292,867
2150	Payroll deductions and withholdings	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	1,382	-	-
2181	Due to state	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>1,751</u>	<u>-</u>	<u>292,867</u>
	FUND BALANCES			
	Nonspendable			
3410	Inventories	-	-	-
	Restricted			
3450	Grant funds	5,119	-	324,423
	Committed			
3545	Other purposes	-	-	-
3000	Total fund balances	<u>5,119</u>	<u>-</u>	<u>324,423</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,870</u>	<u>\$ -</u>	<u>\$ 617,290</u>

Exhibit H-1 (Continued)

429 DATE / Read to Succeed / Recycling Grant	461 Campus Activity Funds	482 Fuel Up To Play 60	Total Nonmajor Governmental Funds
\$ -	\$ 2,697,879	\$ -	\$ 6,675,167
995,682	-	-	3,360,828
-	6,851	-	415,217
-	-	-	5,795
995,682	2,704,730	-	10,457,007
\$ 995,682	\$ 2,704,730	\$ -	\$ 10,457,007
\$ 138,882	\$ 18,865	\$ -	\$ 468,157
2,745	3,799	-	54,877
59,349	69,098	-	889,929
749,510	9	-	2,473,591
-	196	-	196
-	-	-	550,614
950,486	91,967	-	4,437,364
-	-	-	5,795
45,196	-	-	3,401,085
-	2,612,763	-	2,612,763
45,196	2,612,763	-	6,019,643
\$ 995,682	\$ 2,704,730	\$ -	\$ 10,457,007

Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non Major Governmental Funds Year Ended June 30, 2023

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program	244 Career and Technical - Basic Grant
REVENUES						
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 2,948,684	\$ -
5800	State program revenues	-	-	-	127,209	-
5900	Federal program revenues	1,114,701	2,847,534	39,479	4,759,519	96,977
5020	Total revenues	1,114,701	2,847,534	39,479	7,835,412	96,977
EXPENDITURES						
Current						
0011	Instruction	809,337	984,554	39,479	-	86,500
0012	Instructional resources and media services	-	-	-	-	-
0013	Curriculum and Instructional staff development	23,157	164,662	-	-	9,600
0021	Instructional leadership	3,850	416,817	-	-	877
0023	School leadership	1,036	-	-	-	-
0031	Guidance, counseling and evaluation services	1,845	1,145,493	-	-	-
0032	Social Work Services	270,000	-	-	-	-
0033	Health services	-	77,558	-	-	-
0035	Food services	-	-	-	7,127,210	-
0036	Extracurricular activities	1,974	4,545	-	-	-
0041	General administration	-	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	44,635	-
0052	Security and monitoring services	-	-	-	-	-
0061	Community services	3,502	-	-	-	-
0071	Debt service	-	-	-	45,050	-
Intergovernmental						
0093	Payments to fiscal agent/member districts of SSA	-	53,905	-	-	-
6030	Total expenditures	1,114,701	2,847,534	39,479	7,216,895	96,977
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	618,517	-
7900	OTHER FINANCING SOURCES (USES)					
7913	Proceeds from right-to-use assets	-	-	-	116,805	-
7080	Total other financing sources (uses)	-	-	-	116,805	-
1200	Net change in fund balances	-	-	-	735,322	-
0100	Fund Balance - July 1 (beginning)	-	-	-	2,271,442	-
3000	Fund Balance - June 30 (ending)	\$ -	\$ -	\$ -	\$ 3,006,764	\$ -

255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 ESSER III- TCLAS	282 ESSER III-ARPA	283 ESSER Supplemental	284 IDEA-B Formula ARP	285 IDEA-B Preschool-	289 Summer School LEP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
118,858	81,578	163,138	1,150,873	167,206	93,431	5,437	402,914
118,858	81,578	163,138	1,150,873	167,206	93,431	5,437	402,914
-	17,789	-	723,722	74,962	93,336	5,437	59,283
-	-	-	-	-	-	-	-
118,858	50,164	18,000	7,000	92,244	-	-	-
-	-	144,616	-	-	95	-	-
-	-	522	23,361	-	-	-	-
-	13,625	-	256,845	-	-	-	-
-	-	-	90,000	-	-	-	-
-	-	-	49,945	-	-	-	598
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	49,895
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	421,885
-	-	-	-	-	-	-	24,297
-	-	-	-	-	-	-	-
118,858	81,578	163,138	1,150,873	167,206	93,431	5,437	555,958
-	-	-	-	-	-	-	(153,044)
-	-	-	-	-	-	-	157,400
-	-	-	-	-	-	-	157,400
-	-	-	-	-	-	-	4,356
-	-	-	-	-	-	-	21,022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,378

Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes In
Fund Balances – Non major Governmental Funds
Year Ended June 30, 2023

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives	410 Instructional Materials Allotment
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	10,147	897	951,058
5900	Federal program revenues	-	-	-
5020	Total revenues	10,147	897	951,058
EXPENDITURES				
Current				
0011	Instruction	3,886	-	786,765
0012	Instructional resources and media services	-	-	-
0013	Curriculum and Instructional staff development	1,142	1,500	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social Work Services	-	-	-
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
0071	Debt service	-	-	-
Intergovernmental				
0093	Payments to fiscal agent/member districts of SSA	-	-	-
6030	Total expenditures	5,028	1,500	786,765
1100	Excess (deficiency) of revenues over (under) expenditures	5,119	(603)	164,293
OTHER FINANCING SOURCES (USES)				
7913	Proceeds from right-to-use assets	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balances	5,119	(603)	164,293
0100	Fund Balance - July 1 (beginning)	-	603	160,130
3000	Fund Balance - June 30 (ending)	\$ 5,119	\$ -	\$ 324,423

Exhibit H-2 (Continued)

429 DATE / Read to Succeed / Recycling Grant	461 Campus Activity Funds	482 Fuel Up To Play 60	Total Nonmajor Governmental Funds
\$ -	\$ 3,329,725	\$ -	\$ 6,278,409
2,094,372	73,329	-	3,257,012
-	1,349	-	11,042,994
2,094,372	3,404,403	-	20,578,415
712,292	657,139	-	5,054,481
-	58,254	-	58,254
1,279,438	21,960	-	1,787,725
-	-	-	566,255
-	131,234	-	156,153
-	113,642	-	1,531,450
-	-	-	360,000
-	-	-	128,101
-	-	1,419	7,128,629
-	868,505	-	875,024
-	6,842	-	6,842
-	36,333	-	130,863
63,169	58,559	-	121,728
-	987,246	-	1,412,633
-	-	-	69,347
-	-	-	53,905
2,054,899	2,939,714	1,419	19,441,390
39,473	464,689	(1,419)	1,137,025
-	-	-	274,205
-	-	-	274,205
39,473	464,689	(1,419)	1,411,230
5,723	2,148,074	1,419	4,608,413
\$ 45,196	\$ 2,612,763	\$ -	\$ 6,019,643

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Texas Education Agency Required Schedules

Burleson Independent School District
Schedule of Delinquent Taxes Receivable
Year Ended June 30, 2023

Last Ten Years	(1)	(2)	(3)	(10)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes	Beginning Balance 7/1/2022
	Maintenance	Debt Service		
2014 and prior years	Various	Various	Various	\$ 606,473
2015	1.040000	0.500000	3,639,098,970	33,758
2016	1.040000	0.500000	3,709,079,314	103,829
2017	1.040000	0.500000	3,880,366,485	80,961
2018	1.170000	0.500000	4,336,695,747	89,144
2019	1.170000	0.500000	4,785,058,271	106,186
2020	1.068350	0.500000	5,313,431,532	201,064
2021	1.038300	0.500000	5,691,305,452	258,755
2022	0.994600	0.500000	6,125,438,813	711,550
2023 (school year under audit)	0.942900	0.500000	6,841,056,880	
1000 TOTALS				\$ 2,191,720

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code.

(a) Current year's total levy is net of \$5,044,308 for levy loss due to frozen taxes on "over 65" accounts.

Exhibit J-1

<u>(20)</u>	<u>(31)</u>	<u>(32)</u>	<u>(40)</u>	<u>(50)</u>
<u>Current</u>	<u>Maintenance</u>	<u>Debt Service</u>	<u>Entire</u>	<u>Ending</u>
<u>Year's</u>	<u>Collections</u>	<u>Collections</u>	<u>Year's</u>	<u>Balance</u>
<u>Total Levy (a)</u>			<u>Adjustments</u>	<u>6/30/2023</u>
\$ -	\$ 2,941	\$ 1,082	\$ (325,713)	\$ 276,737
-	1,498	720	(6)	31,534
-	3,663	1,761	(3)	98,402
-	3,838	1,845	-	75,278
-	4,276	2,056	(1,734)	81,078
-	8,242	3,522	(4,374)	90,048
-	33,227	15,550	(6,020)	146,267
-	44,690	21,521	(8,403)	184,141
				-
	259,721	130,566	(82,646)	238,617
				-
92,865,916	60,394,660	32,026,015	706,677	1,151,918
<u>\$ 92,865,916</u>	<u>\$ 60,756,756</u>	<u>\$ 32,204,638</u>	<u>\$ 277,778</u>	<u>\$ 2,374,020</u>
	\$ 39,838			

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Budgetary Comparison Schedules

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Child Nutrition Program
 Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget
		Original	Final		Over or (Under)
	REVENUES				
5700	Local and intermediate sources	\$ 3,025,000	\$ 2,908,195	\$ 2,948,684	\$ 40,489
5800	State program revenues	125,000	125,000	127,209	2,209
5900	Federal program revenues	3,500,000	4,500,000	4,759,519	259,519
5020	Total revenues	6,650,000	7,533,195	7,835,412	302,217
	EXPENDITURES				
0035	Food services	8,234,232	7,474,232	7,127,210	347,022
0051	Facilities maintenance and operations	35,000	45,000	44,635	365
0071	Debt service	-	50,000	45,050	4,950
6030	Total expenditures	8,269,232	7,569,232	7,216,895	352,337
1100	Excess (deficiency) of revenues over (under) expenditures	(1,619,232)	(36,037)	618,517	654,554
	OTHER FINANCING SOURCES (USES)				
7913	Proceeds from right-to-use assets	-	116,805	116,805	-
7080	Total other financing sources (uses)	-	116,805	116,805	-
1200	Net change in fund balances	(1,619,232)	80,768	735,322	654,554
0100	Fund balance - July 1 (beginning)	2,271,442	2,271,442	2,271,442	-
3000	Fund balance - June 30 (ending)	\$ 652,210	\$ 2,352,210	\$ 3,006,764	\$ 654,554

Burleson Independent School District

Exhibit J-3

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 30,885,154	\$ 32,865,154	\$ 33,025,755	\$ 160,601
5800	State program revenues	493,759	1,342,085	1,217,323	(124,762)
5020	Total revenues	31,378,913	34,207,239	34,243,078	35,839
EXPENDITURES					
0071	Debt service	23,012,516	39,740,698	39,700,088	40,610
6030	Total expenditures	23,012,516	39,740,698	39,700,088	40,610
1100	Excess (deficiency) of revenues over (under) expenditures	8,366,397	(5,533,459)	(5,457,010)	76,449
OTHER FINANCING SOURCES (USES)					
7911	Issuance of refunding bonds	-	-	19,310,000	19,310,000
7916	Premium or discount on issuance of bonds	-	-	574,202	574,202
8949	Other uses - refunding of bonds	-	-	(19,933,063)	(19,933,063)
7080	Total other financing sources (uses)	-	-	(48,861)	(48,861)
1200	Net change in fund balances	8,366,397	(5,533,459)	(5,505,871)	27,588
0100	Fund balance - July 1 (beginning)	27,937,264	27,937,264	27,937,264	-
3000	Fund balance - June 30 (ending)	\$ 36,303,661	\$ 22,403,805	\$ 22,431,393	\$ 27,588

Burleson Independent School District
 Use of Funds Report – Select State Allotment
 Year Ended June 30, 2023

Exhibit J-4

<u>Data Codes</u>		<u>Responses</u>
Section A: Compensatory Education Programs		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 7,799,387
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 3,539,049
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 596,723
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 346,700

Statistical Section (Unaudited)

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Burleson Independent School District

Index for the Statistical Section

This statistical section is organized in five sections:

- Financial Trends- Compiles information reported in the Annual Comprehensive Financial Report over the past ten years (2014-2023) as a result of the implementation of GASB 34 reporting. Information for Government Wide statements dates back to 2002 when the District implemented GASB 34. These schedules report how the District's financial position has changed over time.
- Revenue Capacity Information- Provides information regarding the District's major own source revenue (property taxes) and the stability/growth of that revenue for the past ten year period.
- Debt Capacity Information- Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt, if needed, for the past ten years, where applicable.
- Demographic and Economic Information- Provides information regarding the District's socioeconomic environment: specifically, its taxpayers, employers, and the changes to those groups over the past ten years, if applicable.
- Operating Information- Provides information on the District's employees, operations of the District, and facilities for the period stated in the reports.

Burleson Independent School District

Net Position by Component

Last Ten Years

(accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ (28,305,183)	\$ (30,697,028)	\$ (23,725,928)	\$ (18,985,241)
Restricted	10,081,840	8,800,546	9,356,974	9,598,901
Unrestricted	19,861,926	17,862,321	11,252,600	6,423,062
Business type activities				
Unrestricted	73,853	112,166	119,030	159,743
Total primary government net position	\$ 1,712,436	\$ (3,921,995)	\$ (2,997,324)	\$ (2,803,535)

Schedule 1

2018	2019	2020	2021	2022	2023
\$ (14,623,939)	\$ (6,871,592)	\$ (2,523,086)	\$ 6,835,778	\$ 25,472,654	\$ 47,271,107
11,320,215	11,206,645	8,808,618	14,967,775	23,503,548	19,510,127
<u>(35,224,216)</u>	<u>(32,096,464)</u>	<u>(25,903,710)</u>	<u>(30,945,230)</u>	<u>(33,349,905)</u>	<u>(32,368,220)</u>
241,509	326,589	174,182	120,807	183,150	306,317
<u>\$ (38,286,431)</u>	<u>\$ (27,434,822)</u>	<u>\$ (19,443,996)</u>	<u>\$ (9,020,870)</u>	<u>\$ 15,809,447</u>	<u>\$ 34,719,331</u>

Burleson Independent School District

Governmental Activities Revenue and Expense

Last Ten Years

(accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
Expenses by function				
Governmental activities				
Instruction	\$ 51,233,610	\$ 52,121,810	\$ 59,854,511	\$ 65,545,974
Instructional resources and media services	1,241,127	1,174,637	1,232,622	1,259,513
Curriculum and staff development	1,324,047	1,412,597	1,931,145	2,126,353
Instructional leadership	1,075,638	1,642,223	1,935,294	2,184,617
School leadership	5,569,981	5,698,793	6,271,740	6,829,731
Guidance, counseling, and evaluation services	3,330,123	3,432,098	4,046,727	4,393,048
Social work services	59,666	64,471	67,371	130,744
Health Services	1,042,166	1,088,384	1,261,473	1,351,624
Student (Pupil) Transportation	1,880,920	1,915,025	2,794,187	2,942,211
Food Services	5,188,060	5,371,267	5,746,504	5,997,147
Extracurricular Activities	3,117,749	3,753,960	3,955,992	4,315,441
General Administration	2,852,421	3,080,199	3,339,681	4,082,942
Plant Maintenance & Operations	8,584,064	8,936,625	8,761,763	9,329,370
Security & Monitoring Services	445,356	314,735	361,066	377,468
Data Processing Services	1,547,764	2,643,544	2,265,949	2,603,464
Community Services	687,624	671,939	815,466	973,505
Debt Service - Interest on Long Term Debt	14,959,125	15,143,300	12,307,683	12,017,106
Debt Service - Bond Issuance Cost & Fees	128,539	5,000	1,417,599	320,831
Total Governmental Activities Expense	104,267,980	108,470,607	118,366,773	126,781,089
Business Type Activities Expense				
Child Care	543,580	552,290	562,388	566,394
Program Revenues				
Charges for Services				
Instruction	2,775,865	2,908,785	3,023,031	3,258,332
Food Service	2,613,549	2,586,788	2,515,875	2,567,586
Extracurricular Activities	415,322	436,947	461,277	489,433
Other	140,105	127,308	99,008	105,560
Operating Grants and Contributions	6,858,969	6,365,989	9,720,657	8,215,605
Total Governmental				
Activities Program Revenue	12,803,810	12,425,817	15,819,848	14,636,516
Business Type Activities Revenues				
Charges for Services	521,753	560,564	540,404	577,388
Operating Grants and Contributions	29,068	30,039	28,848	29,719
Net (Expense)/Revenue And				
Changes in Net Position	\$ (91,456,929)	\$ (96,006,477)	\$(102,540,061)	\$(112,103,860)

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

Schedule 2

2018	2019	2020	2021	2022	2023
\$ 46,765,905	\$ 74,085,797	\$ 86,489,219	\$ 81,677,558	\$ 70,294,426	\$ 80,997,105
1,027,506	1,444,932	1,626,546	1,464,491	1,274,911	1,440,599
1,593,667	2,682,213	2,552,826	2,108,419	2,073,169	3,465,700
1,530,629	2,352,001	2,483,001	2,351,077	2,219,435	2,670,638
4,930,009	7,786,400	9,117,006	8,476,344	7,468,607	8,657,317
3,111,946	5,754,459	6,525,875	6,746,291	6,281,720	6,999,845
76,802	130,288	366,699	422,699	473,361	642,358
938,338	1,492,499	1,780,718	1,972,822	1,704,556	1,922,931
3,087,009	3,075,072	2,908,181	3,098,834	3,439,394	3,795,721
4,803,193	7,098,022	7,589,065	6,923,853	7,199,693	7,646,608
3,861,508	4,371,801	4,707,026	4,210,331	4,623,556	5,195,294
3,073,986	4,094,256	4,585,909	4,218,465	3,884,700	4,381,102
7,879,459	10,094,402	11,830,787	12,946,367	12,967,688	14,906,774
424,889	688,565	680,862	850,878	1,024,823	2,404,595
2,307,625	2,815,807	3,898,249	3,269,064	3,031,558	2,596,142
616,331	1,002,886	1,173,873	936,122	988,576	1,426,855
14,085,772	15,446,748	12,794,886	17,744,605	15,363,690	14,357,581
1,223,629	261,152	-	-	-	-
101,338,203	144,677,300	161,110,728	159,418,220	144,313,863	163,507,165
604,849	655,083	755,873	772,490	740,975	640,332
3,180,944	3,070,943	2,330,055	1,344,009	2,916,901	3,308,875
2,741,209	2,939,390	2,388,039	484,777	601,151	2,838,107
460,985	550,015	523,856	224,075	444,554	551,265
103,833	118,877	126,494	695	81,616	136,258
(7,555,283)	18,504,169	18,090,460	22,486,186	18,042,389	18,798,940
(1,068,312)	25,183,394	23,458,904	24,539,742	22,086,611	25,633,445
654,118	706,761	558,003	671,300	753,175	716,814
32,497	33,402	45,463	47,815	50,143	46,685
<u>\$(102,324,749)</u>	<u>\$(119,408,826)</u>	<u>\$(137,804,231)</u>	<u>\$(134,931,853)</u>	<u>\$(122,164,909)</u>	<u>\$(137,750,553)</u>

Burleson Independent School District

General Revenues And Changes In Net Position

Last Ten Years

(accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental Activities	\$ (91,464,170)	\$ (96,044,790)	\$(102,546,925)	\$(112,144,573)
Business-type Activities	7,241	38,313	6,864	40,713
	<u>\$ (91,456,929)</u>	<u>\$ (96,006,477)</u>	<u>\$(102,540,061)</u>	<u>\$(112,103,860)</u>
General Revenue and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 34,367,419	\$ 37,232,750	\$ 37,793,546	\$ 39,179,085
Property Taxes, Levied for Debt Service	16,495,771	17,896,527	18,104,303	18,733,850
State Aid - Unrestricted Formula Grants	38,320,076	42,264,958	46,369,557	53,075,316
Investment Earnings	57,588	58,632	213,369	351,980
Miscellaneous Local and Intermediate Revenue	1,581,129	1,689,255	1,096,123	957,418
Total Governmental Activities	<u>90,821,983</u>	<u>99,142,122</u>	<u>103,576,898</u>	<u>112,297,649</u>
Total Primary Government	<u>\$ 90,821,983</u>	<u>\$ 99,142,122</u>	<u>\$ 103,576,898</u>	<u>\$ 112,297,649</u>
Change in Net Position				
Governmental Activities	\$ 3,097,332	\$ 1,029,973	\$ 153,076	\$ 22,806,432
Business-type Activities	7,241	38,313	6,864	40,713
Total Change in Net Position	<u>\$ 3,104,573</u>	<u>\$ 1,068,286</u>	<u>\$ 159,940</u>	<u>\$ 22,847,145</u>

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

Schedule 3

2018	2019	2020	2021	2022	2023
\$(102,406,515)	\$(119,493,906)	\$(137,651,824)	\$(134,878,478)	\$(122,227,252)	\$(137,873,720)
81,766	85,080	(152,407)	(53,375)	62,343	123,167
<u>\$(102,324,749)</u>	<u>\$(119,408,826)</u>	<u>\$(137,804,231)</u>	<u>\$(134,931,853)</u>	<u>\$(122,164,909)</u>	<u>\$(137,750,553)</u>
\$ 48,692,234	\$ 52,882,627	\$ 53,982,021	\$ 56,142,675	\$ 57,722,680	\$ 61,320,329
20,963,615	22,463,135	25,234,174	26,976,669	28,773,078	32,426,276
53,159,874	51,524,236	64,798,129	61,455,084	59,432,188	57,905,614
1,501,201	2,558,767	1,193,675	103,366	190,159	3,009,739
896,023	831,670	587,058	677,185	877,121	1,998,479
<u>125,212,947</u>	<u>130,260,435</u>	<u>145,795,057</u>	<u>145,354,979</u>	<u>146,995,226</u>	<u>156,660,437</u>
<u>\$ 125,212,947</u>	<u>\$ 130,260,435</u>	<u>\$ 145,795,057</u>	<u>\$ 145,354,979</u>	<u>\$ 146,995,226</u>	<u>\$ 156,660,437</u>
\$ 10,766,529	\$ 10,766,529	\$ 8,143,233	\$ 10,476,501	\$ 24,767,974	\$ 18,786,717
81,766	85,080	(152,407)	(53,375)	62,343	123,167
<u>\$ 10,848,295</u>	<u>\$ 10,851,609</u>	<u>\$ 7,990,826</u>	<u>\$ 10,423,126</u>	<u>\$ 24,830,317</u>	<u>\$ 18,909,884</u>

Burleson Independent School District

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 250,157	\$ 400,292	\$ 278,233	\$ 270,614
Committed	20,706	287,680	161,186	-
Unassigned	23,647,503	24,524,180	22,000,000	22,981,552
Total General Fund	23,918,366	25,212,152	22,439,419	23,252,166
All Other Governmental Funds				
Nonspendable	34,886	30,963	27,825	8,114
Committed	15,068,464	18,835,540	15,422,545	11,696,613
Restricted for:				
Debt Service	15,061,089	14,137,487	13,088,136	13,542,177
Capital Acquisitions	1,934,410	-	-	-
Grant Funds	312,276	181,750	181,239	432,066
Unassigned	-	-	-	-
Total All Other Governmental Funds	32,411,125	33,185,740	28,719,745	25,678,970
Total All Government Funds	\$ 56,329,491	\$ 58,397,892	\$ 51,159,164	\$ 48,931,136
Change in Fund Balance for Governmental Funds	\$ (649,355)	\$ 2,068,401	\$ (7,238,728)	\$ (2,228,028)

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

Schedule 4

2018	2019	2020	2021	2022	2023
\$ 752,698	\$ 686,121	\$ 270,642	\$ 313,401	\$ 273,857	\$ 347,281
-	-	-	-	-	-
24,829,426	27,481,804	35,952,065	35,909,306	29,409,212	33,177,724
25,582,124	28,167,925	36,222,707	36,222,707	29,683,069	33,525,005
4,225	5,147	482	8,655	6,363	5,795
15,430,133	19,858,055	23,433,993	25,140,090	28,054,388	23,469,157
16,125,004	16,280,074	16,186,289	20,982,247	27,937,264	22,431,393
48,074,312	21,632,688	1,942,748	386,158	-	-
289,830	1,317,519	546,817	472,943	2,453,976	3,401,085
(451.00)	(19,907)	-	(6,060)	-	-
79,923,053	59,073,576	42,110,329	46,984,033	58,451,991	49,307,430
\$ 105,505,177	\$ 87,241,501	\$ 78,333,036	\$ 83,206,740	\$ 88,135,060	\$ 82,832,435
\$ 56,574,041	\$ (18,263,676)	\$ (8,908,465)	\$ 4,873,704	\$ 4,928,320	\$ (5,302,625)

Burleson Independent School District

Governmental Funds Revenues

Last Ten Years

(Unaudited)

	2014	2015	2016	2017
Local Sources:				
Local Maintenance and Debt Service Tax	\$ 51,003,758	\$ 55,150,878	\$ 55,876,497	\$ 58,023,847
Tuition from Patrons	-	-	-	-
Other Revenue from Local Sources	3,888,383	3,961,718	3,868,962	4,000,853
Other Revenue from Intermediate Sources	-	-	-	-
Co-curricular Revenues	3,695,172	3,834,222	3,539,722	3,729,456
Total Local Sources	58,587,313	62,946,818	63,285,181	65,754,156
State Programs:				
Per Capita and Foundation	38,320,076	38,654,135	42,197,507	43,220,942
Other State Program Revenues	1,362,739	4,375,445	5,447,670	6,719,491
Total State Programs	39,682,815	43,029,580	47,645,177	49,940,433
Federal Programs:				
State Distributed Revenues from Federal Source:	5,652,580	5,650,616	6,171,935	6,981,525
Total Federal Programs	5,652,580	5,650,616	6,171,935	6,981,525
Other Financing Sources:				
Bond Proceeds and Other	12,031,542	-	-	-
Total Revenues	\$ 115,954,250	\$ 111,627,014	\$ 117,102,293	\$ 122,676,114

Schedule 5

2018	2019	2020	2021	2022	2023
\$ 69,455,629	\$ 75,409,200	\$ 79,096,498	\$ 83,076,863	\$ 86,705,012	\$ 93,578,899
-					
5,244,204	3,556,885	1,910,702	781,321	1,191,666	5,173,910
-					
3,637,408	6,512,777	5,238,475	2,052,786	3,919,836	6,668,813
78,337,241	85,478,862	86,245,675	85,910,970	91,816,514	105,421,622
47,478,657	46,283,554	58,660,171	54,539,627	52,993,849	50,368,564
6,400,187	7,248,181	7,259,502	8,127,791	7,439,149	10,948,491
53,878,844	53,531,735	65,919,673	62,667,418	60,432,998	61,317,055
7,193,578	8,712,408	7,324,139	14,331,166	18,211,754	13,466,310
7,193,578	8,712,408	7,324,139	14,331,166	18,211,754	13,468,795
-	-	-	-	-	-
\$ 139,409,663	\$ 147,723,005	\$ 159,489,487	\$ 162,909,554	\$ 170,461,266	\$ 180,207,472

Burleson Independent School District

Governmental Funds Expenditures By Function

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
Expenditures by Function				
Current				
Instruction	\$ 46,101,876	\$ 47,663,770	\$ 53,309,040	\$ 56,467,397
Instructional Resources & Media Services	1,132,587	1,083,901	1,117,396	1,104,506
Curriculum & Staff Development	1,223,021	1,325,555	1,785,669	1,921,224
Instructional Leadership	975,378	1,504,517	1,727,316	1,898,780
School Leadership	4,967,091	5,167,382	5,552,533	5,831,744
Guidance, Counseling, & Evaluation Services	3,044,477	3,171,903	3,603,519	3,811,342
Social Work Services	59,666	64,471	67,334	112,998
Health Services	926,800	987,154	1,114,998	1,152,675
Student (Pupil) Transportation	1,871,241	1,906,042	2,783,872	3,168,025
Food Services	4,947,288	5,329,987	5,408,386	5,569,599
Extracurricular Activities	3,130,083	3,831,252	3,886,937	4,138,485
General Administration	2,190,131	2,237,327	2,411,313	3,032,695
Plant Maintenance & Operations	8,133,280	8,563,837	8,276,005	8,569,359
Security & Monitoring Services	445,368	314,811	360,600	373,960
Data Processing Services	1,432,054	2,671,521	2,155,227	2,457,573
Community Services	687,546	675,254	781,105	868,096
Debt Service				
Principal on Long Term Debt	3,175,487	3,681,207	5,967,905	7,735,000
Interest on Long Term Debt	17,086,032	16,646,700	14,074,789	12,429,774
Bond Issuance Cost & Fees	128,539	5,000	1,417,599	320,831
Capital Outlay				
Facilities Acquisition & Construction	1,881,859	2,057,524	8,639,262	3,525,032
Intergovernmental				
Payments to Fiscal Agent/Member Districts of SSA	63,532	74,669	67,632	93,471
Payments to Juvenile Justice Alternative Ed. Prg.	7,426	1,501	1,343	-
Other Governmental Charges	392,948	605,045	627,746	637,407
Total Expenditures	\$ 104,003,710	\$ 109,570,330	\$ 125,137,526	\$ 125,219,973
Debt Service as a percentage of noncapital expenditures	20.10%	19.97%	18.91%	18.42%

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

Schedule 6

2018	2019	2020	2021	2022	2023
\$ 58,660,695	\$ 61,284,765	\$ 67,437,574	\$ 68,768,758	\$ 69,076,430	\$ 71,702,049
1,214,937	1,222,463	1,310,211	1,246,747	1,249,714	1,285,419
2,059,987	2,281,472	2,094,882	1,806,611	2,051,756	3,273,986
2,107,065	1,902,576	1,899,607	1,952,774	2,206,323	2,408,988
6,085,281	6,386,549	7,141,193	7,119,167	7,312,377	7,597,958
4,148,683	4,716,545	5,000,153	5,723,668	6,220,202	6,303,255
102,198	104,419	298,147	387,154	469,797	606,161
1,149,998	1,233,103	1,407,400	1,698,364	1,870,723	1,698,867
3,091,861	3,065,297	2,894,233	3,087,765	3,437,609	3,785,415
5,818,384	6,190,883	6,428,351	6,000,807	7,327,698	7,188,294
4,600,657	4,081,357	4,285,988	3,993,994	4,708,246	5,130,964
2,683,287	2,809,421	3,080,072	2,913,772	2,989,948	3,124,261
8,759,561	9,381,953	10,577,204	12,067,318	12,994,212	14,146,420
432,796	685,302	676,648	849,922	1,025,711	2,265,181
2,463,185	2,588,814	3,572,587	3,026,137	3,034,097	3,311,194
885,924	874,163	990,935	834,072	1,070,419	1,419,945
11,715,000	13,590,000	14,337,322	6,401,159	9,943,405	26,483,676
13,115,431	15,245,611	14,998,056	16,054,250	14,582,986	14,776,986
1,223,629	261,152	247,959	272,809	10,750	205,452
12,974,599	52,523,770	19,588,450	11,972,967	13,295,603	8,215,169
100,967	39,862	29,227	20,525	21,271	53,905
-	2,322	-	-	-	-
702,052	771,182	794,109	820,737	836,469	860,731
<u>\$ 144,096,177</u>	<u>\$ 191,242,981</u>	<u>\$ 169,090,308</u>	<u>\$ 157,019,477</u>	<u>\$ 165,735,746</u>	<u>\$ 185,844,276</u>
16.83%	19.87%	20.79%	19.62%	15.50%	23.45%

Burleson Independent School District

Governmental Funds Other Source, Uses and Changes in Fund Balance

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2014	2015	2016	2017
Excess of revenues over (under) expenditures	\$ (81,002)	\$ 2,056,624	\$ (8,035,233)	\$ (2,543,859)
Other Financing Sources (Uses)				
Capital Related Debt Issued (Regular Bonds)	-	-	146,039,656	17,630,000
Transfers In	-	-	5,558,760	-
Transfers Out	-	-	(5,558,760)	-
Premium or Discount on proceeds from debt	-	-	16,247,550	832,340
Proceeds from right-to-use assets	-	-	-	-
Sale of Real and Personal Property	-	11,776	-	-
Payment to Refunded Bond Escrow Agent	-	-	(161,490,701)	(18,146,509)
Total Other Financing Sources (Uses)	-	11,776	796,505	315,831
Net Change in Fund Balances	\$ (81,002)	\$ 2,068,400	\$ (7,238,728)	\$ (2,228,028)

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

Schedule 7

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (4,686,514)	\$ (43,519,976)	\$ (9,690,821)	\$ 5,890,077	\$ 4,725,520	\$ (5,636,804)
118,064,151	24,955,000	17,700,000	16,700,000	-	19,310,000
8,519,602	8,868,513	6,957,289	13,089,595	15,125,030	1,300,000
(8,519,602)	(8,868,513)	(6,957,289)	(13,089,595)	(15,125,030)	(1,300,000)
13,805,714	301,300	2,927,009	4,839,483	-	574,202
-	-	545,147	-	202,800	383,040
-	-	-	-	-	-
(70,609,310)	-	(20,389,800)	(21,653,912)	-	(19,933,063)
<u>61,260,555</u>	<u>25,256,300</u>	<u>782,356</u>	<u>(114,429)</u>	<u>202,800</u>	<u>334,179</u>
<u>\$ 56,574,041</u>	<u>\$ (18,263,676)</u>	<u>\$ (8,908,465)</u>	<u>\$ 5,775,648</u>	<u>\$ 4,928,320</u>	<u>\$ (5,302,625)</u>

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 ¹	Estimated Actual Value ²	Assessed Value to Total Estimated
	Real Property	Personal Property	Less Exemptions				Actual Value
2014	3,836,856,513	426,168,092	920,219,408	3,342,805,197	1.54000	4,263,024,605	78.41%
2015	4,218,002,480	423,228,388	1,002,131,898	3,639,098,970	1.54000	4,641,230,868	78.41%
2016	4,516,474,211	355,362,516	1,162,757,413	3,709,079,314	1.54000	4,871,836,727	76.13%
2017	4,802,189,112	391,474,242	1,313,296,869	3,880,366,485	1.54000	5,193,663,354	74.71%
2018	5,466,621,379	378,701,859	1,508,627,491	4,336,695,747	1.67000	5,845,323,238	74.19%
2019	6,034,776,812	400,800,003	1,663,337,441	4,772,239,374	1.67000	6,435,576,815	74.15%
2020	6,566,676,678	440,629,420	1,693,874,566	5,313,431,532	1.56835	7,007,306,098	75.83%
2021	6,971,180,563	512,961,229	1,792,836,340	5,691,305,452	1.53830	7,484,141,792	76.04%
2022	7,437,855,172	533,873,031	1,846,289,390	6,125,438,813	1.49460	7,971,728,203	76.84%
2023	8,574,338,723	634,387,731	2,367,669,574	6,841,056,880	1.44290	9,208,726,454	74.29%

Sources: Johnson and Tarrant County Appraisal District

¹Per \$100 of assessed value.

²Estimated 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)

	2014	2015	2016	2017
Burleson ISD:				
Maintenance and Operations	1.04000	1.04000	1.04000	1.04000
Interest and Sinking	0.50000	0.50000	0.50000	0.50000
Total	1.54	1.54	1.54	1.54
City of Burleson ¹	0.690	0.740	0.740	0.646
City of Fort Worth ¹	0.855	0.855	0.855	0.835
City of Crowley ¹	0.676448	0.765515	0.718061	0.703351
Johnson County ¹	0.371154	0.445	0.448	0.459738
Tarrant County ¹	0.264	0.264	0.264	0.264
Tarrant County College District ¹	0.1495	0.1495	0.1495	0.1447
Tarrant County Hospital District ¹	0.227897	0.227897	0.227897	0.227897

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

¹Overlapping rates

Schedule 9

2018	2019	2020	2021	2022	2023
1.17000	1.17000	1.06835	1.03830	0.99460	0.94290
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
<u>1.67</u>	<u>1.67</u>	<u>1.5684</u>	<u>1.5383</u>	<u>1.4946</u>	<u>1.4429</u>
0.735	0.735	0.7200	0.7111	0.6859	0.6572
0.805	0.785	0.785	0.785	0.7325	0.7125
0.719	0.709	0.681992	0.699806	0.729545	0.645203
0.472	0.472	0.425	0.425	0.3797	0.368455
0.244	0.234	0.2340	0.2340	0.2290	0.2240
0.1401	0.1361	0.13020	0.13017	0.13017	0.13017
0.224429	0.224429	0.224429	0.224400	0.224429	0.224429

Burleson Independent School District

Schedule 10

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

2023					2014	
TaxPayer	Rank	2021-2022	Percentage of Total Taxable Assessed Value	Rank	2012-2013	Percentage of Total Taxable Assessed Value
		Total Taxable Assessed Value ¹			Total Taxable Assessed Value ²	
Burleson Gateway	1	\$ 53,493,060	0.78%	5	26,214,640	0.78%
Golden State Foods	2	48,465,096	0.71%			
Burleson Cold Storage	3	47,182,270	0.69%			
Burleson Manufacturing	4	39,209,170	0.57%			
Shannon Creek Apartments	5	37,594,987	0.55%			
Wagner Smith	6	27,952,604	0.41%	7	19,988,208	0.60%
TEP Barnet	7	25,377,321	0.37%			
Oncor	8	24,469,678	0.36%			
Abbey Burleson MF	9	23,619,143	0.35%			
XTO Energy, Inc.	10	22,868,127	0.33%	1	\$ 66,454,463	1.99%
Chesapeake Operating, Inc.				2	54,418,605	1.63%
Barnett Gathering, LP				3	51,535,144	1.54%
Dev on Energy Operating Co, Inc.				4	48,457,522	1.45%
Dragon Products				6	23,241,473	0.70%
AMCAP McAlister				8	17,323,750	0.52%
Haliburton				9	17,302,958	0.52%
Premier National Resources				10	14,869,723	0.44%
		\$ 350,231,456	5.12%		\$ 339,806,486	10.17%

Source: Johnson and Tarrant County Appraisal District

¹Total 2022-2023 taxable assessed value equals \$6,841,056,880

²Total 2013-2014 taxable assessed value equals \$3,342,805,197

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 ¹	Percentage of Levy		Amount	Percentage of Levy
2014	50,307,825	49,439,770	98.27%	631,035	50,070,805	99.53%
2015	54,704,182	53,835,542	98.41%	465,112	54,300,654	99.26%
2016	55,572,864	54,656,414	98.35%	231,401	54,887,815	98.77%
2017	57,723,302	56,990,775	98.73%	330,566	57,321,341	99.30%
2018	69,065,299	68,012,167	98.48%	554,633	68,566,800	99.28%
2019	75,474,090	74,483,216	98.69%	62,364	74,545,580	98.77%
2020	78,984,203	77,772,434	98.47%	355,293	78,127,728	98.92%
2021	82,649,690	81,607,246	98.74%	460,256	82,067,502	99.30%
2022	86,079,499	85,367,949	99.17%	259,688	85,627,636	99.48%
2023	92,865,916	92,420,675	99.52%	357,958	92,778,633	99.91%

¹Collected amounts represent total collections before refunds.

Source: Johnson County Tax Office

Burleson Independent School District

Schedule 12

Outstanding Debt by Type Last Ten Years (Unaudited)

Fiscal Year	General Obligation Debt	Accreted interest on Capital Appreciation Bonds and Premium on Bonds	Leases and SBITAs	Accumulated unpaid sick leave	Claims payable	Total Primary Government	Percentage of Personal Income	Per Capita
2014	307,661,941	26,463,747	582,990	-	-	334,708,678	22.16%	9,744
2015	304,395,852	24,703,067	167,874	-	-	329,266,793	21.10%	9,586
2016	296,800,852	39,757,407	-	-	-	336,558,259	20.68%	9,798
2017	288,945,852	38,695,411	-	-	-	327,641,263	18.52%	9,538
2018	329,205,852	51,604,472	-	-	-	380,810,324	20.29%	11,086
2019	340,570,852	49,916,805	-	-	-	390,487,657	19.34%	11,368
2020	324,055,852	48,158,883	320,503	-	-	372,535,238	16.80%	10,852
2021	317,767,015	53,990,165	208,181	-	-	371,965,361	15.10%	10,829
2022	309,726,599	53,236,374	1,426,703	-	-	364,389,676	N/A	10,608
2023	284,633,949	52,347,239	687,590	403,708	278,550	338,351,036	N/A	9,850

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

Note 1: See Schedule 15 for personal income and population data.

Burleson Independent School District**Schedule 13**

Direct and Overlapping Governmental Activities Debt

June 30, 2023

(Unaudited)

Taxing Body	Net Debt Outstanding	As of	Percent Overlapping ¹	Amount Overlapping Net Debt
City of Burleson	\$ 128,800,000	6/30/2023	84.59%	\$ 108,951,920
City of Crowley	44,390,000	6/30/2023	5.22%	2,317,158
City of Fort Worth	1,045,695,000	6/30/2023	88.00%	9,202,116
Johnson County	17,495,000	6/30/2023	27.49%	4,809,376
Tarrant County	404,360,000	6/30/2023	0.85%	3,437,060
Tarrant County College District	610,315,000	6/30/2023	0.87%	5,309,741
Tarrant County Hospital District	448,410,000	6/30/2023	0.87%	3,901,167
Total Overlapping Net Debt	2,699,465,000			<u>137,928,538</u>
Burleson ISD	338,351,036	6/30/2023	100%	<u>338,351,036</u>
Total Direct and Overlapping Debt				<u><u>\$ 476,279,574</u></u>
Ratio of Total Direct and Overlapping Net Debt to 2023 Taxable Assessed Valuation \$6,841,056,880				<u><u>6.96%</u></u>

Source: Municipal Advisory Council of Texas

¹The 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

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

Fiscal Year	Total Taxable Assessed Value	Assessment Ratio	Gross Bonded Debt Outstanding at Year End ¹	Reserve for Retirement of Bonded Debt	Net Bonded Debt Outstanding at Year End
2014	3,342,805,197	100%	307,661,941	9,769,564	297,892,377
2015	3,639,098,970	100%	304,395,852	8,618,796	295,777,056
2016	3,709,079,314	100%	296,800,852	9,175,735	287,625,117
2017	3,880,366,485	100%	327,280,798	9,166,835	318,113,963
2018	4,336,695,747	100%	380,810,324	11,030,385	369,779,939
2019	4,772,239,374	100%	340,570,852	9,889,126	314,166,726
2020	5,313,431,532	100%	324,055,852	8,261,801	315,794,051
2021	5,691,305,452	100%	317,767,015	14,494,832	303,272,183
2022	6,125,438,813	100%	309,726,599	21,049,572	288,677,027
2023	6,841,056,880	100%	284,633,949	16,109,042	268,524,907

Sources: Johnson and Tarrant County Appraisal District, District records

¹The District's bonded indebtedness consists of general obligation debt.

Schedule 14

Fiscal Year	Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Value Per Capita
2014	8.91%	40,714	7,317	82,105
2015	8.13%	41,213	7,177	88,300
2016	7.75%	42,560	6,758	87,149
2017	8.20%	43,960	7,236	88,270
2018	8.53%	44,860	8,214	96,337
2019	6.58%	45,620	6,808	103,418
2020	5.94%	46,540	6,679	112,377
2021	5.33%	47,730	6,354	115,696
2022	4.71%	50,210	5,749	125,470
2023	3.93%	51,716	5,192	132,281

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

Schedule 15

Fiscal Year	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ³	Unemployment Rate ⁴	Residential Units ⁵	Assessed Value of Residential Units ⁵	Average Assessed Value of Residential Units ⁵	Average Daily Attendance
2014	40,714	1,510,733	37,106	6.0%	18,583	2,330,451,271	125,408	10,186
2015	41,213	1,560,530	37,865	4.4%	18,745	2,479,984,947	132,301	10,389
2016	42,560	1,627,792	38,247	4.6%	18,932	2,660,145,544	140,511	10,804
2017	43,960	1,768,819	40,237	4.7%	19,473	3,092,091,053	158,789	11,226
2018	44,860	1,877,032	41,697	3.9%	19,934	3,365,082,959	168,811	11,487
2019	45,620	2,019,259	43,759	3.4%	20,130	3,971,138,527	197,275	11,735
2020	46,540	2,217,817	47,654	6.8%	20,616	4,362,004,914	211,583	12,088
2021	47,730	2,463,775	51,619	6.5%	20,925	4,650,803,995	222,261	11,722
2022	50,210	N/A	N/A	4.2%	21,247	5,649,697,305	265,906	11,465
2023	51,716	N/A	N/A	3.6%	21,542	7,309,297,616	339,305	11,697

Sources:

¹City of Burleson Annual Comprehensive Financial Report and United States Census Bureau

²Personal Income is the per capita income multiplied by the population

³Personal Income is the per capita income multiplied by the population

⁴US Department of Labor - Bureau of Labor Statistics

⁵Johnson County and Tarrant County Appraisal District

Burleson Independent School District**Schedule 16**

Principal Employers

Current Year and Five Years Ago

(Unaudited)

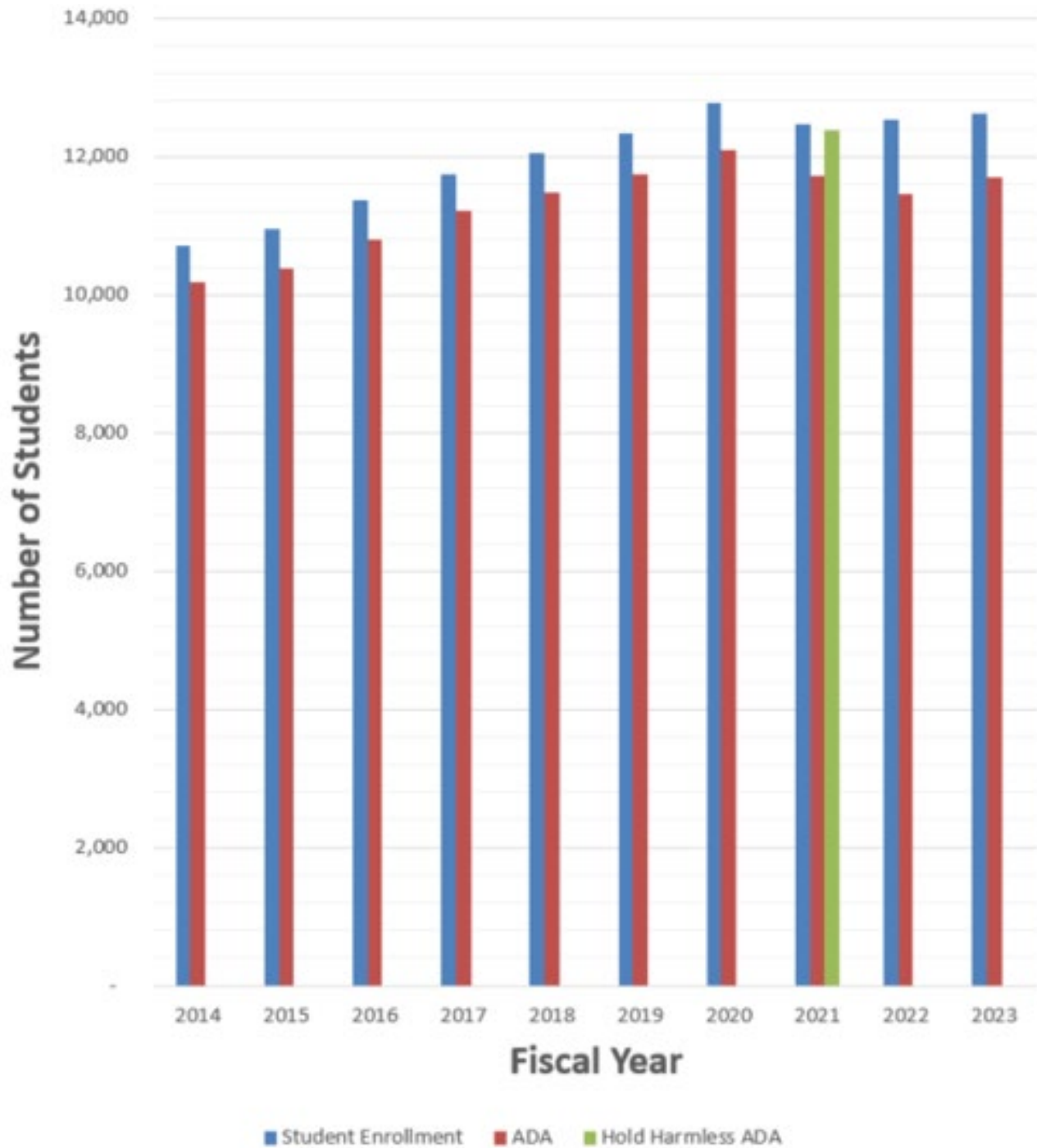
Principal Employer	Business Type	2022-2023			2017-2018		
		Rank	Number of Employees	Percentage of	Rank	Number of Employees	Percentage of
				Total Employment			Total Employment
Burleson ISD	Education	1	1594	8.86%	1	1533	10.57%
Wal-Mart	Retail	2	480	2.67%	3	425	2.93%
City of Burleson	Municipality	3	479	2.66%	2	445	3.07%
H.E.B. Grocery Store	Grocery	4	400	2.22%	4	400	3.07%
Jellystone RV Ranch	Travel	5	400	2.22%			
Air Center Hellicoper	Manufacturing	6	350	1.94%			
Golden State	Manufacturing	7	320	1.78%			
Champion Buildings	Manufacturing	8	300	1.67%	5	375	2.59%
KWS Manufactorinf	Manufacturing	9	170	0.94%			
McClane Classic Foods	Manufacturing	10	120	0.67%			
Lowes	Retail			0.00%	9	130	0.90%
Basden Steel	Manufacturing			0.00%	8	150	1.03%
Kroger Marketplace	Retail			0.00%	6	190	1.31%
Sam's Club	Retail			0.00%	7	170	1.17%
Home Depot	Retail				10	130	0.90%
			4613	25.63%	394827.54%		

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

Burleson Independent School District

Schedule 17

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



(a)The district's state funding is based on both enrollment and attendance. In recognition of the effects of the pandemic on both of those figures, TEA provided hold harmless funding if district maintained or increased current levels of on-campus attendance.

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

Schedule 18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Teaching										
Elementary Classroom Teachers	313	304	322	353	349	355	359	374	356	349
Secondary Classroom Teachers	323	324	344	374	386	388	407	417	435	443
Other Teachers	39	56	40	32	38	36	34	23	37	26
Total Teaching Staff	675	684	706	759	773	780	800	813	828	818
Support Staff										
Counselors	23	22	23	23	29	28	30	33	34	34
Therapists	17	17	17	19	19	21	20	22	21	20
Psychologists/Diagnosticians	16	15	17	20	13	16	15	19	21	22
Teacher Facilitators	8	8	14	13	12	13	11	13	12	12
Other Campus Professional	10	17	18	10	19	15	15	16	12	14
Other Non-Instructional	18	21	20	24	22	33	37	33	39	43
Instructional coach	0	0	0	0	0	0	0	0	0	14
Librarians	14	13	14	14	14	14	14	12	13	15
Nurses/Physicians	14	15	16	16	15	14	15	17	18	17
Total Support Staff	120	130	143	139	143	153	157	165	170	191
Administrative Staff										
Principals	15	14	15	17	17	17	18	18	19	18
Assistant Principals	24	26	26	26	28	30	27	28	29	28
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	1	2	2	2	1	0	1	1	1	1
Directors	13	15	14	19	13	12	10	9	9	9
Total Central Administration	54	58	58	65	60	60	57	57	59	57
Paraprofessional Staff										
Educational Aides	119	128	126	134	155	150	136	144	145	137
Auxiliary Staff										
Auxiliary	363	369	349	382	399	404	408	404	394	391
Total	1,331	1,369	1,382	1,479	1,530	1,547	1,558	1,584	1,596	1,594

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

Burleson Independent School District**Schedule 19**

Teacher Salary Data
Last Ten Years
(Unaudited)

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>District Average Salary</u>	<u>Region Average Salary</u>	<u>State Average Salary</u>
2014	43,200	66,000	47,958	52,208	49,692
2015	46,000	67,200	49,601	53,291	50,715
2016	48,000	68,700	52,345	54,379	51,892
2017	49,000	69,700	53,322	55,194	52,525
2018	50,000	70,900	54,030	56,144	53,334
2019	51,000	71,609	54,961	56,985	54,122
2020	54,500	76,805	58,833	59,338	57,091
2021	55,500	77,273	59,532	60,025	57,641
2022	56,800	77,240	60,464	61,301	58,887
2023	58,000	79,776	63,069	63,148	60,716

Source: District Records and PEIMS Standards Report

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

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Burleson Independent School District

Operating Statistics

Last Ten Years

(Unaudited)

Fiscal Year	Total Enrollment	Average Daily Attendance	Operating Expenditures ¹	Cost Per Pupil	Percent Change	Operating Expenses	Cost Per Pupil
2014	10,618	10,186	81,731,793	8,024	1.70%	104,267,980	10,236
2015	10,805	10,389	87,023,734	8,377	4.40%	108,470,607	10,441
2016	11,376	10,804	94,337,802	8,731	4.24%	118,366,773	10,956
2017	11,748	11,226	100,028,328	8,910	2.05%	126,781,089	11,293
2018	12,054	11,487	104,797,465	9,123	2.39%	101,940,469	8,874
2019	12,340	11,735	109,436,472	9,326	2.22%	144,677,300	12,329
2020	12,775	12,088	119,918,521	9,921	6.38%	160,972,347	13,317
2021	12,474	11,722	122,011,446	10,409	4.92%	159,418,216	13,600
2022	12,532	11,464	129,331,965	11,282	8.39%	144,313,863	12,588
2023	12,631	11,697	137,180,698	11,728	3.96%	163,504,982	13,978

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

¹Operating expenditures are total expenditures less debt service and capital outlays.

Schedule 20

Percent Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced- Price Meals
1.23%	675	15.1	35.0%
2.00%	685	15.2	38.0%
4.93%	706	15.3	38.0%
3.09%	759	14.8	37.0%
-21.42%	772	14.9	37.0%
38.92%	780	15.1	39.0%
8.02%	800	15.1	39.0%
2.12%	813	14.4	35.0%
-7.44%	828	13.8	34.0%
11.04%	818	14.3	41.0%

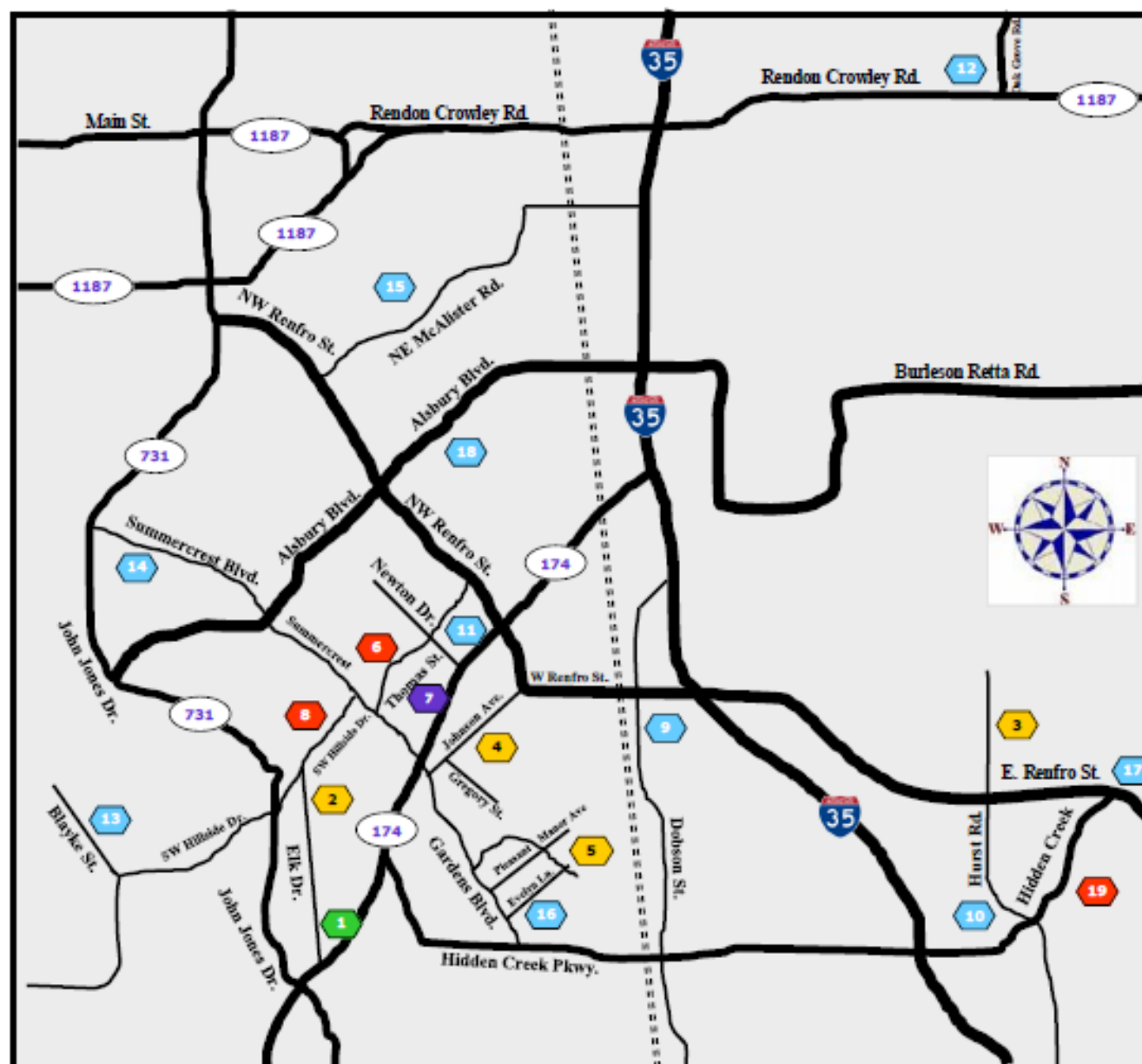
Burleson Independent School District

Schedule 21

School Building Information Last Ten Years (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
# of Locations	10	10	10	10	10	10	10	10	10	10
Sq. Footage	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479	854,479
Capacity	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242
Enrollment	5,214	5,283	5,534	5,670	5,725	5,718	5,798	5,427	5,427	5,663
Middle Schools										
# of Locations	2	2	3	3	3	3	3	3	3	3
Sq. Footage	383,563	383,563	434,793	434,793	434,793	434,793	426,188	426,188	426,188	426,188
Capacity	2,200	2,200	2,700	2,700	2,700	2,700	3,300	3,300	3,300	3,300
Enrollment	2,388	2,446	2,571	2,750	2,896	3,011	2,827	2,839	2,839	2,789
High Schools										
# of Locations	3	3	3	4	4	4	4	4	4	4
Sq. Footage	1,034,527	1,034,527	1,034,527	1,034,527	1,034,527	1,034,527	1,086,116	1,086,116	1,075,469	1,075,469
Capacity	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
Enrollment	3,016	3,076	3,271	3,328	3,433	3,611	3,853	3,856	3,856	3,902
Secondary Schools										
# of Locations							1	1	1	1
Sq. Footage							40,942	40,942	52,263	53,263
Capacity							600	600	600	600
Enrollment							297	352	352	277
Athletic Facilities										
Multi-purpose Buildings	1	1	1	1	1	1	2	2	2	2
Football fields	4	4	4	4	4	4	4	4	4	4
Running tracks	5	5	5	5	5	5	5	5	5	5
Ball Fields	4	4	4	4	4	4	4	4	4	4
Tennis Courts	28	28	28	28	28	28	28	28	28	28
Playgrounds										
	10	10	10	10	10	10	10	10	10	10
Administrative										
# 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
Agriculture Science Center										
Sq. Footage				28,900	28,900	28,900	28,900	28,900	28,900	28,900

Burleson ISD School Location Map



ADMINISTRATION

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

HIGH SCHOOLS

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

SECONDARY SCHOOL

- 7** **GDDS (008)**
510 SW Wilshire Blvd | 817-245-1700

MIDDLE SCHOOLS

- 6** **Hughes Middle School (041)**
316 SW Thomas Street | 817-245-0600
- 19** **Kerr Middle School (042)**
1320 E Hidden Creek Pkwy |
817-245-0750
- 8** **STEAM Middle School (043)**
900 SW Hillside Dr | 817-245-1500

ELEMENTARY SCHOOLS

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

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Federal Awards Section

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

To the Board of Trustees of
Burleson Independent School District

We have audited, 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, the financial statements of the governmental activities, 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, 2023, 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, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2023-01.

The Board of Trustees of
Burleson Independent School District

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 13, 2023

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

To The Board of Trustees of
Burleson Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Burleson Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107
Main: 817.332.7905

The Board of Trustees of
Burleson Independent School District

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The Board of Trustees of
Burleson Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023

Section I – Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

84.425U	COVID-19-ESSER III GRANT (TCLAS)
84.425U	COVID-19-ESSER III GRANT (ARP)
84.425U	COVID-19-ESSER III GRANT (ARP-SUPPLEMENTAL)
84.010A	ESEA, Title I, Part A
84.027A	IDEA – Part B, Formula ⁽¹⁾
84.027A	IDEA – Part B, Formula-ARP ⁽¹⁾
84.173	IDEA - Preschool ⁽¹⁾
84.173	IDEA – Preschool-ARP ⁽¹⁾

(1) Special Education Cluster

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

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

Burleson Independent School District

Schedule of Findings and Questioned Costs – Continued Year Ended June 30, 2023

Section II – Other Matter

Finding 2023-01

Criteria

The District did not meet the expenditure of its state compensatory education (SCE) allotment from the Texas Education Agency (TEA).

Condition

The District failed to spend 55% of the compensatory education TEA allotment.

Effect

The District did not meet the 55% criteria by \$750,614.

Cause

There has been material increases in this funding over the three fiscal years but no increases in revenues coupled with the statewide shortage in teachers/interventionist causing difficulty in utilizing all the funding.

Recommendation

The District should continually monitor spending as required by TEA to ensure that all allotments are expended during the year.

Section III – Federal Award Findings and Questioned Costs

There were no findings reported.

Section IV – Prior Year Findings and Questioned Costs

Finding 2022-01

The service dates within a fiscal year should be accrued for within that fiscal year and instead of the invoice date.

Status

The District ensured invoices with service dates within the fiscal year were accrued for.

Burleson Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Exhibit K-1

Federal Grantor Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Junior ROTC	12.000	126902	\$ 69,468
TOTAL DEPARTMENT OF DEFENSE			69,468
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	22610101126902	97,194
ESEA, Title I, Part A	84.010A	23610101126902	1,043,658
Total Assistance Listing Number 84.010A			1,140,852
Special Education Cluster			
IDEA - Part B, Formula	84.027A ⁽¹⁾	226600011269026000	503,474
IDEA - Part B, Formula	84.027A ⁽¹⁾	236610011269026600	2,410,805
IDEA - Part B, Formula - ARP	84.027A ⁽¹⁾	225350021269025000	95,766
Total Assistance Listing Number 84.027A			3,010,045
IDEA - Preschool	84.173 ⁽¹⁾	226610011269026000	7,937
IDEA - Preschool	84.173 ⁽¹⁾	236610011269026610	32,468
IDEA - Preschool - ARP	84.173 ⁽¹⁾	225360021269025000	5,573
Total Assistance Listing Number 84.173			45,978
Total Special Education Cluster			3,056,023
Career and Technical - Basic Grant	84.048	23420006126902	99,064
Total Assistance Listing Number 84.048			99,064
Title III, Part A - English Language Acquisition	84.365A	22671001126902	4,929
Title III, Part A - English Language Acquisition	84.365A	23671001126902	78,326
Total Assistance Listing Number 84.365A			83,255
Title II, Part A - Teacher & Principal Training	84.367A	22694501126902	20,737
Title II, Part A - Teacher & Principal Training	84.367A	23694501126902	100,909
Total Assistance Listing Number 84.367A			121,646
ESEA, Title IV, Part A - Subpart 1	84.424A	23680101126902	60,764
Total Assistance Listing Number 84.424A			60,764
COVID-19-ESSER III GRANT (TCLAS)	84.425U	21528042126902	182,816
COVID-19-ESSER III GRANT (ARP)	84.425U	21528001126902	1,289,691
COVID-19-ESSER III GRANT (ARP SUPPLEMENTAL)	84.425U	21528043126902	187,374
Total Assistance Listing Number 84.425U			1,659,881
ESEA, Title VI, Part A - Summer School LEP	84.369A	69552102	2,878
ESEA, Title VI, Part A - Summer School LEP	84.369A	69551902	1,479
Total Assistance Listing Number 84.369A			4,357
Total Passed Through State Department of Education			6,225,842
TOTAL DEPARTMENT OF EDUCATION			<u>6,225,842</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Burleson Independent School District**Exhibit K-1**Schedule of Expenditures of Federal Awards – Continued
Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through State Department of Agriculture</u>			
Child Nutrition Cluster:			
School Breakfast Program	10.553 ⁽²⁾	71402201	126,202
School Breakfast Program	10.553 ⁽²⁾	71402301	587,645
Total Assistance Listing Number 10.553			713,847
National School Program Lunch - Cash Assistance	10.555 ⁽²⁾	71302201	579,961
National School Program Lunch - Cash Assistance	10.555 ⁽²⁾	71302301	2,584,203
National School Program Lunch - Non-Cash Assistance	10.555 ⁽²⁾	71301001	509,637
Supply Chain Assistance	10.555 ⁽²⁾	226TX400N8903	371,871
Total Assistance Listing Number 10.555			4,045,672
Total Child Nutrition Cluster:			4,759,519
TOTAL DEPARTMENT OF AGRICULTURE			4,759,519
GENERAL SERVICES ADMINISTRATION			
Direct Programs	39.003		\$ 1,349
Donation of Federal Surplus Personal Property			
TOTAL GENERAL SERVICES ADMINISTRATION			1,349
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,056,178
School Health & Related Services (SHARS) ⁽³⁾			2,073,342
COVID-19: Child Care and Development Block Grant (3)			339,275
TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3			\$ 13,468,795

(1) Reported as Special Education Cluster, as required by Compliance Supplement May 2023

(2) Reported as Child Nutrition Cluster, as required by Compliance Supplement May 2023

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

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Burleson Independent School District

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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, 2023, 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 provision 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, 2023, the District recognized food commodities totaling \$509,637 with a remaining \$5,795 in inventory.

Note 4. Indirect Cost Rate

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



Corrective Action Plan

Finding 2023-01

Type of Finding – Noncompliance material to the Financial Statements

Corrective Action Plan

The District will continually monitor spending as required by TEA to ensure that all allotments are expended during the year.

Person(s) Responsible

Brenda Mize, CFO

Anticipated Completion Date

June 30, 2024