



# **Burleson Independent School District**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018  
Burleson, Texas

**Independent School District  
Burleson, Texas**



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2018

Prepared by:  
Brenda Mize, Chief Financial Officer

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



**Burleson Independent School District**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2018**  
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# Introductory Section



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

November 12, 2018

Board of Trustees and Citizens of  
Burleson Independent School District

Dear Board Members and Citizens:

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

The Comprehensive Annual Financial Report (CAFR) of the Burleson Independent School District (District), approved by the Board of Trustees, is filed with the Texas Education Agency no later than the 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 CAFR consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Because of cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The District engaged Weaver and Tidwell, L.L.P., Certified Public Accountants, to audit the District's financial statements. Their unqualified opinion based upon the audit of the Burleson Independent School District's financial statements for the fiscal year ended June 30, 2018 is presented as the first component of the financial section of this report.

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

## **Profile of the District**

In 1901, Burleson's first school, the Red Oak Academy was constructed. It was destroyed by fire in 1909. The State of Texas granted a charter for an independent school district and the citizens of Burleson voted to construct a new school. By 1910 the new school was opened. Burleson Independent School District is located just south of Fort Worth in Tarrant and Johnson Counties. Burleson ISD covers 52 square miles. Burleson ISD has a tradition of providing an excellent education with highly-qualified teachers passionate and dedicated to student success. Burleson ISD has 17 schools serving 12,000 students. BISSD employs approximately 1,500 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 in the intentional development of student character.
- We believe strong, positive relationships develop engaged students, respectful communities and a sense of belonging.
- We believe in recognizing and nurturing each individual's strengths and talents.
- We believe in honoring the unique needs of the individual while creating a physically and emotionally safe learning environment.
- We believe that fun is an integral part of the learning process.
- We believe growth occurs through challenge.

Objectives:

- Each student will be able to communicate and compete globally.
- Each student will graduate with the ability to showcase and communicate their unique talents and achievements.
- Each student will be able to independently identify a problem, effectively collaborate, and communicate innovative solutions that positively impact society.

- Each student will successfully transition out of high school with the opportunity to earn a debt-free college degree or post-secondary certification.

### **Strategies:**

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

### **Budget Process**

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

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.

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.

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 March 2017. The Board of Trustees held the required public meeting on March 27, 2017, to discuss and adopt the 2017 proposed tax rate of \$1.17 maintenance and operations (General Fund) + \$.50 interest and sinking (Debt Service Fund) = \$1.67 per \$100 taxable valuation. The Board of Trustees held the required public meeting on June 19, 2017, to adopt the 2018 budget.

### **Accounting System**

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

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

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

### **Economic Condition and Outlook**

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

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

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

### **State Funding Components**

- Maintenance and Operations Tax Rate – \$1.17
- Interest and Sinking Tax Rate – \$0.50
- Basic Allotment – \$5,140
- Equalized Wealth Level – \$319,500
- A guaranteed yield to \$99.41 per penny of tax effort on the first 6 cents of local option
- A guaranteed yield to \$31.95 per penny of tax effort on the last 11 cents of local option

### **State Accountability System**

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. Starting with the 2017-18 school year, districts will receive a rating of A, B, C, D, or F for overall performance, as well as for the performance in each domain. The District received an overall rating of B.

### **Awards**

**GFOA Certificate of Achievement.** Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Burleson Independent School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

The previous transparency system, the Texas Transparency Leadership Circle, was an online system which ensured that taxpayer dollars were spent efficiently by ensuring decisions were made in the open and on the record. Burleson ISD received that award, the Gold Level Leadership Circle for Financial Transparency, from 2011-2017.

### 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,



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Dr. Bret Jimerson  
Superintendent



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Brenda Mize  
Chief Financial Officer

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

**Board of Trustees**

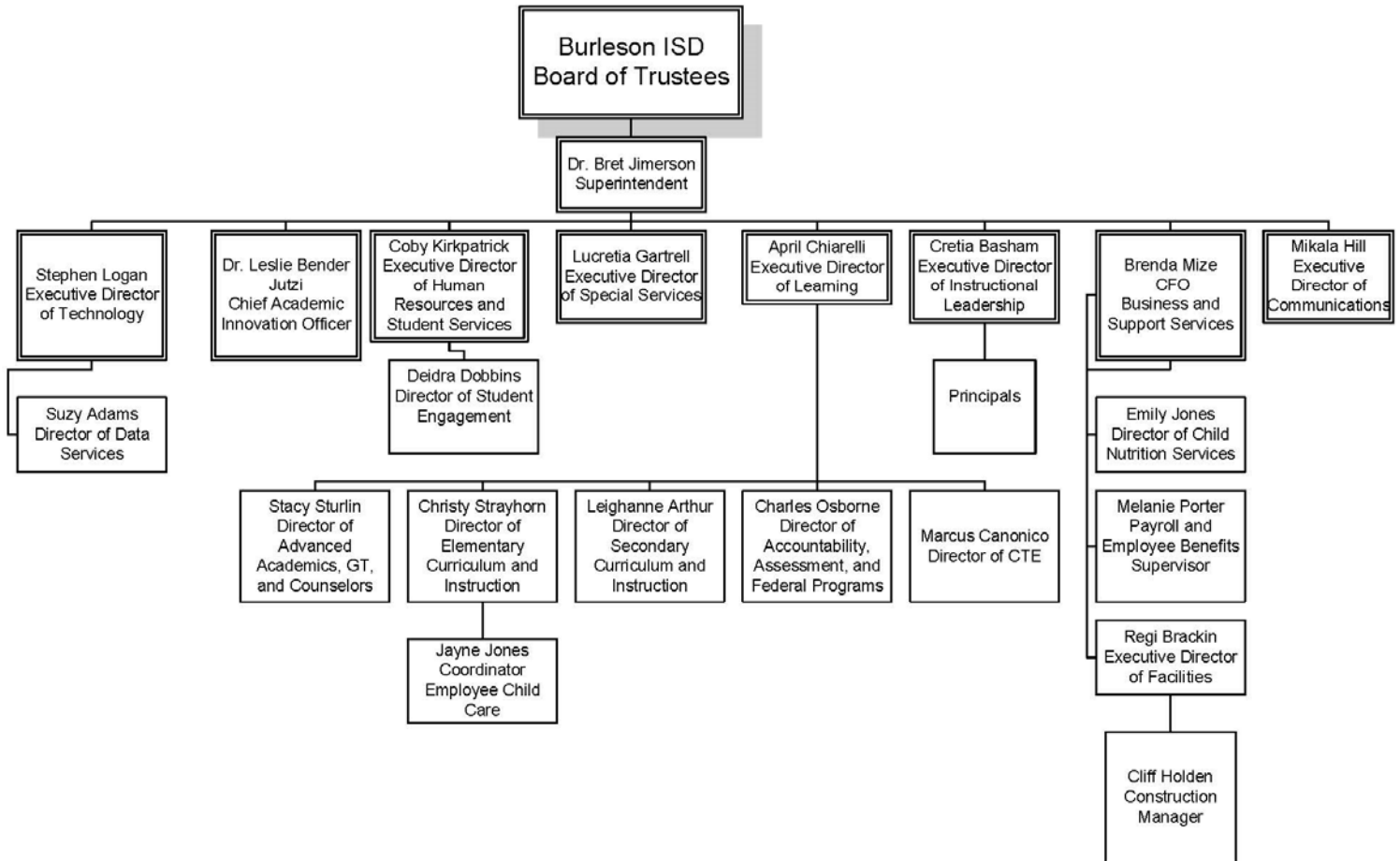
Andy Pickens.....	President
Pat Worrell .....	Vice-President
Staci Eisner.....	Secretary
Shawn Minor.....	Member
Michael Ancy.....	Member
Jerri McNair .....	Member
Ryan Richardson.....	Member

**Administrative Staff**

Dr. Bret Jimerson .....	Superintendent of Schools
Dr. Crefia Basham .....	Executive Director of Instructional Support
Dr. April Chiarelli .....	Executive Director of Learning
Dr. Leslie Bender-Jutzi .....	Chief Academic Innovation Officer
Dr. Lucretia Gartrell .....	Executive Director of Special Services
Coby Kirkpatrick .....	Executive Director of Human Resources and Student Services
Dr. Mikala Hill .....	Director of Communications
Steve Logan .....	Chief Technology Officer
Brenda Mize .....	Chief Financial Officer

**Consultants and Advisors**

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







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Burleson Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## Certificate of 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) X approved \_\_\_\_\_disapproved for the year ended June 30, 2018, at a meeting of the Board of Trustees of such school district on the 12<sup>th</sup> day of November, 2018.

  
Signature of Board Secretary

  
Signature of Board President

## Financial Section



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Burleson Independent School District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, 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.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Notes 7 and 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

The Board of Trustees of  
Burleson Independent School District

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 12, 2018

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## Management's Discussion and Analysis

As management of Burleson Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2018. Please read this narrative in conjunction with the independent auditor's report on page 3, and the District's Basic Financial Statements that begin on page 17.

### Financial Highlights

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

- On a government-wide basis, the liabilities and deferred inflows of Burleson Independent School District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$38,286,431 (net position). This is primarily the result of a prior period adjustment of \$58,371,094 related to other post-employment benefit obligation (OPEB) because of the implementation of GASB 75. Unrestricted net position was (\$34,982,707) as of June 30, 2018.
- The District's total restated net position increased by \$22,888,198, not including the prior period adjustment of \$58,371,094 as a result of the implementation GASB 75, which is due to an increase in property tax revenue and investment earnings.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$105,505,177. Approximately 24% of this total amount, \$24,828,975, 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 \$24,829,426 or 27% of the total general fund expenditures.
- The District's Enterprise Fund net position increased by \$81,766 from operations with net position of \$241,509. Increase in the Enterprise Fund was the result of an increase in the number of client by approximately 12% and increase in rates for each classification of approximately 2%. This was met with more favorable expenses, leading to an overall increase in net position.

### Overview of the Financial Statements

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

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

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

These proprietary fund statements may be found on pages 27-29 of this report.

The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

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

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

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

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

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

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

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

## Reporting the District's Most Significant Funds

### Fund Financial Statements

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

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

## The District as Trustee

### Reporting the District's Fiduciary Responsibilities

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

## Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. On June 30, 2018, assets and deferred outflows have fallen behind liabilities and deferred inflows by \$61.3 million with an decrease in net position of \$22,806,432, excluding prior period adjustment for the implementation of GASB 75, 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, 2018, the District's restricted net position for grant funds was \$289,830 and restricted net assets for debt service was \$11 million. As of June 30, 2018, the unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements were a deficit of \$35.2 million.

The net investment in capital assets is a deficit of \$14.6 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, 2018 and fiscal year ended June 30, 2017:

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	123,979,076	61,412,707	\$ 306,303	\$ 222,211	\$ 124,285,379	\$ 61,634,918
Capital assets	283,935,010	277,332,349	-	-	283,935,010	277,332,349
Long term investments	2,732,325	1,960,421	-	-	2,732,325	1,960,421
Total assets	410,646,411	340,705,477	306,303	222,211	410,952,714	340,927,688
Deferred outflow of resources	\$ 24,872,679	22,438,196	-	-	24,872,679	22,438,196
Current Liabilities	\$ 37,908,654	\$ 25,718,006	\$ 64,794	\$ 62,468	\$ 37,973,448	\$ 25,780,474
Long-term liabilities	419,272,418	339,167,187	-	-	419,272,418	339,167,187
Total liabilities	457,181,072	364,885,193	64,794	62,468	457,245,866	364,947,661
Deferred inflow of resources	16,866,028	1,221,758	-	-	16,866,028	1,221,758
Net position						
Net investment in capital assets	(14,623,939)	(18,985,241)	-	-	(14,623,939)	(18,985,241)
Restricted	11,320,215	9,598,901	-	-	11,320,215	9,598,901
Unrestricted	(35,224,216)	6,423,062	241,509	159,743	(34,982,707)	6,582,805
Total net position	\$ (38,527,940)	\$ (2,963,278)	\$ 241,509	\$ 159,743	\$ (38,286,431)	\$ (2,803,535)

Table II presents a summary of the changes in net position for the fiscal year ended June 30, 2018 with a comparison to the fiscal year ended June 30, 2017. Net position of the District's governmental activities increased \$22.8 million from -\$61.3 million as restated in the prior year.

Revenues in the business-type activities exceeded costs, resulting in an \$81,766 increase in net position.

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 6,486,971	\$ 6,420,911	\$ 654,118	\$ 577,388	\$ 7,141,089	\$ 6,998,299
Operating grants and contributions	(7,555,283)	8,215,605	32,497	29,719	(7,522,786)	8,245,324
General Revenues					-	-
Maintenance and operations taxes	48,692,234	39,179,085	-	-	48,692,234	39,179,085
Debt service taxes	20,963,615	18,733,850	-	-	20,963,615	18,733,850
State aid	53,159,874	53,075,316	-	-	53,159,874	53,075,316
Investment Earnings	1,501,201	351,980	-	-	1,501,201	351,980
Miscellaneous	896,023	957,418	-	-	896,023	957,418
Total Revenue	124,144,635	126,934,165	686,615	607,107	124,831,250	127,541,272
Expenses						
Instruction, curriculum and media services	49,387,078	68,931,840	-	-	49,387,078	68,931,840
Instructional and school leadership	6,461,495	9,014,348	-	-	6,461,495	9,014,348
Student support services	7,214,095	8,817,627	-	-	7,214,095	8,817,627
Child nutrition	4,803,193	5,997,147	-	-	4,803,193	5,997,147
Extracurricular activities	3,861,508	4,315,441	-	-	3,861,508	4,315,441
General administration	3,073,986	4,082,942	-	-	3,073,986	4,082,942
Plant maintenance, security & data processing	10,611,116	12,310,302	-	-	10,611,116	12,310,302
Community Services	616,331	973,505	604,849	566,394	1,221,180	1,539,899
Debt service	15,309,401	12,337,937	-	-	15,309,401	12,337,937
Intergovernmental charges	-	-	-	-	-	-
Total Expenses	101,338,203	126,781,089	604,849	566,394	101,943,052	127,347,483
Excess before transfers	22,806,432	153,076	81,766	40,713	22,888,198	193,789
Transfers in (out)	-	-	-	-	-	-
Change in net position	22,806,432	153,076	81,766	40,713	22,888,198	193,789
Net position at beginning of year	(2,963,278)	(3,116,354)	159,743	119,030	(2,803,535)	(2,997,324)
Prior Period Adjustment	(58,371,094)	-	-	-	(58,371,094)	-
Net position at end of year	\$ (38,527,940)	\$ (2,963,278)	\$ 241,509	\$ 159,743	\$ (38,286,431)	\$ (2,803,535)

As shown in Table II, the cost of all governmental activities for the current fiscal year was \$101,338,203. 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 \$69,655,849 because some of the costs were paid by those who directly benefited from the programs (\$6,486,971) or by other governments and organizations that subsidized certain programs with grants and contributions offset by NECE contributions related to OPEB (-\$7,555,283) or by State equalization funding (\$53,159,874).

## **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 \$105,505,177, which is \$56,574,041 more than last year's total of \$48,931,136. Included in this year's total change in fund balance is an increase of \$2,329,958 in the District's General Fund, an increase of \$2,582,827 in the District's Debt Service Fund, and an increase of \$51,551,921 in the District's Capital Projects Fund. The increase in the Capital Projects Fund is primarily due to issuance of bonds of \$52.3 million

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 2017). 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 \$25,582,124 reported on pages 20 differs from the General Fund's budgetary fund balance of \$32,569,407 reported in the budgetary comparison schedule on page 62. This is principally due to expenditures less than budgeted of \$977,989 and non-budgeted transfers out of \$8,519,602.

The debt service fund has a total fund balance of \$16,125,004, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments including bond fees for the year ended June 30, 2018 were \$25,637,551

The capital projects fund has a total fund balance of \$61,706,084 all of which is committed for authorized construction and technology projects/enhancements. The net increase in fund balance during the current year of \$51,551,921 was due to issuance of bonds in the amount of \$51,551,921.

The day care fund has total net position of \$241,509, after recording a net gain of \$81,766 for the year.

## **Capital Assets and Debt Administration**

### *Capital Assets*

At June 30, 2018, the District had \$283,935,010 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents an increase of \$6,602,661 above last year.

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

### *Debt Administration*

At year-end, the District had \$ 419,272,418 in bonds and other long-term liabilities outstanding (including accreted interest on bonds) versus \$339,167,187 last year—an increase of \$80,105,231. This increase was largely driven by issuance of \$52,335,000 in school building bonds, bond premiums associated with issuance and refunding of \$13,809,865, and OPEB liability of \$33,288,447. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies.

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

Land	\$ 12,020,716
Buildings	328,109,110
Furniture and Equipment	10,110,996
Construction in Progress	13,285,980
Total Capital Assets	<u>\$ 363,526,802</u>
Less Accumulated Depreciation	<u>(79,591,792)</u>
Related Debt	
Bonds Payable	329,205,852
Premium on Capital Appreciation Bonds	33,012,693
Less Deferred Loss on Refunding	(15,585,284)
Net Related Debt	<u>346,633,261</u>
Unspent Bond Proceeds	<u>48,074,312</u>
Net Investment in capital assets	<u><u>(14,623,939)</u></u>

Net position: Net Investment in Capital Assets

At June 30, 2018, the District had invested \$283,935,010 in capital assets with \$346,633,261 from debt financing. Then the amount of unspent bond proceeds totaled \$48,074,312. The negative net position of \$14,623,939 is derived from netting the total assets, net of related debt with accumulated depreciation (non-cash expenditure) resulting in a current year calculation of \$(14,623,939) for Net Investment in Capital Assets.

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

- The General Fund budgeted expenditures for the 2018-2019 year increased \$2.7 million compared to the 2017-2018 budgeted expenditures.
- The District increased the maintenance and operations property tax rate at \$1.17 per \$100 valuation. The debt service rate remained \$0.50 per \$100 valuation. Based on this information and rates, original budgeted local tax revenues increased by approximately \$5.5 million and original budgeted State foundation funding increased approximately \$3 million.

### **Contacting the District's Financial Management**

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

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## **Basic Financial Statements**



**Burleson Independent School District**  
Statement of Net Position  
June 30, 2018

**Exhibit A-1**

Control Data Codes		Primary Government		
		Governmental	Business-Type	Total
		Activities	Activities	
ASSETS				
1110	Cash and temporary investments	\$ 105,162,766	\$ 239,495	\$ 105,402,261
1220	Property taxes receivable (delinquent)	2,333,715	-	2,333,715
1230	Allowance for uncollectible taxes	(293,050)	-	(293,050)
1240	Due from other governments	15,996,077	-	15,996,077
1250	Accrued Interest	4,092	-	4,092
1290	Other receivables, net	18,623	66,243	84,866
1300	Inventories	21,954	-	21,954
1410	Prepaid expenses	734,969	565	735,534
	Capital assets			
1510	Land	12,020,716	-	12,020,716
1520	Buildings, net	255,401,112	-	255,401,112
1530	Furniture and equipment, net	3,227,202	-	3,227,202
1580	Construction in progress	13,285,980	-	13,285,980
1910	Long term investments	2,732,325	-	2,732,325
1000	Total assets	410,646,481	306,303	410,952,784
DEFERRED OUTFLOWS OF RESOURCES				
1700	Deferred loss on refunding	15,585,284	-	15,585,284
1705	Deferred outflows - pension	8,818,684	-	8,818,684
1706	Deferred outflows - OPEB	468,711	-	468,711
	Total deferred outflows of resources	24,872,679	-	24,872,679
LIABILITIES				
2110	Accounts payable	5,213,174	897	5,214,071
2140	Accrued interest payable	5,633,784	-	5,633,784
2150	Payroll deductions and withholdings	1,104,126	5,309	1,109,435
2160	Accrued wages payable	9,476,277	58,588	9,534,865
2180	Due to other governments	1,741,284	-	1,741,284
2300	Unearned revenues	44,200	-	44,200
	Noncurrent liabilities			
2501	Due within one year	14,695,809	-	14,695,809
2502	Due in more than one year	366,750,812	-	366,750,812
2540	Net pension liability	19,233,159	-	19,233,159
2545	Net OPEB liability	33,288,447	-	33,288,447
2000	Total liabilities	457,181,072	64,794	457,245,866
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	2,941,407	-	2,941,407
2606	Deferred inflows - OPEB	13,924,621	-	13,924,621
	Total deferred inflows of resources	16,866,028	-	16,866,028
NET POSITION				
3200	Net investment in capital assets	(14,623,939)	-	(14,623,939)
3820	Restricted for federal and state programs	289,830	-	289,830
3850	Restricted for debt service	11,030,385	-	11,030,385
3900	Unrestricted net position	(35,224,216)	241,509	(34,982,707)
3000	Total net position	\$ (38,527,940)	\$ 241,509	\$ (38,286,431)

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

# Burleson Independent School District

## Statement of Activities

Year Ended June 30, 2018

Data Control Codes		Program Revenues		
		Expenses	Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
11	Instruction	\$ 46,765,905	\$ 3,180,944	\$ (8,324,169)
12	Instructional resources and media services	1,027,506	-	(149,955)
13	Curriculum and staff development	1,593,667	-	(109,573)
21	Instructional leadership	1,530,629	-	(250,346)
23	School leadership	4,930,009	-	(946,323)
31	Guidance, counseling and evaluation services	3,111,946	-	(533,031)
32	Social work services	76,802	-	(17,341)
33	Health services	938,338	-	(190,563)
34	Student (pupil) transportation	3,087,009	-	40,383
35	Food services	4,803,198	2,741,209	4,184,068
36	Extracurricular activities	3,861,508	460,985	(61,298)
41	General administration	3,073,986	-	(318,889)
51	Plant maintenance and operations	7,879,454	103,833	(714,280)
52	Security and monitoring services	424,889	-	11,742
53	Data processing services	2,307,625	-	(159,938)
61	Community services	616,331	-	(15,770)
72	Debt service - interest on long term debt	14,085,772	-	-
73	Debt service - bond issuance cost and fees	1,223,629	-	-
	Total governmental activities	101,338,203	6,486,971	(7,555,283)
	Business-type activities			
	Child care	604,849	654,118	32,497
	Total business-type activities	604,849	654,118	32,497
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 101,943,052	\$ 7,141,089	\$ (7,522,786)
	Data Control Codes	General revenues		
		Taxes		
	MT	Property taxes, levied for general purposes		
	DT	Property taxes, levied for debt service		
	SF	State aid - formula grants		
	IE	Investment earnings		
	MI	Miscellaneous revenue		
	TR	Total general revenues		
	CN	Change in net position		
	NB	Net position, beginning		
	PA	Prior period adjustment - change in accounting principle		
		Net position - beginning, as restated		
	NE	Net position, ending		

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

## EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (51,909,130)	\$ -	\$ (51,909,130)
(1,177,461)	-	(1,177,461)
(1,703,240)	-	(1,703,240)
(1,780,975)	-	(1,780,975)
(5,876,332)	-	(5,876,332)
(3,644,977)	-	(3,644,977)
(94,143)	-	(94,143)
(1,128,901)	-	(1,128,901)
(3,046,626)	-	(3,046,626)
2,122,079	-	2,122,079
(3,461,821)	-	(3,461,821)
(3,392,875)	-	(3,392,875)
(8,489,901)	-	(8,489,901)
(413,147)	-	(413,147)
(2,467,563)	-	(2,467,563)
(632,101)	-	(632,101)
(14,085,772)	-	(14,085,772)
(1,223,629)	-	(1,223,629)
(102,406,515)	-	(102,406,515)
-	81,766	81,766
-	81,766	81,766
\$ (102,406,515)	\$ 81,766	\$ (102,324,749)
48,692,234	-	48,692,234
20,963,615	-	20,963,615
53,159,874	-	53,159,874
1,501,201	-	1,501,201
896,023	-	896,023
125,212,947	-	125,212,947
22,806,432	81,766	22,888,198
(2,963,278)	159,743	(2,803,535)
(58,371,094)	-	(58,371,094)
(61,334,372)	159,743	(61,174,629)
\$ (38,527,940)	\$ 241,509	\$ (38,286,431)

# Burleson Independent School District

## Balance Sheet – Governmental Funds

June 30, 2018

<b>Data Control Codes</b>		<b>10 General Fund</b>	<b>50 Debt Service Fund</b>
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ 27,940,315	\$ 11,006,773
1220	Property taxes receivable (delinquent)	1,729,812	603,903
1230	Allowance for uncollectible taxes	(228,312)	(64,738)
1240	Due from other governments	15,382,118	52,851
1250	Accrued interest	2,703	-
1260	Due from other funds	820,983	5,300,000
1290	Other receivables	18,623	-
1300	Inventories	18,749	-
1410	Prepaid items	733,949	-
1910	Long term investments	2,732,325	-
1000	Total assets	49,151,265	16,898,789
1700	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
1000A	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 49,151,265</u>	<u>\$ 16,898,789</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 782,438	\$ -
2150	Payroll deductions and withholdings	1,073,399	-
2160	Accrued wages payable	8,918,676	-
2170	Due to other funds	8,872,067	38,527
2181	Due to state	1,543,975	196,093
2300	Unearned revenues	44,200	-
2000	Total liabilities	21,234,755	234,620
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Deferred revenue and property taxes	2,334,386	539,165
<b>FUND BALANCES</b>			
Nonspendable			
3410	Inventories	18,749	-
3430	Prepaid items	733,949	-
Restricted			
3480	Debt service	-	16,125,004
3470	Capital acquisitions	-	-
3450	Grant funds	-	-
Committed			
3545	Other purposes	-	-
3600	Unassigned	24,829,426	-
3000	Total fund balances	25,582,124	16,125,004
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 49,151,265</u>	<u>\$ 16,898,789</u>

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

EXHIBIT C-1

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 62,710,714	\$ 2,735,727	\$ 104,393,529
-	-	2,333,715
-	-	(293,050)
-	561,108	15,996,077
-	1,389	4,092
3,274,973	380,993	9,776,949
-	-	18,623
-	3,205	21,954
-	1,020	734,969
-	-	2,732,325
65,985,687	3,683,442	135,719,183
-	-	-
<u>\$ 65,985,687</u>	<u>\$ 3,683,442</u>	<u>\$ 135,719,183</u>
\$ 4,264,128	\$ 151,053	\$ 5,197,619
416	30,311	1,104,126
15,059	542,542	9,476,277
-	866,355	9,776,949
-	1,216	1,741,284
-	-	44,200
4,279,603	1,591,477	27,340,455
-	-	2,873,551
-	3,205	21,954
-	1,020	734,969
-	-	16,125,004
48,074,312	-	48,074,312
-	289,830	289,830
13,631,772	1,798,361	15,430,133
-	(451)	24,828,975
61,706,084	2,091,965	105,505,177
<u>\$ 65,985,687</u>	<u>\$ 3,683,442</u>	<u>\$ 135,719,183</u>

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

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2018

Total fund balances - governmental funds	\$ 105,505,177
Capital assets used in governmental activities are not financial resources; therefore are not reported in the fund financial statements.	363,526,802
Accumulated depreciation is not reported in the fund financial statements.	(79,591,792)
Bonds payable and accumulated sick leave benefits are not reported in the fund financial statements.	(329,622,065)
Net pension liability is not reported in the fund financial statements.	(19,233,159)
Net OPEB liability is not reported in the fund financial statements.	(33,288,447)
Accreted interest on capital appreciation bonds is not reported in the fund financial statements.	(18,591,779)
Bond premiums on outstanding bonds payable are not recorded in the fund financial statements.	(33,012,693)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	15,585,284
Property tax and other revenue reported as deferred inflows in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,873,551
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(5,633,784)
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	8,818,684
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(2,941,407)
Deferred outflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	468,711
Deferred inflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(13,924,621)
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.	533,598
Net position of governmental activities	<u>\$ (38,527,940)</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, 2018

Data Control Codes		10 General Fund	50 Debt Service Fund
	<b>REVENUES</b>		
5700	Local and intermediate sources	\$ 49,946,643	\$ 20,934,939
5800	State program revenues	52,049,435	1,179,920
5900	Federal program revenues	1,427,874	-
5020	Total revenues	103,423,952	22,114,859
	<b>EXPENDITURES</b>		
	Current		
0011	Instruction	55,684,614	-
0012	Instructional resources and media services	1,166,925	-
0013	Curriculum and instructional staff development	1,490,989	-
0021	Instructional leadership	1,842,099	-
0023	School leadership	5,910,006	-
0031	Guidance, counseling and evaluation services	3,664,525	-
0032	Social work services	102,198	-
0033	Health services	1,149,067	-
0034	Student (pupil) transportation	3,082,676	-
0035	Food services	17,346	-
0036	Extracurricular activities	3,657,304	-
0041	General administration	2,643,583	-
0051	Facilities maintenance and operations	8,578,396	-
0052	Security and monitoring services	381,888	-
0053	Data processing services	2,462,969	-
0061	Community services	37,755	-
	Debt service		
0071	Principal on long-term debt	-	11,715,000
0072	Interest on long-term debt	-	13,115,431
0073	Bond issuance cost and fees	-	807,120
	Capital outlay		
0081	Facilities acquisition and construction	-	-
	Intergovernmental		
0093	Payments to fiscal agent/member districts of SSA	-	-
0099	Other intergovernmental charges	702,052	-
6030	Total expenditures	92,574,392	25,637,551
1100	Excess (deficiency) of revenues over (under) expenditures	10,849,560	(3,522,692)
	<b>OTHER FINANCING SOURCES (USES)</b>		
7900			
7911	Issuance of bonds	-	65,729,151
7915	Transfers in	-	5,300,000
7916	Premium or discount on issuance of bonds	-	5,685,678
8911	Transfers out	(8,519,602)	-
8949	Payment to refunded bond escrow agent	-	(70,609,310)
7080	Total other financing sources (uses)	(8,519,602)	6,105,519
1200	Net change in fund balances	2,329,958	2,582,827
0100	<b>FUND BALANCE at July 1 (beginning)</b>	23,252,166	13,542,177
3000	<b>FUND BALANCE at June 30 (ending)</b>	\$ 25,582,124	\$ 16,125,004

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 1,531,505	\$ 5,924,154	\$ 78,337,241
4,354	645,135	53,878,844
-	5,765,704	7,193,578
1,535,859	12,334,993	139,409,663
114,194	2,861,887	58,660,695
-	48,012	1,214,937
-	568,998	2,059,987
-	264,109	2,106,208
-	175,275	6,085,281
-	484,158	4,148,683
-	-	102,198
-	931	1,149,998
-	9,185	3,091,861
-	5,801,043	5,818,389
-	943,353	4,600,657
33,797	5,907	2,683,287
119,477	61,683	8,759,556
-	50,908	432,796
-	1,073	2,464,042
-	848,169	885,924
-	-	11,715,000
-	-	13,115,431
416,509	-	1,223,629
12,974,599	-	12,974,599
-	100,967	100,967
-	-	702,052
13,658,576	12,225,658	144,096,177
(12,122,717)	109,335	(4,686,514)
52,335,000	-	118,064,151
3,219,602	-	8,519,602
8,120,036	-	13,805,714
-	-	(8,519,602)
-	-	(70,609,310)
63,674,638	-	61,260,555
51,551,921	109,335	56,574,041
10,154,163	1,982,630	48,931,136
\$ 61,706,084	\$ 2,091,965	\$ 105,505,177

**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, 2018

Total net change in fund balances - governmental funds	\$ 56,574,041
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.	13,691,987
Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(7,089,326)
The current year issuance of bonds 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.	(118,060,000)
Current year payments to bond refunding escrow agent are shown as other uses in the fund financial statements but are shown as reductions in long term debt and as a deferred loss on bond refunding in the government-wide financial statements.	66,085,000
Current year long-term debt principal payments on bonds payable and capital lease obligations are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	11,715,000
The change in current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements.	346,145
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(766,454)
The decrease in other long-term debt for local leave payable is not recognized in the fund financial statements.	(55,745)
Changes in the net pension liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an increase to net position.	(1,350,502)
Changes in the net OPEB liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an increase to net position.	11,626,737
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.	313,152
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.	(15,668,232)
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	2,052,558
Current year deferred loss on refunding associated with bonds payable is reported net of amortization on the government-wide financial statements.	3,560,003
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to increase net position.	(167,932)
Change in net position of governmental activities	<u>\$ 22,806,432</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, 2018

**Exhibit D-1**

	Business-type Activities Enterprise Funds <u>Day Care Fund</u>	Governmental Activities Internal Service Fund <u>Insurance Fund</u>
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$ 239,495	\$ 769,237
Other receivables	66,243	-
Prepaid Expenses	565	-
	<u>306,303</u>	<u>769,237</u>
Total current assets		
	<u>306,303</u>	<u>769,237</u>
<b>TOTAL ASSETS</b>		
	<u>306,303</u>	<u>769,237</u>
<b>DEFERRED OUTFLOWS</b>	-	-
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	897	15,555
Payroll deductions and withholdings	5,309	-
Accrued wages payable	58,588	-
Claims payable	-	163,964
	<u>64,794</u>	<u>179,519</u>
Total current liabilities		
	<u>64,794</u>	<u>179,519</u>
Noncurrent liabilities		
Claims payable	-	56,120
	<u>-</u>	<u>56,120</u>
Total noncurrent liabilities		
	<u>-</u>	<u>56,120</u>
<b>TOTAL LIABILITIES</b>	<u>64,794</u>	<u>235,639</u>
<b>DEFERRED INFLOWS</b>	-	-
<b>NET POSITION</b>		
Unrestricted	<u>241,509</u>	<u>533,598</u>
<b>TOTAL NET POSITION</b>	<u>\$ 241,509</u>	<u>\$ 533,598</u>

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

**Burleson Independent School District**  
Statement of Revenues, Expenses, and Changes In  
Net Position – Proprietary Funds  
Year Ended June 30, 2018

**Exhibit D-2**

	Business-type Activities Enterprise Funds <u>Day Care Fund</u>	Governmental Activities Internal Service Fund <u>Insurance Fund</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 654,118	\$ 190,447
Total operating revenues	654,118	190,447
<b>OPERATING EXPENSES</b>		
Personnel services	555,621	-
Contractual services	9,316	-
Utilities	19,351	-
Other supplies and expenses	19,232	-
Other operating costs	1,329	358,379
Total operating expenses	604,849	358,379
Operating income	49,269	(167,932)
<b>NONOPERATING REVENUES</b>		
State on-behalf revenue	32,497	-
Total nonoperating revenue	32,497	-
Income before contributions and transfers	81,766	(167,932)
Change in net position	81,766	(167,932)
<b>TOTAL NET POSITION, beginning</b>	159,743	701,530
<b>TOTAL NET POSITION, ending</b>	\$ 241,509	\$ 533,598

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, 2018

**Exhibit D-3**

	Business-type Activities Enterprise Funds Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and interfund services	\$ 640,093	\$ 255,195
Payments to suppliers	(48,896)	(311,992)
Payments to employees	(521,695)	-
Net cash provided by (used in) operating activities	69,502	(56,797)
Net increase (decrease) in cash and temporary investments	69,502	(56,797)
<b>BALANCES, beginning of the year</b>	169,993	826,034
<b>BALANCES, end of the year</b>	<u>\$ 239,495</u>	<u>\$ 769,237</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income	\$ 49,269	\$ (167,932)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
State on-behalf revenue	32,497	-
Change in assets and liabilities		
Receivables	(14,025)	-
Prepaid expenses	(565)	-
Due from other funds	-	64,748
Accounts and payroll taxes payables	838	3,528
Accrued wages payable	1,488	-
Claims payable	-	42,859
Net cash provided by (used in) operating activities	<u>\$ 69,502</u>	<u>\$ (56,797)</u>

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

**Burleson Independent School District**  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2018

**Exhibit E-1**

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and temporary investments	\$ 32,715	\$ 103,052
Total assets	<u>\$ 32,715</u>	<u>\$ 103,052</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 9,923
Due to other governments	-	91
Due to student groups	-	93,038
Total liabilities	-	<u>\$ 103,052</u>
<b>NET POSITION</b>		
Held in trust for scholarships and other purposes	<u>\$ 32,715</u>	

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



**Burleson Independent School District**  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2018

**Exhibit E-2**

	Private Purpose Trust Fund
<b>NET POSITION, beginning of the year</b>	\$ 33,715
Deductions	
Scholarships granted	(1,000)
<b>NET POSITION, end of year</b>	<u>\$ 32,715</u>

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

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## **Burleson Independent School District**

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

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

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

##### **Reporting Entity**

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

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

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

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

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

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

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

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

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

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

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

Additionally, the District reports the following fund types:

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

#### **New Accounting Standards Adopted**

In fiscal year 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which supersedes GASB Statement No. 45.

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions that are administered through trusts or equivalent arrangements, and to the financial statements of state and local government in which the non-employer contributing entity (State) and District have a legal obligation to make contributions directly to such OPEB plan. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The adoption of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. The calculation of OPEB contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of the Statement.

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

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

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

## **Burleson Independent School District**

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

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

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

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

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

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

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

#### **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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

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

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

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

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds at June 30, 2018 is as follows:

Appropriated budget funds	
Child nutrition program	\$ 198,633
Nonappropriated budget funds	<u>1,893,332</u>
All special revenue funds	<u><u>\$ 2,091,965</u></u>

### 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, 2018, there were no outstanding purchase orders.

### Cash Equivalents

For purposes of the statement of cash flows, 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 nonspendable to signify that a portion of fund balance is not available for other subsequent expenditures.

#### Investments

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

#### Inventories

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

#### Interfund Receivables and Payables

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

#### Capital Assets

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

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

Buildings	25-50 years
Furniture and equipment	10 years

#### 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.



## **Burleson Independent School District**

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

Fund balance categories are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details on the various fund balance classifications, refer to Note 14.

#### **Net Position**

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

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

#### **Long-term Obligations**

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

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

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

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

#### **Estimates**

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

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, 2018 will change.

## **Burleson Independent School District**

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

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

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

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

The portion of the District's property tax levy that was not collected until more than 60 days after the end of the current year and therefore not considered available has been reported as a deferred inflow of resources in the Governmental Funds Balance Sheet totaling \$1,501,500 and \$539,165 in the General Fund and Debt Service Fund, respectively. The remaining amounts reported in the General Fund represent governmental revenue not expected to be collected within one year and has therefore, been reported as deferred outflow of resources.

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

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

#### **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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Investments

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

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

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

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Primary government	\$ 108,134,586
Fiduciary funds	135,767
	<hr/>
	\$ 108,270,353
	<hr/>

Cash and investments as of June 30, 2018 consist of the following:

Cash and temporary investments	\$ 105,538,028
Long term investments	2,732,325
	<hr/>
	\$ 108,270,353
	<hr/>

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

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2018, the District's bank balance of cash deposits, including money markets and certificates of deposit, totaled \$5,619,513 and the carrying amount was \$6,866,638. This entire amount was either collateralized with securities held by the District's agent or covered by FDIC insurance.

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

- Depository: Wells Fargo;
- Securities pledged as of the date of the highest balance: \$19,038,687;
- Largest cash, savings, and certificate of deposit combined account balance amounted to \$14,942,636 and occurred during November 2017;
- Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

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

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

*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, 2018, 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 considered deposits with financial institutions and are also excluded.

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

	Value at June 30, 2018	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost				
Investment pools				
TexPool	\$ 72,750,213	72%	39	AAAm
Lonestar	25,926,583	26%	46	AAA
Other investments				
Certificates of deposit	2,732,325	3%	391	AAAm
Total	<u>\$ 101,409,121</u>	<u>101%</u>		
Portfolio weighted average maturity			<u>51.77</u>	

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

**Burleson Independent School District**  
Notes to the Basic Financial Statements

**Note 3. Capital Assets**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions/ Completions	(Retirements)/ Adjustments	Balance June 30, 2018
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,020,716	\$ -	\$ -	\$ 12,020,716
Construction in progress	-	13,285,980	-	13,285,980
Total capital assets not being depreciated	12,020,716	13,285,980	-	25,306,696
Capital assets being depreciated				
Buildings	328,026,626	82,484	-	328,109,110
Furniture and equipment	9,787,473	323,523	-	10,110,996
Total assets being depreciated	337,814,099	406,007	-	338,220,106
Less accumulated depreciation for				
Buildings	(66,163,466)	(6,544,532)	-	(72,707,998)
Furniture and equipment	(6,339,000)	(544,794)	-	(6,883,794)
Total accumulated depreciation	(72,502,466)	(7,089,326)	-	(79,591,792)
Total capital assets being depreciated, net	265,311,633	(6,683,319)	-	258,628,314
Governmental activities capital assets, net	<u>\$ 277,332,349</u>	<u>\$ 6,602,661</u>	<u>\$ -</u>	<u>\$ 283,935,010</u>

Depreciation expense was charged as direct expense as follows:

Governmental activities	
Instruction	\$ 4,816,144
Instructional resources and media services	88,061
Curriculum and staff development	116,681
Instructional leadership	152,369
School leadership	527,739
Guidance, counseling and evaluation services	317,021
Social Services	9,212
Health services	101,476
Student (pupil) transportation	4,727
Food services	234,843
Extracurricular activities	18,715
General administration	181,762
Plant maintenance and operations	420,743
Data processing services	96,633
Community services	3,200
Total depreciation expense - governmental activities	<u>\$ 7,089,326</u>

# Burleson Independent School District

## Notes to the Basic Financial Statements

### Note 4. Long-Term Debt

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

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

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

The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2018:

	Interest Rate Payable	Amounts Outstanding 7/1/2017 (as restated)	Issued Current Year	Refunded Current Year	Interest Accretion	Retired	Amounts Outstanding 6/30/2018	Due Within One Year
<b>Bond indebtedness</b>								
1995 Refunding bonds	5.90-5.95%	\$ 65,852	\$ -	\$ -	\$ -	\$ -	\$ 65,852	\$ -
2007 School building and refunding bonds	4.00-5.00%	4,560,000	-	-	-	4,560,000	-	-
2008 School building bonds	4.00-5.50%	275,000	-	-	-	135,000	140,000	140,000
2009 School building bonds	2.45-5.00%	66,215,000	-	66,085,000	-	55,000	75,000	35,000
2010 School building and refunding bonds	4.00%	25,480,000	-	-	-	1,300,000	24,180,000	1,345,000
2011 School building and refunding bonds	2.00-5.00%	22,120,000	-	-	-	295,000	21,825,000	305,000
2012 School building and refunding bonds	.057-3.00%	7,945,000	-	-	-	225,000	7,720,000	215,000
2015 School building and refunding bonds	2.00-5.00%	25,315,000	-	-	-	25,000	25,290,000	3,715,000
2016 School building and refunding bonds	2.00-5.00%	119,340,000	-	-	-	245,000	119,095,000	375,000
2017 School building and refunding bonds	2.00-5.00%	17,630,000	-	-	-	180,000	17,450,000	965,000
2017 School building bonds	4.00-5.00%	-	52,335,000	-	-	4,695,000	47,640,000	2,870,000
2017A School building and refunding bonds	3.00-6.00%	-	65,725,000	-	-	-	65,725,000	1,370,000
<b>Total bonded indebtedness</b>		<b>288,945,852</b>	<b>118,060,000</b>	<b>66,085,000</b>	<b>-</b>	<b>11,715,000</b>	<b>329,205,852</b>	<b>11,335,000</b>
<b>Other district obligations</b>								
Accreted interest on Capital appreciation bonds		18,937,924	-	-	1,153,855	1,500,000	18,591,779	1,530,000
Premium on bonds		19,397,019	15,668,232	-	-	2,052,558	33,012,693	1,630,319
Accumulated unpaid sick leave benefits		360,468	87,379	-	-	31,634	416,213	36,526
Claims payable		177,225	92,458	-	-	49,599	220,084	163,964
Net Pension Liability		21,196,537	4,214,004	-	-	6,177,382	19,233,159	-
Net OPEB Liability		58,769,072	-	-	-	25,480,625	33,288,447	-
<b>Total other obligations</b>		<b>118,838,245</b>	<b>20,062,073</b>	<b>-</b>	<b>1,153,855</b>	<b>35,291,798</b>	<b>104,762,375</b>	<b>3,360,809</b>
<b>Total obligation of district</b>		<b>\$ 407,784,097</b>	<b>\$ 138,122,073</b>	<b>\$ 66,085,000</b>	<b>\$ 1,153,855</b>	<b>\$ 47,006,798</b>	<b>\$ 433,968,227</b>	<b>\$ 14,695,809</b>

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

	Principal	Interest	Total Requirements
2019	\$ 11,335,000	\$ 14,853,107	\$ 26,188,107
2020	11,210,000	14,355,182	25,565,182
2021	6,123,837	16,291,895	22,415,732
2022	7,810,416	14,441,991	22,252,407
2023	8,157,650	14,127,456	22,285,106
2024-2028	49,433,949	61,717,648	111,151,597
2029-2033	69,785,000	40,995,265	110,780,265
2034-2038	84,850,000	25,822,956	110,672,956
2039-2043	70,415,000	21,980,008	92,395,008
2044-2047	10,085,000	1,292,250	11,377,250
	<u>\$ 329,205,852</u>	<u>\$ 225,877,758</u>	<u>\$ 555,083,610</u>

The 1995, 2009, 2010 and 2011 bond series include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2019 through 2047. Interest accrues on these bonds each February 1 and August 1 even though the interest is not paid until maturity.

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

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2018.

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

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

On November 29, 2017, the District issued Unlimited Tax Refunding Bonds, Series 2017A for \$65,725,000 to refund a portion of the Unlimited Tax School Building and Refunding Bond, Series 2009. The bond bear accrue interest at rates from 3.125% to 6%, which is due and payable on February 1 and August 1 of each year. The bonds are scheduled to mature between 2021 and 2040. The refunding was undertaken to reduce the District's total debt service payments over the next 22 years by \$14,203,764 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$9,972,329.

The District defeased certain outstanding unlimited tax school building bond from Series 2009 by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2018, \$66,085,000 is considered defeased on Series 2009.



## **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 2018 fiscal year was based was \$4,336,695,747. 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, 2018 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$0.50 per \$100 valuation, respectively, for a total of \$1.67 per \$100 valuation.

Current tax collections for the year ended June 30, 2018 were 101% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2018, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,501,500 and \$539,165 for the General and Debt Service Funds, respectively.

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

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

##### **Plan Description**

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

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

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

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2017.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2017.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Benefits Provided

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

#### Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Contribution rates can be found in the TRS 2017 CAFR, Note 12, on Page 88.

	Contribution Rates	
	2017	2018
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

Employer #0442	2018
Employer contributions	\$ 1,967,605
Member contributions	5,428,387
NECE on-behalf contributions	3,436,897

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

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

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

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

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

### Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long term expected investment rate of return	8.00%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Ad hoc post-employment benefit changes	None

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2017 Net Pension Liability.

	<u>1% Decrease in discount rate (7.0%)</u>	<u>Discount rate (8.0%)</u>	<u>1% Increase in discount rate (9.0%)</u>
District's proportionate share of the net pension liability	\$ 32,423,306	\$ 19,233,159	\$ 8,250,221

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

At June 30, 2018, the District reported a liability of \$19,233,159 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 19,233,159
State's proportionate share that is associated with District	33,601,011
Total	<u>\$ 52,834,170</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017, the employer's proportion of the collective net pension liability was 0.06015%, which was an increase from 0.05609%, its proportion measured as of August 31, 2016.

#### Changes since the Prior Actuarial Valuation

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

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

For the year ended August 31, 2018, the District recognized pension expense of \$2,562,951 and revenue of \$2,562,951 for support provided by the State.

## Burleson Independent School District

### Notes to the Basic Financial Statements

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 281,390	\$ 1,037,219
Changes in actuarial assumptions	876,101	501,547
Differences between projected and actual investment earnings	-	1,401,670
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	6,576,674	971
Contributions paid to TRS subsequent to the measurement dates	1,084,519	-
	<u>\$ 8,818,684</u>	<u>\$ 2,941,407</u>

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

Year ended August 31:	Pension Expense Amount
2019	\$ 869,249
2020	2,096,951
2021	774,914
2022	396,496
2023	516,273
Thereafter	138,875

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

### Plan Description

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### Benefits Provided

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

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

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

TRS-Care Plan Premium Rates  
Effective September 1, 2016-December 31, 2017

	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ -	\$ 70	\$ 100
Retiree and spouse	20	175	255
Retiree* and children	41	132	182
Retiree and family	61	237	337
Surviving children only	28	62	82

\* or surviving spouse

#### 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.

## Burleson Independent School District

### Notes to the Basic Financial Statements

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2018	2017
Active employees	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.00%
Employers/District	0.75%	0.55%
Federal/private funding remitted by Employers	1.00%	1.00%

The contribution amounts for the District's fiscal year 2018 are as follows:

Member contributions	464,174
NECE on-behalf contributions (State)	648,146

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017 and \$182.6 million in fiscal year 2018.



# Burleson Independent School District

## Notes to the Basic Financial Statements

### Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

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

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

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Inflation	2.50%
Discount rate	3.42%*
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost
Payroll growth rate	2.50%
Projected salary increases	3.50% to 9.50%**
Healthcare trend rates	4.50% to 12.00%***
Election rates	Normal retirement 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

\*Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

\*\*Includes inflation at 2.50%

\*\*\*Initial trend rates are 7.00% for non-Medicare retiree; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

Other information - There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. The Discount Rate can be found in the 2017 TRS CAFR on page 83. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was Fixed-income 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, 2017.

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

\*\* The Expected Contributions to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability.

	<u>1% Decrease in discount rate (2.42%)</u>	<u>Discount rate (3.42%)</u>	<u>1% Increase in discount rate (4.42%)</u>
District's proportionate share of the net OPEB liability	\$ 39,288,631	\$ 33,288,447	\$ 28,465,652

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

At June 30, 2018, the District reported a liability of \$33,288,447 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 33,288,447
State's proportionate share that is associated with District	<u>54,213,057</u>
Total	<u><u>\$ 87,501,504</u></u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was .076549% which was the same proportion measured as of August 31, 2016.

## Burleson Independent School District

### Notes to the Basic Financial Statements

**Changes Since the Prior Actuarial Valuation** – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered the total OPEB liability.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended June 30, 2018, the District recognized a reduction of OPEB revenue and expense of \$18,141,131 from the nonemployer contributing entity (NECE) and a total reduction in OPEB expense of \$29,767,868 from the current year OPEB activities and the effect of the NECE on-behalf.

At June 30, 2018, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 694,922
Changes in actuarial assumptions	-	13,229,699
Differences between projected and actual investment earnings	5,057	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	153	-
Contributions paid subsequent to the measurement dates	463,501	-
	<u>\$ 468,711</u>	<u>\$ 13,924,621</u>

## Burleson Independent School District

### Notes to the Basic Financial Statements

\$463,501 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
2019	\$ (1,836,682)
2020	(1,836,682)
2021	(1,836,682)
2022	(1,836,682)
2023	(1,837,946)
Thereafter	<u>(4,734,737)</u>
	<u><u>\$ (13,919,411)</u></u>

**Statement of Activities – Operating Grants and Contributions** – Districts participating in cost-sharing OPEB plan with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plan. The TRS-CARE plan is a cost-sharing plan with a special funding situation. Therefore, on-behalf expense activity of the NECE must be recorded in the District's Statement of Activities.

During the year ended June 30, 2018 the NECE amount was negative due to changes in benefits within the TRS-Care plan. The accrual for the proportionate share of that amount resulted in a negative on behalf revenue and negative on-behalf expense. The negative revenue was required to be allocated among the District's functions within operating grants and contributions on the Statement of Activities.

## Burleson Independent School District

### Notes to the Basic Financial Statements

Following are the effects on operating grants and contributions on the Statement of Activities:

Function		Operating Grants and Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (Excluding On-Behalf Accruals)
11	Instruction	(8,324,169)	(11,821,487)	3,497,318
12	Instructional resources and media services	(149,955)	(211,888)	61,933
13	Curriculum and staff development	(109,573)	(335,248)	225,675
21	Instructional leadership	(250,346)	(409,990)	159,644
23	School leadership	(946,323)	(1,269,335)	323,012
31	Guidance, counseling and evaluation services	(533,031)	(842,837)	309,806
32	Social work services	(17,341)	(22,132)	4,791
33	Health services	(190,563)	(243,998)	53,435
34	Student (pupil) transportation	40,383	(11,429)	51,812
35	Food services	4,184,068	(554,756)	4,738,824
36	Extracurricular activities	(61,298)	(438,108)	376,810
41	General administration	(318,889)	(436,657)	117,768
51	Plant maintenance and operations	(714,280)	(1,013,908)	299,628
52	Security and monitoring services	11,742	(9,615)	21,357
53	Data processing services	(159,938)	(233,295)	73,357
61	Community services	(15,770)	(286,448)	270,678
Totals		(7,555,283)	(18,141,131)	10,585,848

## 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, 2018, 2017 and 2016, the contributions made on behalf of the District were \$211,892, \$206,023 and \$246,135, respectively.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### 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, 2017	\$	360,468
Additions		
new entrants, days earned (net), and salary increments		87,379
Deductions		
payments to participants		<u>(31,634)</u>
Balance at June 30, 2018	\$	<u>416,213</u>

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 10. Interfund Activity

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

	Due from Other Funds	Due to Other Funds
Major governmental funds		
General fund	820,983	8,872,067
Capital projects fund	3,274,973	-
Debt service fund	5,300,000	38,527
Nonmajor governmental funds		
Special revenue funds		
Child nutrition program	351,347	556,344
Campus activity funds	29,646	310,011
Total	<u>\$ 9,776,949</u>	<u>\$ 9,776,949</u>

#### Note 11. Risk Management

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

#### Health Care

Employees of the District are covered under the State of Texas statewide health insurance plan (TRS Active-Care). TRS Active-Care is a fully insured plan. During 2017-2018, the District contributed \$235 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contributions and contributions for dependents.



## **Burleson Independent School District**

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

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

Starting October 1, 2012, the District self-insures against workers' compensation. The costs associated with the self-insurance plan are reported as operating revenues and operating expenses of the Internal Service fund. The total estimated claims payable at June 30, 2018, includes \$220,084 for workers' compensation case reserve losses, with \$163,964 of this amount due within one year. This liability includes estimated outstanding claims from October 1, 2012 to June 30, 2018. The liabilities reported in the fund at June 30, 2018 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, 2018, 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, 2017 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin, Texas.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 12. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2018, are summarized below:

	State Entitlements	Federal Grants	Total
General fund	\$ 14,549,233	\$ 832,885	\$ 15,382,118
Other funds	27,459	533,649	561,108
Total	<u>\$ 14,629,543</u>	<u>\$ 1,366,534</u>	<u>\$ 15,996,077</u>

#### Note 13. Litigation and Contingencies

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 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 2018 issues nor future costs that will have a material effect on the financial statements of the District.

## Burleson Independent School District

### Notes to the Basic Financial Statements

#### Note 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	\$ 48,294,950	\$ 20,673,281	\$ -	\$ -	\$ 68,968,231
Food sales	-	-	-	2,741,209	2,741,209
Investment income	367,822	124,367	1,005,706	3,306	1,501,201
Penalties, interest and other tax related income	350,107	137,291	-	-	487,398
Co-curricular student activities	460,985	-	-	3,149,689	3,610,674
Mineral Interests	-	-	525,799	-	525,799
Other	472,779	-	-	29,950	502,729
Total	<u>\$ 49,946,643</u>	<u>\$ 20,934,939</u>	<u>\$ 1,531,505</u>	<u>\$ 5,924,154</u>	<u>\$ 78,337,241</u>

#### Note 15. Classification of Fund Balance

The District classifies governmental fund balances, as follows:

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

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

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

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

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

## Burleson Independent School District

### Notes to the Basic Financial Statements

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

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

As of June 30, 2018, total committed fund balance was \$63,504,445.

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, 2018, there were no assignments of fund balance.

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

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

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

Per the District's Fiscal and Budget Strategy, the District will strive to maintain a General Fund balance in the general operating fund in which the total fund balance is twenty-five percent (25%) of the total operating expenditures and the unassigned fund balance is thirty-two percent (32%) of the total operating expenditures.

#### **Note 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 \$436,170 are recorded as revenues and expenditures in the State Instructional Materials Fund.

Ownership of textbooks previously purchased by the state and utilized by the District was transferred to the District. The majority of these textbooks were sold or otherwise disposed of in accordance with TEA guidelines. At June 30, 2018, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

## **Burleson Independent School District**

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

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

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

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

#### **Note 18. Prior Period Adjustment**

As discussed in Note 1, the adoption of GASB 75 requires and has resulted in the restatement of the District's beginning net position for the fiscal year 2018 in the government-wide financial statements to reflect the beginning net OPEB liability, deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan. Net position as of July 1, 2017 was decreased by \$58,371,094 to reflect the cumulative effect of adoption.

An aggregate net OPEB liability of \$58,769,072 offset by aggregate deferred outflows of resources of \$397,978 at June 30, 2017 was reported as a prior period adjustment to the net position on July 1, 2017.

A government recognizes beginning deferred outflows of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. Since the measurement date of the OPEB plan was different than the District's fiscal year-end, the effects from the District's reported contributions to the plan subsequent to the respective measurement date of the plan were an increase in deferred outflows of resources and a decrease in net position. The beginning deferred outflows for OPEB includes contributions from September 1, 2016 through June 30, 2017, totaling \$397,978.

Refer to Note 7 for more information regarding the District's OPEB plan.

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## **Required Supplementary Information**

# Burleson Independent School District

# Exhibit G-1

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund Year Ended June 30, 2018

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 48,421,304	\$ 49,721,304	\$ 49,946,643	\$ 225,339
5800	State program revenues	52,240,318	51,840,318	52,049,435	209,117
5900	Federal program revenues	1,208,000	1,308,000	1,427,874	119,874
5020	Total revenues	101,869,622	102,869,622	103,423,952	554,330
EXPENDITURES					
Current					
0011	Instruction	56,799,210	55,968,205	55,684,614	283,591
0012	Instructional resources and media services	1,083,755	1,184,696	1,166,925	17,771
0013	Curriculum and instructional staff development	1,374,046	1,521,938	1,490,989	30,949
0021	Instructional leadership	1,844,368	1,853,638	1,842,099	11,539
0023	School leadership	5,903,663	5,910,130	5,910,006	124
0031	Guidance, counseling and evaluation services	3,129,684	3,672,668	3,664,525	8,143
0032	Social work services	107,723	117,723	102,198	15,525
0033	Health services	1,148,140	1,168,140	1,149,067	19,073
0034	Student (pupil) transportation	3,030,672	3,220,672	3,082,676	137,996
0035	Food services	15,000	20,000	17,346	2,654
0036	Extracurricular activities	3,231,304	3,705,966	3,657,304	48,662
0041	General administration	2,597,895	2,688,595	2,643,583	45,012
0051	Facilities maintenance and operations	8,578,452	8,778,644	8,578,396	200,248
0052	Security and monitoring services	375,479	470,300	381,888	88,412
0053	Data processing services	3,499,094	2,521,371	2,462,969	58,402
0061	Community services	48,160	43,960	37,755	6,205
	Debt services				
0095	Payments to juvenile justice alternative ed. prg.	3,500	3,500	-	3,500
0099	Other intergovernmental charges	682,235	702,235	702,052	183
6030	Total expenditures	93,452,380	93,552,381	92,574,392	977,989
1100	Excess of revenues over expenditures	8,417,242	9,317,241	10,849,560	1,532,319
OTHER FINANCING SOURCES					
8911	Transfers out	-	-	(8,519,602)	(8,519,602)
7080	Total other financing sources	-	-	(8,519,602)	(8,519,602)
1200	Net change in fund balances	8,417,242	9,317,241	2,329,958	(6,987,283)
0100	FUND BALANCE - July 1 (beginning)	23,252,166	23,252,166	23,252,166	-
3000	FUND BALANCE - June 30 (ending)	\$ 31,669,408	\$ 32,569,407	\$ 25,582,124	\$ (6,987,283)



**Burleson Independent School District**  
Schedule of the District's Proportionate Share of  
the Net Pension Liability  
Year Ended June 30, 2018

**Exhibit G-2**

	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.060151343%	0.056092500%	0.051144300%	0.028050900%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 19,233,159	\$ 21,196,537	\$ 18,078,829	\$ 7,492,783
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	33,601,011	39,284,622	37,390,769	31,992,845
Total	<u>\$ 52,834,170</u>	<u>\$ 60,481,159</u>	<u>\$ 55,469,598</u>	<u>\$ 39,485,628</u>
District's Covered-Employee Payroll	\$ 69,580,209	\$ 65,990,540	\$ 57,353,065	\$ 56,750,102
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	27.64%	32.12%	31.52%	13.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

Note 1: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2017.

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

**Burleson Independent School District**

## Schedule of District Contributions

Year Ended June 30, 2018

**Exhibit G-3**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 1,278,781	\$ 1,151,179	\$ 980,294
Contribution in Relation to the Contractually Required Contribution	<u>(1,278,781)</u>	<u>(1,151,179)</u>	<u>(980,294)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 70,639,806	\$ 66,995,472	\$ 62,059,880
Contributions as a Percentage of Covered-Employee Payroll	1.81%	1.72%	1.58%

Note 1: GASB 68, Paragraph 81 requires that the information on this schedule be data from the District most recent fiscal year. Ten years of data is not available.

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

Schedule of the District's Proportionate Share of the  
Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan –  
Teacher Retirement System  
Year Ended June 30, 2018

	<u>2018</u>
District's proportion of the net OPEB liability	0.0765493643%
District's proportionate share of net OPEB liability	33,288,447
State's proportionate share of the net OPEB liability associated with the District	<u>54,213,057</u>
<b>Total</b>	<u><u>87,501,504</u></u>
District's covered-employee payroll	69,580,209
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	47.84%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

\*Note: Only one year of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2018 is not available.

**Burleson Independent School District**  
Schedule of the District's Contributions to the OPEB Plan  
Year Ended June 30, 2018

**Exhibit G-5**

	<u>2018</u>
Contractually required contribution	529,186
Contribution in relation to the contractually required contribution	<u>(529,186)</u>
Contribution deficiency (excess)	-
District's covered-employee payroll	70,639,806
Contributions as a percentage of covered-employee payroll	0.75%

\*Note: Only one year of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2018 is not available.

## Burleson Independent School District

### Notes to the Required Supplementary Information

#### Changes of benefit terms:

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

#### Changes of assumptions

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

#### Other Post-Employment Benefits

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

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

##### *Other Post-Employment Benefits Changes of Assumptions*

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

1. Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered 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, 2018

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
1240	Due from other governments	199,962	265,715	6,448
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
		<hr/>	<hr/>	<hr/>
1000	Total assets	199,962	265,715	6,448
		<hr/>	<hr/>	<hr/>
	<b>TOTAL ASSETS</b>	<b>\$ 199,962</b>	<b>\$ 265,715</b>	<b>\$ 6,448</b>
		<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ 6,431	\$ 10,884	\$ -
2150	Payroll deductions and withholdings	3,398	6,712	543
2160	Accrued wages payable	88,823	111,704	3,356
2170	Due to other funds	101,310	136,415	2,549
2181	Due to state	-	-	-
		<hr/>	<hr/>	<hr/>
2000	Total liabilities	199,962	265,715	6,448
		<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>				
	Nonspendable			
3410	Inventories	-	-	-
3430	Prepaid items	-	-	-
	Restricted			
3480	Debt service			
3470	Capital acquisitions			
3450	Grant funds	-	-	-
	Committed			
3545	Other purposes	-	-	-
3600	Unassigned	-	-	-
		<hr/>	<hr/>	<hr/>
3000	Total fund balances	-	-	-
		<hr/>	<hr/>	<hr/>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 199,962</b>	<b>\$ 265,715</b>	<b>\$ 6,448</b>
		<hr/>	<hr/>	<hr/>

240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP
\$ 689,284	\$ -	\$ -	\$ -	\$ 5,768
-	28,602	14,830	15,020	3,072
-	-	-	-	-
351,347	-	-	-	-
3,205	-	-	-	-
1,020	-	-	-	-
<u>1,044,856</u>	<u>28,602</u>	<u>14,830</u>	<u>15,020</u>	<u>8,840</u>
<u><u>\$ 1,044,856</u></u>	<u><u>\$ 28,602</u></u>	<u><u>\$ 14,830</u></u>	<u><u>\$ 15,020</u></u>	<u><u>\$ 8,840</u></u>
\$ 5,647	\$ 4,777	\$ -	\$ 1,064	1,836
13,351	-	207	5	-
270,881	-	3,368	-	-
556,344	23,825	11,255	13,951	-
-	-	-	-	-
<u>846,223</u>	<u>28,602</u>	<u>14,830</u>	<u>15,020</u>	<u>1,836</u>
3,205	-	-	-	-
1,020	-	-	-	-
194,408	-	-	-	7,004
-	-	-	-	-
-	-	-	-	-
<u>198,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,004</u>
<u><u>\$ 1,044,856</u></u>	<u><u>\$ 28,602</u></u>	<u><u>\$ 14,830</u></u>	<u><u>\$ 15,020</u></u>	<u><u>\$ 8,840</u></u>

**Burleson Independent School District**

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2018

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
<b>ASSETS</b>			
1110	Cash and temporary investments	\$ -	\$ 772
1240	Due from other governments	6,084	21,375
1250	Accrued interest	-	-
1260	Due from other funds	-	-
1300	Inventories	-	-
1410	Prepaid items	-	-
		<hr/>	<hr/>
1000	<b>Total assets</b>	6,084	22,147
		<hr/>	<hr/>
	<b>TOTAL ASSETS</b>	<u>\$ 6,084</u>	<u>\$ 22,147</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 678	\$ -
2150	Payroll deductions and withholdings	-	-
2160	Accrued wages payable	-	-
2170	Due to other funds	5,406	-
2181	Due to state	-	-
		<hr/>	<hr/>
2000	<b>Total liabilities</b>	6,084	-
		<hr/>	<hr/>
<b>FUND BALANCES</b>			
	Nonspendable		
3410	Inventories	-	-
3430	Prepaid items	-	-
	Restricted		
3480	Debt service		
3470	Capital acquisitions		
3450	Grant funds	-	22,147
	Committed		
3545	Other purposes	-	-
3600	Unassigned	-	-
		<hr/>	<hr/>
3000	<b>Total fund balances</b>	-	22,147
		<hr/>	<hr/>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,084</u>	<u>\$ 22,147</u>

Exhibit H-1 (Continued)

410 Instructional Materials Allotment	429 DATE / Read to Succeed / Recycling Grant	461 Campus Activity Funds	482 Fuel Up To Play 60	Total Nonmajor Governmental Funds
\$ 64,852	\$ -	\$ 1,973,632	\$ 1,419	\$ 2,735,727
-	-	-	-	561,108
-	-	1,389	-	1,389
-	-	29,646	-	380,993
-	-	-	-	3,205
-	-	-	-	1,020
64,852	-	2,004,667	1,419	3,683,442
<u>\$ 64,852</u>	<u>\$ -</u>	<u>\$ 2,004,667</u>	<u>\$ 1,419</u>	<u>\$ 3,683,442</u>
\$ -	\$ -	\$ 119,736	\$ -	\$ 151,053
-	451	5,644	-	30,311
-	-	64,410	-	542,542
-	-	15,300	-	866,355
-	-	1,216	-	1,216
-	451	206,306	-	1,591,477
-	-	-	-	3,205
-	-	-	-	1,020
-	-	-	-	-
64,852	-	-	1,419	289,830
-	-	1,798,361	-	-
-	(451)	-	-	1,798,361
64,852	(451)	1,798,361	1,419	(451)
<u>\$ 64,852</u>	<u>\$ -</u>	<u>\$ 2,004,667</u>	<u>\$ 1,419</u>	<u>\$ 3,683,442</u>

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	918,628	1,528,653	25,675
5020	<b>Total revenues</b>	918,628	1,528,653	25,675
	<b>EXPENDITURES</b>			
	Current			
0011	Instruction	834,174	525,088	25,675
0012	Instructional resources and media services	-	-	-
0013	Curriculum and Instructional staff development	46,522	260,551	-
0021	Instructional leadership	-	259,892	-
0023	School leadership	8,231	-	-
0031	Guidance, counseling and evaluation services	11,387	382,101	-
0033	Health services	-	54	-
0034	Student Pupil Transportation	9,185	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	7,322	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	1,807	-	-
	Intergovernmental			
0093	Payments to fiscal agent/member districts of SSA	-	100,967	-
6030	<b>Total expenditures</b>	918,628	1,528,653	25,675
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
7900	<b>OTHER FINANCING SOURCES (USES)</b>	-	-	-
1200	Net change in fund balances	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	-	-	-
3000	<b>Fund Balance - June 30 (Ending)</b>	\$ -	\$ -	\$ -

240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP
\$ 2,747,721	\$ -	\$ -	\$ -	\$ -
114,367	-	-	-	-
2,975,494	76,648	185,795	40,150	6,573
5,837,582	76,648	185,795	40,150	6,573
-	72,477	-	37,731	3,012
-	-	-	-	-
-	-	170,581	2,050	-
-	-	3,426	-	-
-	1,391	11,788	-	-
-	2,780	-	-	-
-	-	-	-	-
-	-	-	-	-
5,801,034	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,205	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	369	-
-	-	-	-	-
5,832,239	76,648	185,795	40,150	3,012
5,343	-	-	-	3,561
-	-	-	-	-
5,343	-	-	-	3,561
193,290	-	-	-	3,443
\$ 198,633	\$ -	\$ -	\$ -	\$ 7,004

# Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes In  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
REVENUES			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	6,826	9,720
5900	Federal program revenues	-	-
5020	Total revenues	6,826	9,720
EXPENDITURES			
Current			
0011	Instruction	4,057	-
0012	Instructional resources and media services	-	-
0013	Curriculum and Instructional staff development	2,769	13,167
0021	Instructional leadership	-	-
0023	School leadership	-	-
0031	Guidance, counseling and evaluation services	-	-
0033	Health services	-	-
0034	Student Pupil Transportation	-	-
0035	Food services	-	-
0036	Extracurricular activities	-	-
0041	General administration	-	-
0051	Facilities maintenance and operations	-	-
0052	Security and monitoring services	-	-
0053	Data processing services	-	-
0061	Community services	-	-
Intergovernmental			
0093	Payments to fiscal agent/member districts of SSA	-	-
6030	Total expenditures	6,826	13,167
1100	Excess (deficiency) of revenues over (under) expenditures	-	(3,447)
OTHER FINANCING SOURCES (USES)		-	-
1200	Net change in fund balances	-	(3,447)
0100	Fund Balance - July 1 (Beginning)	-	25,594
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 22,147



Exhibit H-2 (Continued)

410 Instructional Materials Allotment	429 DATE / Read to Succeed / Recycling Grant	461 Campus Activity Funds	482 Fuel Up To Play 60	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 3,176,433	\$ -	\$ 5,924,154
436,170	18,028	60,024	-	645,135
-	6,092	1,996	-	5,765,704
436,170	24,120	3,238,453	-	12,334,993
587,606	21,809	750,258	-	2,861,887
-	-	48,012	-	48,012
-	1,394	71,964	-	568,998
-	149	642	-	264,109
-	-	153,865	-	175,275
-	-	87,890	-	484,158
-	-	877	-	931
-	-	-	-	9,185
-	-	-	9	5,801,043
-	-	936,031	-	943,353
-	-	5,907	-	5,907
-	-	30,478	-	61,683
-	-	50,908	-	50,908
-	1,073	-	-	1,073
-	283	845,710	-	848,169
-	-	-	-	100,967
587,606	24,708	2,982,542	9	12,225,658
(151,436)	(588)	255,911	(9)	109,335
-	-	-	-	-
(151,436)	(588)	255,911	(9)	109,335
216,288	137	1,542,450	1,428	1,982,630
\$ 64,852	\$ (451)	\$ 1,798,361	\$ 1,419	\$ 2,091,965

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## **Agency Funds**

**Burleson Independent School District****Exhibit H-3**Statement of Changes in Fiduciary Net Position - Agency Funds  
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets				
Cash and temporary investments	\$ 74,520	\$ 231,351	\$ 202,819	\$ 103,052
Other receivables	-	11,474	11,474	-
Total assets	<u>\$ 74,520</u>	<u>\$ 242,825</u>	<u>\$ 214,293</u>	<u>\$ 103,052</u>
Liabilities				
Accounts payable	\$ 191	\$ 9,923	\$ 191	\$ 9,923
Due to other governments	-	708	617	91
Due to student groups	74,329	18,709	-	93,038
Total liabilities	<u>\$ 74,520</u>	<u>\$ 29,340</u>	<u>\$ 808</u>	<u>\$ 103,052</u>

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

**Burleson Independent School District**  
Schedule of Delinquent Taxes Receivable  
Year Ended June 30, 2018

Last Ten Years		(1)	(2)	(3)	(10)
		Tax Rates		Assessed/Appraised	Beginning
		Maintenance	Debt Service	Value for School Tax Purposes	Balance 7/1/2017
2009	and prior years	Various	Various	Various	\$ 404,446
2010		1.500000	0.500000	3,735,829,511	112,227
2011		1.370000	0.500000	3,517,047,761	53,637
2012		1.040000	0.500000	3,471,316,519	98,176
2013		1.040000	0.500000	3,434,466,119	113,219
2014		1.040000	0.500000	3,342,805,197	107,747
2015		1.040000	0.500000	3,639,098,970	126,131
2016		1.040000	0.500000	3,638,375,969	291,384
2017		1.040000	0.500000	3,880,366,485	735,688
2018	(School year under audit)	1.170000	0.500000	4,336,695,747	-
1000	TOTALS				<u>\$ 2,042,655</u>

(a) Current year's total levy is net of \$3,330,700 for levy loss due to frozen taxes on "over 65" accounts.

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy (a)	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 6/30/2018
\$ -	\$ 1,110	\$ 401	\$ -	\$ 402,935
-	1,268	423	-	110,536
-	3,925	1,432	(3,097)	45,183
-	17,987	8,647	(2,765)	68,777
-	30,181	14,510	19,209	87,737
-	45,093	21,680	39,293	80,267
-	63,146	30,359	40,214	72,840
-	156,581	75,279	117,139	176,663
-	326,884	157,156	(15,888)	235,760
68,718,781	47,649,245	20,362,923	346,404	1,053,017
<u>\$ 68,718,781</u>	<u>\$ 48,295,420</u>	<u>\$ 20,672,810</u>	<u>\$ 540,509</u>	<u>\$ 2,333,715</u>

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## **Budgetary Comparison Schedules**

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

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual - Child Nutrition Program

Year Ended June 30, 2018

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 2,855,000	\$ 2,715,000	\$ 2,747,721	\$ 32,721
5800	State program revenues	100,000	150,000	114,367	(35,633)
5900	Federal program revenues	2,935,320	2,985,320	2,975,494	(9,826)
5020	Total revenues	5,890,320	5,850,320	5,837,582	(12,738)
	EXPENDITURES				
0035	Food services	5,711,968	5,801,968	5,801,034	934
0051	Facilities maintenance and operations	35,000	35,000	31,205	3,795
6030	Total expenditures	5,746,968	5,836,968	5,832,239	4,729
1200	Net change in fund balances	143,352	13,352	5,343	(8,009)
0100	Fund balance - July 1 (beginning)	193,290	193,290	193,290	-
3000	Fund balance - June 30 (ending)	\$ 336,642	\$ 206,642	\$ 198,633	\$ (8,009)

# Burleson Independent School District

# Exhibit J-4

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund Year Ended June 30, 2018

Data					Variance With
Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Final Budget Over or (Under)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 20,031,844	\$ 20,031,844	\$ 20,934,939	\$ 903,095
5800	State program revenues	968,499	1,312,473	1,179,920	(132,553)
5020	Total revenues	21,000,343	21,344,317	22,114,859	770,542
EXPENDITURES					
0071	Debt service	20,192,249	26,446,916	25,637,551	809,365
6030	Total expenditures	20,192,249	26,446,916	25,637,551	809,365
1100	Excess (deficiency) of revenues over (under) expenditures	808,094	(5,102,599)	(3,522,692)	1,579,907
OTHER FINANCING SOURCES (USES)					
7911	Issuance of bonds	-	-	65,729,151	65,729,151
7916	Premium or discount on issuance of bonds	-	-	5,685,678	5,685,678
7915	Transfers in	-	-	5,300,000	5,300,000
8949	Other uses - refunding of bonds	-	-	(70,609,310)	(70,609,310)
7080	Total other financing sources (uses)	-	-	6,105,519	6,105,519
1200	Net change in fund balances	808,094	(5,102,599)	2,582,827	7,685,426
0100	Fund balance - July 1 (beginning)	13,542,177	13,542,177	13,542,177	-
3000	Fund balance - June 30 (ending)	\$ 14,350,271	\$ 8,439,578	\$ 16,125,004	\$ 7,685,426

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## **Statistical Section (Unaudited)**

## Burleson Independent School District

### Net Position by Component

Last Ten Years

*(accrual basis of accounting)*

(Unaudited)

	2009	2010	2011	2012
<b>Governmental Activities</b>				
Net investment in capital assets	\$ (1,920,816)	\$ (9,471,391)	\$ (13,749,605)	\$(18,016,518)
Restricted	10,575,998	13,963,180	17,531,664	15,934,357
Unrestricted	8,114,988	15,986,510	7,973,873	14,612,284
<b>Business Type Activities</b>				
Unrestricted		-	-	78,246
<b>Total Primary Government Net Position</b>	<b>\$ 16,770,170</b>	<b>\$ 20,478,299</b>	<b>\$ 11,755,932</b>	<b>\$ 12,608,369</b>

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

# Schedule 1

2013	2014	2015	2016	2017	2018
\$ (20,842,058)	\$ (28,305,183)	\$ (30,697,028)	\$ (23,725,928)	\$ (18,985,241)	\$ (14,623,939)
12,663,826	10,081,840	8,800,546	9,356,974	9,598,901	11,320,215
10,459,002	19,861,926	17,862,321	11,252,600	6,423,062	(35,224,216)
		.			
66,612	73,853	112,166	119,030	159,743	241,509
\$ 2,347,382	\$ 1,712,436	\$ (3,921,995)	\$ (2,997,324)	\$ (2,803,535)	\$ (38,286,431)

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

	2009	2010	2011	2012
<b>Expenses by Function</b>				
Governmental Activities				
Instruction	\$ 40,374,755	\$ 46,550,341	\$ 50,533,901	\$ 48,097,966
Instructional Resources & Media Services	800,081	1,031,336	1,254,218	1,090,999
Curriculum & Staff Development	1,226,390	1,417,810	1,834,757	1,394,480
Instructional Leadership	1,064,653	1,003,556	1,018,989	875,690
School Leadership	4,190,475	4,814,938	5,377,191	5,104,708
Guidance, Counseling, & Evaluation Services	2,854,114	3,067,309	3,012,553	2,911,712
Social Work Services	163,417	62,780	1,990	-
Health Services	798,480	940,645	1,061,363	1,011,880
Student (Pupil) Transportation	2,034,790	2,103,204	1,921,336	1,771,166
Food Services	3,560,810	4,066,610	4,501,219	4,351,854
Extracurricular Activities	3,710,434	3,258,847	3,646,269	2,825,755
General Administration	2,488,798	2,815,412	2,947,019	2,450,929
Plant Maintenance & Operations	6,516,267	7,831,173	9,371,292	7,997,299
Security & Monitoring Services	295,649	350,455	322,064	265,415
Data Processing Services	1,149,780	1,456,979	1,983,971	1,384,539
Community Services	889,056	970,831	920,207	1,391,995
Debt Service - Interest on Long Term Debt	10,025,985	14,623,053	16,109,185	15,522,282
Debt Service - Bond Insurance Cost & Fees	3,888	4,300	201,675	109,175
Facilities Acquisition & Construction	192,680	66,160	-	-
<b>Total Governmental Activities Expense</b>	<b>\$ 82,340,502</b>	<b>\$ 96,435,739</b>	<b>\$ 106,019,199</b>	<b>\$ 98,557,844</b>
<b>Business Type Activities Expense</b>				
Child Care	\$ -	\$ -	\$ -	\$ 604,630
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$ 299,594	\$ 404,912	\$ 433,452	\$ 44,285
Food Service	2,138,260	2,180,157	2,093,910	2,222,403
Extracurricular Activities	1,705,929	1,970,401	2,287,479	471,228
Community Services	450,943	580,681	691,256	-
Other	28,993	43,414	42,046	57,805
Operating Grants and Contributions	9,946,077	12,429,245	10,681,528	12,625,718
<b>Total Governmental</b>				
<b>Activities Program Revenue</b>	<b>\$ 14,569,796</b>	<b>\$ 17,608,810</b>	<b>\$ 16,229,671</b>	<b>\$ 15,421,439</b>
<b>Business Type Activities Revenues</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 574,687
Operating Grants and Contributions	-	-	-	-
<b>Net (Expense)/Revenue And</b>				
<b>Changes in Net Position</b>	<b>\$ (67,770,706)</b>	<b>\$ (78,826,929)</b>	<b>\$ (89,789,528)</b>	<b>\$ (83,166,348)</b>

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

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



## Schedule 2

2013	2014	2015	2016	2017	2018
\$ 48,317,821	\$ 51,233,610	\$ 52,121,810	\$ 59,854,511	\$ 65,545,974	\$ 46,765,905
1,176,099	1,241,127	1,174,637	1,232,622	1,259,513	1,027,506
1,387,812	1,324,047	1,412,597	1,931,145	2,126,353	1,593,667
946,455	1,075,638	1,642,223	1,935,294	2,184,617	1,530,629
5,102,142	5,569,981	5,698,793	6,271,740	6,829,731	4,930,009
3,096,151	3,330,123	3,432,098	4,046,727	4,393,048	3,111,946
56,328	59,666	64,471	67,371	130,744	76,802
1,093,506	1,042,166	1,088,384	1,261,473	1,351,624	938,338
1,864,305	1,880,920	1,915,025	2,794,187	2,942,211	3,087,009
4,750,681	5,188,060	5,371,267	5,746,504	5,997,147	4,803,193
3,026,639	3,117,749	3,753,960	3,955,992	4,315,441	3,861,508
2,707,304	2,852,421	3,080,199	3,339,681	4,082,942	3,073,986
9,040,355	8,584,064	8,936,625	8,761,763	9,329,370	7,879,459
276,481	445,356	314,735	361,066	377,468	424,889
1,411,545	1,547,764	2,643,544	2,265,949	2,603,464	2,307,625
643,776	687,624	671,939	815,466	973,505	616,331
15,492,377	14,959,125	15,143,300	12,307,683	12,017,106	14,085,772
624,805	128,539	5,000	1,417,599	320,831	1,223,629
-	-	-	-	-	-
<u>\$ 101,014,582</u>	<u>\$ 104,267,980</u>	<u>\$ 108,470,607</u>	<u>\$ 118,366,773</u>	<u>\$ 126,781,089</u>	<u>\$ 101,338,203</u>
 \$ 610,249	 \$ 543,580	 \$ 552,290	 \$ 562,388	 \$ 566,394	 \$ 604,849
 \$ 2,573,230	 \$ 2,775,865	 \$ 2,908,785	 \$ 3,023,031	 \$ 3,258,332	 \$ 3,180,944
2,394,643	2,613,549	2,586,788	2,515,875	2,567,586	2,741,209
441,557	415,322	436,947	461,277	489,433	460,985
-	-	-	-	-	-
48,873	140,105	127,308	99,008	105,560	103,833
6,760,500	6,858,969	6,365,989	9,720,657	8,215,605	(7,555,283)
<u>\$ 12,218,803</u>	<u>\$ 12,803,810</u>	<u>\$ 12,425,817</u>	<u>\$ 15,819,848</u>	<u>\$ 14,636,516</u>	<u>\$ (1,068,312)</u>
 \$ 566,867	 \$ 521,753	 \$ 560,564	 \$ 540,404	 \$ 577,388	 \$ 654,118
-	29,068	30,039	28,848	29,719	32,497
 \$ (88,839,161)	 \$ (91,456,929)	 \$ (96,006,477)	 \$ (102,540,061)	 \$ (112,103,860)	 \$ (102,324,749)

**Burleson Independent School District**  
General Revenues And Changes In Net Position  
Last Ten Years  
*(accrual basis of accounting)*  
(Unaudited)

	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (67,770,706)	\$ (78,826,929)	\$ (89,789,528)	\$ (88,795,779)
Business-type Activities	-	-	-	(2,339)
	<u>\$ (67,770,706)</u>	<u>\$ (78,826,929)</u>	<u>\$ (89,789,528)</u>	<u>\$ (88,798,118)</u>
<b>General Revenue and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 33,573,417	\$ 38,214,968	\$ 35,719,185	\$ 35,171,679
Property Taxes, Levied for Debt Service	13,802,085	18,329,719	17,257,445	16,855,823
State Aid - Unrestricted Formula Grants	24,801,197	23,494,941	25,221,315	30,548,650
Investment Earnings	1,155,732	294,249	155,843	80,209
Miscellaneous Local and Intermediate Revenue	5,681,115	2,201,181	2,713,373	1,266,642
Total Governmental Activities	<u>79,013,546</u>	<u>82,535,058</u>	<u>81,067,161</u>	<u>83,923,003</u>
Business-type Activities:	-	-	-	-
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 79,013,546</u>	<u>\$ 82,535,058</u>	<u>\$ 81,067,161</u>	<u>\$ 83,923,003</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 11,242,840	\$ 3,708,129	\$ (8,722,367)	\$ 687,798
Business-type Activities	-	-	-	78,246
<b>Total Change in Net Position</b>	<u>\$ 11,242,840</u>	<u>\$ 3,708,129</u>	<u>\$ (8,722,367)</u>	<u>\$ 766,044</u>

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

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

## Schedule 3

2013	2014	2015	2016	2017	2018
\$ (88,839,161)	\$ (91,464,170)	\$ (96,044,790)	\$ (102,546,925)	\$ (112,144,573)	\$ (102,406,515)
(11,634)	7,241	38,313	6,864	40,713	81,766
<u>\$ (88,850,795)</u>	<u>\$ (91,456,929)</u>	<u>\$ (96,006,477)</u>	<u>\$ (102,540,061)</u>	<u>\$ (112,103,860)</u>	<u>\$ (102,324,749)</u>
\$ 35,332,535	\$ 34,367,419	\$ 37,232,750	\$ 37,793,546	\$ 39,179,085	\$ 48,692,234
16,919,470	16,495,771	17,896,527	18,104,303	18,733,850	20,963,615
31,980,677	38,320,076	42,264,958	46,369,557	53,075,316	53,159,874
83,777	57,588	58,632	213,369	351,980	1,501,201
923,169	1,581,129	1,689,255	1,096,123	957,418	896,023
<u>85,239,628</u>	<u>90,821,983</u>	<u>99,142,122</u>	<u>103,576,898</u>	<u>112,297,649</u>	<u>125,212,947</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 85,239,628</u>	<u>\$ 90,821,983</u>	<u>\$ 99,142,122</u>	<u>\$ 103,576,898</u>	<u>\$ 112,297,649</u>	<u>\$ 125,212,947</u>
\$ (3,556,151)	\$ (642,187)	\$ 3,097,332	\$ 1,029,973	\$ 153,076	\$ 22,806,432
(11,634)	7,241	38,313	6,864	40,713	81,766
<u>\$ (3,567,785)</u>	<u>\$ (634,946)</u>	<u>\$ 3,135,645</u>	<u>\$ 1,036,837</u>	<u>\$ 193,789</u>	<u>\$ 22,888,198</u>

**Burleson Independent School District**  
Fund Balances, Governmental Funds  
Last Ten Years  
*(modified accrual basis of accounting)*  
(Unaudited)

	2009	2010	2011	2012
<b>General Fund</b>				
Nonspendable	\$ 12,665	\$ 127,843	\$ 122,163	\$ 226,556
Committed	-	-	13,874,622	99,806
Unassigned	23,016,263	28,042,051	14,707,187	20,112,493
<b>Total General Fund</b>	<u>23,028,928</u>	<u>28,169,894</u>	<u>28,703,972</u>	<u>20,438,855</u>
<b>All Other Governmental Funds</b>				
Nonspendable	-	-	86,041	58,212
Committed	-	-	-	14,876,611
Restricted for:				
Debt Service	33,507,870	23,517,201	21,588,409	19,707,583
Capital Acquisitions	-	-	5,466,278	4,647,629
Grant Funds	1,039,337	711,665	1,134,146	396,979
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>34,547,207</u>	<u>24,228,866</u>	<u>28,274,874</u>	<u>39,687,014</u>
<b>Total All Government Funds</b>	<u>\$ 57,576,135</u>	<u>\$ 52,398,760</u>	<u>\$ 56,978,846</u>	<u>\$ 60,125,869</u>
<b>Change in Fund Balance for Governmental Funds</b>	<u>\$ 26,160,904</u>	<u>\$ (5,177,375)</u>	<u>\$ 4,580,086</u>	<u>\$ 3,147,023</u>

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

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

## Schedule 4

2013	2014	2015	2016	2017	2018
\$ 304,651	\$ 250,157	\$ 400,292	\$ 278,233	\$ 270,614	\$ 752,698
149,325	20,706	287,680	161,186	-	-
19,596,818	23,647,503	24,524,180	22,000,000	22,981,552	24,829,426
20,050,794	23,918,366	25,212,152	22,439,419	23,252,166	25,582,124
11,495	34,886	30,963	27,825	8,114	4,225
14,943,344	15,068,464	18,835,540	15,422,545	11,696,613	15,430,133
17,694,475	15,061,089	14,137,487	13,088,136	13,542,177	16,125,004
3,469,281	1,934,410	-	-	-	48,074,312
241,104	312,276	181,750	181,239	432,066	289,830
-	-	-	-	-	(451)
36,359,699	32,411,125	33,185,740	28,719,745	25,678,970	79,923,053
\$ 56,410,493	\$ 56,329,491	\$ 58,397,892	\$ 51,159,164	\$ 48,931,136	\$ 105,505,177
\$ (3,715,376)	\$ (81,002)	\$ 2,068,401	\$ (7,238,728)	\$ (2,228,028)	\$ 56,574,041

**Burleson Independent School District**

## Governmental Funds Revenues

Last Nine Years

(Unaudited)

	2010	2011	2012	2013
<b>Local Sources:</b>				
Local Maintenance and Debt Service Tax	\$ 56,285,603	\$ 53,763,202	\$ 52,371,892	\$ 52,219,304
Tuition from Patrons	108,451	90,193	-	-
Other Revenue from Local Sources	4,730,998	6,548,106	4,199,895	3,444,393
Other Revenue from Intermediate Source	-	-	-	-
Co-curricular Revenues	2,552,714	2,505,836	3,309,125	3,020,855
<b>Total Local Sources</b>	<b>63,677,766</b>	<b>62,907,337</b>	<b>59,880,912</b>	<b>58,684,552</b>
<b>State Programs:</b>				
Per Capita and Foundation	23,927,656	21,849,929	27,372,818	28,670,064
Other State Program Revenues	3,946,145	4,250,107	4,741,181	4,034,466
<b>Total State Programs</b>	<b>27,873,801</b>	<b>26,100,036</b>	<b>32,113,999</b>	<b>32,704,530</b>
<b>Federal Programs:</b>				
State Distributed Revenues from Federal Source:	8,333,217	8,557,069	7,180,955	5,654,017
<b>Total Federal Programs:</b>	<b>8,333,217</b>	<b>8,557,069</b>	<b>7,180,955</b>	<b>5,654,017</b>
<b>Other Financing Sources:</b>				
Bond Proceeds and Other	70,342,359	27,106,510	13,874,622	12,031,542
<b>Total Revenues</b>	<b>\$ 170,227,143</b>	<b>\$ 124,670,952</b>	<b>\$ 113,050,488</b>	<b>\$ 109,074,641</b>

Note 1: Includes General, Special Revenue, Debt Service, and Capital Projects Funds

## Schedule 5

2014	2015	2016	2017	2018
\$ 51,003,758	\$ 55,150,878	\$ 55,876,497	\$ 58,023,847	\$ 69,455,629
-	-	-	-	-
3,888,383	3,961,718	3,868,962	4,000,853	5,244,204
-	-	-	-	-
3,695,172	3,834,222	3,539,722	3,729,456	3,637,408
58,587,313	62,946,818	63,285,181	65,754,156	78,337,241
38,320,076	38,654,135	42,197,507	43,220,942	47,478,657
1,362,739	4,375,445	5,447,670	6,719,491	6,400,187
39,682,815	43,029,580	47,645,177	49,940,433	53,878,844
5,652,580	5,650,616	6,171,935	6,981,525	7,193,578
5,652,580	5,650,616	6,171,935	6,981,525	7,193,578
-	-	-	-	-
\$ 103,922,708	\$ 111,627,014	\$ 117,102,293	\$ 122,676,114	\$ 139,409,663

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

<b>Expenditures by Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Current				
Instruction	\$ 38,610,549	\$ 44,527,640	\$ 46,919,595	\$ 44,241,226
Instructional Resources & Media Services	764,992	985,550	1,181,495	1,053,707
Curriculum & Staff Development	1,190,116	1,367,305	1,718,588	1,273,094
Instructional Leadership	1,022,985	961,847	939,953	804,834
School Leadership	3,984,545	4,694,167	4,848,447	4,561,622
Guidance, Counseling, & Evaluation Services	2,737,105	2,915,507	2,738,289	2,721,542
Social Work Services	155,153	62,457	1,796	-
Health Services	759,570	890,829	958,774	959,767
Student (Pupil) Transportation	2,027,350	2,095,728	1,909,710	1,761,046
Food Services	3,503,925	3,963,316	4,291,391	4,138,943
Extracurricular Activities	3,657,273	3,201,740	3,639,118	2,819,380
General Administration	1,949,950	2,206,564	2,308,809	1,869,336
Plant Maintenance & Operations	6,407,009	7,868,048	8,872,279	7,453,681
Security & Monitoring Services	856,546	383,195	315,198	264,347
Data Processing Services	1,115,070	2,046,096	1,902,742	1,274,022
Community Services	882,129	959,657	899,742	784,338
Debt Service				
Principal on Long Term Debt	-	1,348,967	1,978,720	2,140,256
Interest on Long Term Debt	5,451,736	14,497,891	16,582,361	16,736,906
Bond Issuance Cost & Fees	249,721	1,621,180	359,923	3,800
Capital Outlay				
Facilities Acquisition & Construction	73,923,837	78,210,386	17,178,744	719,626
Intergovernmental				
Payments to Fiscal Agent/Member Districts of S	69,033	68,394	5,114	6,192
Payments to Juvenile Justice Alternative Ed. Pr	18,481	6,225	316	10,625
Other Governmental Charges	468,875	521,829	539,762	418,146
<b>Total Expenditures</b>	<b>\$ 149,805,950</b>	<b>\$175,404,518</b>	<b>\$ 120,090,866</b>	<b>\$ 96,016,436</b>
Debt Service as a percentage of noncapital expenditures	7.51%	17.97%	18.39%	19.81%
Capital Outlay as a percentage of operating expenditures	49.75%	45.23%	14.65%	0.91%

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

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



## Schedule 6

2013	2014	2015	2016	2017	2018
\$ 43,964,457	\$ 46,101,876	\$ 47,663,770	\$ 53,309,040	\$ 56,467,397	\$ 58,660,695
1,083,010	1,132,587	1,083,901	1,117,396	1,104,506	1,214,937
1,282,555	1,223,021	1,325,555	1,785,669	1,921,224	2,059,987
866,516	975,378	1,504,517	1,727,316	1,898,780	2,107,065
4,600,600	4,967,091	5,167,382	5,552,533	5,831,744	6,085,281
2,860,732	3,044,477	3,171,903	3,603,519	3,811,342	4,148,683
56,328	59,666	64,471	67,334	112,998	102,198
986,455	926,800	987,154	1,114,998	1,152,675	1,149,998
1,854,085	1,871,241	1,906,042	2,783,872	3,168,025	3,091,861
4,850,615	4,947,288	5,329,987	5,408,386	5,569,599	5,818,384
3,015,594	3,130,083	3,831,252	3,886,937	4,138,485	4,600,657
2,127,303	2,190,131	2,237,327	2,411,313	3,032,695	2,683,287
8,559,424	8,133,280	8,563,837	8,276,005	8,569,359	8,759,561
317,253	445,368	314,811	360,600	373,960	432,796
1,316,464	1,432,054	2,671,521	2,155,227	2,457,573	2,463,185
648,288	687,546	675,254	781,105	868,096	885,924
2,864,688	3,175,487	3,681,207	5,967,905	7,735,000	11,715,000
16,691,000	17,086,032	16,646,700	14,074,789	12,429,774	13,115,431
276,535	128,539	5,000	1,417,599	320,831	1,223,629
3,624,760	1,881,859	2,057,524	8,639,262	3,525,032	12,974,599
40,048	63,532	74,669	67,632	93,471	100,967
158	7,426	1,501	1,343	-	-
384,873	392,948	605,045	627,746	637,407	702,052
<u>\$ 102,271,741</u>	<u>\$ 104,003,710</u>	<u>\$ 109,570,330</u>	<u>\$ 125,137,526</u>	<u>\$ 125,219,973</u>	<u>\$ 144,096,177</u>
20.10%	19.97%	18.91%	18.42%	16.83%	18.94%
3.90%	1.28%	2.33%	6.73%	6.72%	9.00%

**Burleson Independent School District**

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

Last Ten Years

*(modified accrual basis of accounting)*

(Unaudited)

	2009	2010	2011	2012
Excess of revenues over (under) expenditures	\$ (57,091,379)	\$ (75,519,734)	\$ (22,526,424)	\$ 3,159,430
Other Financing Sources (Uses)				
Capital Related Debt Issued (Regular Bonds)	82,600,000	66,700,000	51,095,000	-
Transfers In	239,192	416,051	-	13,874,622
Transfers Out	-	-	-	(13,973,422)
Premium or Discount on Issuance of Bonds	279,259	3,642,359	6,111,165	-
Prepaid Interest	373,024	-	-	-
Other Uses (Refunding Bonds)	(239,192)	(416,051)	(30,099,655)	-
Capital Leases	-	-	-	-
Non-Current Loans	-	-	-	-
Sale of Real and Personal Property	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	83,252,283	70,342,359	27,106,510	(98,800)
<b>Net Change in Fund Balances</b>	<b>\$ 26,160,904</b>	<b>\$ (5,177,375)</b>	<b>\$ 4,580,086</b>	<b>\$ 3,060,630</b>

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

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

## Schedule 7

2013	2014	2015	2016	2017	2018
\$ (5,228,642)	\$ (81,002)	\$ 2,056,624	\$ (8,035,233)	\$ (2,543,859)	\$ (4,686,514)
8,575,000	-	-	146,039,656	17,630,000	118,064,151
1,505,006	-	-	5,558,760	-	8,519,602
(1,505,006)	-	-	(5,558,760)	-	(8,519,602)
529,340	-	-	16,247,550	832,340	13,805,714
-	-	-	-	-	-
(9,013,270)	-	-	-	-	-
1,422,196	-	-	-	-	-
-	-	-	-	-	-
-	-	11,776	-	-	-
-	-	-	(161,490,701)	(18,146,509)	(70,609,310)
-	-	-	-	-	-
1,513,266	-	11,776	796,505	315,831	61,260,555
\$ (3,715,376)	\$ (81,002)	\$ 2,068,400	\$ (7,238,728)	\$ (2,228,028)	\$ 56,574,041

# Burleson Independent School District

# Schedule 8

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

Tax Roll for Fiscal Year	Actual Value		Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Value <sup>2</sup>	Assessed Value to Total Estimated Actual Value
	Real Property	Personal Property					
2009	3,524,175,672	329,647,356	627,435,498	3,226,387,530	1.47	3,853,823,028	83.72%
2010	3,873,172,152	349,137,487	694,216,279	3,528,093,360	1.54	4,222,309,639	83.56%
2011	3,753,814,574	425,735,259	731,948,413	3,447,601,420	1.54	4,179,549,833	82.49%
2012	3,714,753,439	576,869,842	848,822,476	3,442,800,805	1.54	4,291,623,281	80.22%
2013	3,895,626,794	409,373,981	870,534,656	3,434,466,119	1.54	4,305,000,775	79.78%
2014	3,836,856,513	426,168,092	920,219,408	3,342,805,197	1.54	4,263,024,605	78.41%
2015	4,218,002,480	423,228,388	1,002,131,898	3,639,098,970	1.54	4,641,230,868	78.41%
2016	4,516,474,211	355,362,516	1,162,757,413	3,709,079,314	1.54	4,871,836,727	76.13%
2017	4,802,189,112	391,474,242	1,313,296,869	3,880,366,485	1.54	5,193,663,354	74.71%
2018	5,466,621,379	378,701,859	1,508,627,491	4,336,695,747	1.67	5,845,323,238	74.19%

Sources: Johnson and Tarrant County Appraisal District

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

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

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

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

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## Burleson Independent School District

Property Tax Rates - Direct And Overlapping Governments

(Per \$100 Valuation)

Last Ten Years

(Unaudited)

	2009	2010	2011	2012	2013
Burleson ISD:					
Maintenance and Operations	1.04000	1.0400	1.0400	1.0400	1.0400
Interest and Sinking	0.4288	0.5000	0.5000	0.5000	0.5000
Total	<u>1.4688</u>	<u>1.5400</u>	<u>1.5400</u>	<u>1.5400</u>	<u>1.5400</u>
City of Burleson <sup>1</sup>	0.694	0.694	0.710	0.690	0.690
City of Fort Worth <sup>1</sup>	0.855	0.855	0.855	0.855	0.855
City of Crowley <sup>1</sup>	0.5755	0.64	0.64	0.669019	0.669029
Johnson County <sup>1</sup>	0.306708	0.300589	0.3275	0.3305	0.333229
Tarrant County <sup>1</sup>	0.264	0.264	0.264	0.264	0.264
Tarrant County Hospital District <sup>1</sup>	0.227897	0.227897	0.22789	0.22789	0.227897

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

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

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

<sup>1</sup>Overlapping rates

## Schedule 9

2014	2015	2016	2017	2018
1.0400	1.0400	1.0400	1.0400	1.1700
0.5000	0.5000	0.5000	0.5000	0.5000
1.5400	1.5400	1.5400	1.5400	1.6700
0.690	0.740	0.740	0.646027	0.735
0.855	0.855	0.855	0.835	0.805
0.676448	0.765515	0.718061	0.703351	0.719
0.371154	0.445	0.448	0.431713	0.4417
0.264	0.264	0.264	0.264	0.244
0.227897	0.227897	0.227897	0.227897	0.224429

# Burleson Independent School District

# Schedule 10

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

Principal Employer	Rank	2018		Rank	2009	
		2017-2018 Total Taxable Assessed Value <sup>1</sup>	Percentage of Total Taxable Assessed Value		2008-2009 Total Taxable Assessed Value <sup>2</sup>	Percentage of Total Taxable Assessed Value
Burleson Gateway	1	\$ 32,284,565	0.83%			0.00%
Wagner Smith	2	29,172,786	0.75%			
Devon Energy Operating Co, Inc.	3	21,344,480	0.55%	5	26,950,477	
XTO Energy	4	21,073,495	0.54%	1	187,092,238	
Sam's Real Estate	5	20,420,261	0.53%			
BRE DDR BR McAlister	6	20,326,214	0.52%			
H E Butt Grovery Co.	7	19,824,323	0.51%			
Reseve at McAlister	8	18,560,521	0.48%			
Halliburton	9	18,193,405	0.47%			
Covington Gateway	10	16,415,933	0.42%	10	15,366,727	
Chesapeake Operating, Inc.				2	84,103,741	3.37%
EOG Resources, Inc.				3	56,631,712	2.27%
EE Burleson, LP.				4	27,742,120	1.11%
Chesapeake Exploration, Inc.				6	19,437,810	0.78%
North Texas Llano Operating, Co.				7	19,007,030	0.76%
Sullivan Hollis R, Inc.				8	18,783,275	0.75%
Wal-Mart Real Estate Business				9	18,133,969	0.73%
		<u>\$ 217,615,983</u>	<u>5.61%</u>		<u>\$ 473,249,099</u>	<u>18.95%</u>

Source: Johnson and Tarrant County Appraisal District

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

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

<sup>1</sup>Total 2017-2018 taxable assessed value equals \$4,336,695,747

<sup>2</sup>Total 2009-2010 taxable assessed value equals \$3,226,387,530



**Burleson Independent School District****Schedule 11**
**Property Tax Levies and Collections**  
**Current Year and Last Ten Years**  
**(Unaudited)**

Fiscal Year	Total Tax Levy	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>1</sup>	Percentage of Levy		Amount	Percentage of Levy
2009	46,373,915	45,656,613	98.45%	165,317	45,821,930	98.81%
2010	56,030,178	54,488,463	97.25%	1,062,866	55,551,329	99.15%
2011	54,162,535	51,759,277	95.56%	1,129,338	52,888,615	97.65%
2012	52,139,195	51,129,246	98.06%	590,759	51,720,005	99.20%
2013	51,689,326	50,678,921	98.05%	528,909	51,207,830	99.07%
2014	50,307,825	49,439,770	98.27%	631,035	50,070,805	99.53%
2015	54,704,182	53,835,542	98.41%	465,112	54,300,654	99.26%
2016	55,572,864	54,656,414	98.35%	231,401	54,887,815	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%

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

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

Source: Johnson County Tax Office

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

**Schedule 12**

Fiscal Year	General Obligation Debt	Other Obligations	Capital Leases	Notes Payables	Total Primary Government	Percentage of Personal Income	Per Capita
2009	229,452,976	20,036,613	-	-	249,489,589	5.26%	7,263
2010	294,804,009	22,417,818	-	-	317,221,827	6.47%	9,235
2011	315,003,199	27,040,861	-	-	342,044,060	6.49%	9,958
2012	312,862,942	25,180,886	-	-	338,043,828	6.27%	9,841
2013	310,441,243	24,364,535	979,175	-	335,784,953	6.07%	9,775
2014	307,661,941	26,463,747	582,990	-	334,708,678	5.76%	9,744
2015	304,395,852	24,703,067	167,874	-	329,266,793	5.67%	9,586
2016	296,800,852	39,757,407	-	-	336,558,259	N/A	9,798
2017	288,945,852	38,695,411	-	-	327,641,263	N/A	9,538
2018	329,205,852	51,604,472	-	-	380,810,324	N/A	11,086

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

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

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

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

## Direct and Overlapping Governmental Activities Debt

June 30, 2013

(Unaudited)

Taxing Body	Net Debt Outstanding	As of	Percent Overlapping	Amount Overlapping Net
City of Burleson	\$ 153,645,000	6/30/2018	12.03%	\$ 18,489,821
City of Crowley	23,245,000	6/30/2018	120.44%	27,996,374
City of Fort Worth	731,730,000	6/30/2018	57.31%	419,370,190
Johnson County	27,030,000	6/30/2018	2.12%	572,253
Tarrant County	321,795,000	6/30/2018	25.20%	81,106,268
Tarrant County Hospital District	19,300,000	6/30/2018	1.51%	291,750
Total Overlapping Net Debt	1,276,745,000			547,826,655
Burleson ISD	380,810,324	6/30/2018	100%	380,810,324
Total Direct and Overlapping Debt				\$ 928,636,979
Ratio of Total Direct and Overlapping Net Debt to 2018 Taxable Assessed Valuation \$4,336,695,747				23.93%

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

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

<sup>1</sup>The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

**Burleson Independent School District****Schedule 14**

## Legal Debt Margin Information

Last Ten Years

(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2009	312,736,560	235,510,891	77,225,669	75.31%
2010	344,741,846	298,564,366	46,177,480	86.61%
2011	331,292,375	320,455,951	10,836,424	96.73%
2012	344,280,081	323,795,364	20,484,717	94.05%
2013	343,446,612	323,362,231	20,084,381	94.15%
2014	334,280,520	324,608,422	9,672,098	97.11%
2015	363,909,897	320,647,997	43,261,900	88.11%
2016	370,907,931	327,382,524	43,525,407	88.27%
2017	388,036,649	318,474,428	69,562,221	82.07%
2018	433,669,575	370,196,152	63,473,423	85.36%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed value	<u>\$ 4,336,695,747</u>
Debt Limit (10% of assessed value)	\$ 433,669,575
Debt applicable to limit	<u>\$ 370,196,152</u>
Legal debt margin	<u>\$ 63,473,423</u>

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

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## Burleson Independent School District

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

Fiscal Year	Total Taxable Assessed Value	Assessment Ratio	Gross Bonded Debt Outstanding at Year End <sup>1</sup>	Reserve for Retirement of Bonded Debt	Net Bonded Debt Outstanding at Year End
2009	3,312,806,512	100%	229,452,976	9,936,998	219,515,978
2010	3,528,093,360	100%	294,804,009	13,431,061	281,372,948
2011	3,447,601,420	100%	315,003,119	16,311,477	298,691,642
2012	3,442,800,805	100%	312,862,942	14,477,247	298,385,695
2013	3,434,466,119	100%	310,441,243	12,422,722	298,018,521
2014	3,342,805,197	100%	307,661,941	9,769,564	297,892,377
2015	3,639,098,970	100%	304,395,852	8,618,796	295,777,056
2016	3,709,079,314	100%	296,800,852	9,175,735	287,625,117
2017	3,880,366,485	100%	327,280,798	9,166,835	318,113,963
2018	4,336,695,747	100%	380,810,324	11,030,385	369,779,939

Sources: Johnson and Tarrant County Appraisal District, District records

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

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

Fiscal Year	Ratio Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Value Per Capita
2009	6.63%	34,350	6,391	96,443
2010	7.98%	35,030	8,032	100,716
2011	8.66%	36,690	8,141	93,966
2012	8.67%	38,130	7,825	90,291
2013	8.68%	39,010	7,640	88,041
2014	8.91%	40,714	7,317	82,105
2015	8.13%	41,213	7,177	88,300
2016	7.75%	42,560	6,758	87,149
2017	8.20%	43,960	7,236	88,270
2018	8.53%	45,016	8,214	96,337

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

**Schedule 16**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup> (thousands of dollars)	Per Capita Personal Income <sup>3</sup>	Unemployment Rate <sup>4</sup>	Residential Units <sup>5</sup>	Assessed Value of Residential Units <sup>5</sup>	Average Assessed Value of Residential Units <sup>5</sup>	Average Daily Attendance
2009	34,350	1,082,780	31,522	6.6%	17,133	2,066,448,481	120,612	9,025
2010	35,030	1,135,147	32,405	7.2%	17,465	2,177,409,710	124,673	9,241
2011	36,690	1,271,748	34,662	7.4%	17,651	2,198,943,494	124,579	9,404
2012	38,130	1,339,430	35,128	7.1%	18,043	2,207,991,229	122,374	9,704
2013	39,010	1,394,880	35,757	6.7%	18,377	2,237,896,377	121,777	9,990
2014	40,714	1,510,733	37,106	6.0%	18,583	2,330,451,271	125,408	10,186
2015	41,213	1,560,530	37,865	4.4%	18,745	2,479,984,947	132,301	10,389
2016	42,560	1,627,792	38,247	4.6%	18,932	2,660,145,544	140,511	10,804
2017	43,960	-	N/A	4.7%	19,473	3,092,091,053	158,789	11,226
2018	45,016	-	N/A	3.9%	19,934	3,365,082,959	168,811	11,487

Sources:

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

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

<sup>3</sup>Bureau of Economic Analysis. Personal income for Johnson County updated through 2016.

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

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

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

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



# Burleson Independent School District

# Schedule 17

Principal Employers  
Current Year and Five Years Ago  
(Unaudited)

Principal Employer	Business Type	Rank	2017-2018		Rank	2012-2013	
			Number of	Percentage		Number of	Percentage
			Employees	of Total		Employees	of Total
				Employment			Employment
Burleson ISD	Education		1533	10.57%		1325	12.61%
City of Burleson	Municipality		445	3.07%		383	3.64%
Wal-Mart	Retail		425	2.93%		416	3.96%
H.E.B. Grocery Store	Grocery		400	2.76%		375	3.57%
Champion Buildings	Manufacturing		375	2.59%		125	1.19%
Kroger Marketplace	Retail		190	1.31%			
Sam's Club	Retail		170	1.17%			
Basden Steel	Manufacturing		150	1.03%			
Target	Retail		130	0.90%		144	1.37%
Lowe's	Retail		130	0.90%			
Home Depot	Retail		125	0.86%			
KWS Manufacturing	Manufacturing					145	1.38%
Thomas Conveyor	Manufacturing					115	1.09%
Indicom Buildings	Manufacturing					85	0.81%
Industrial Screw	Manufacturing					65	0.62%
			4073	28.09%		3178	30.24%

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

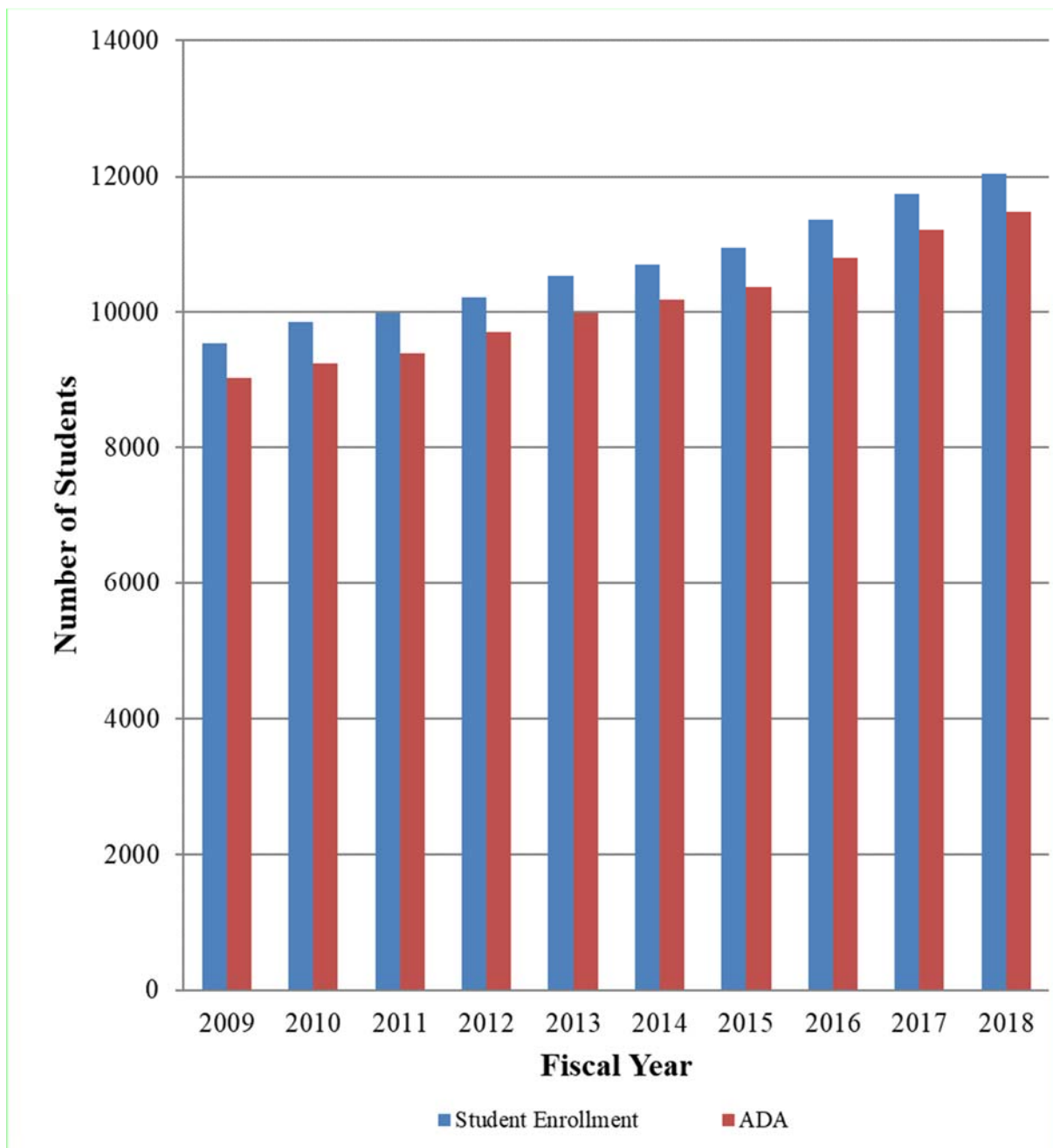
# Burleson Independent School District

# Schedule 18

Total Enrollment and Average Daily Attendance Data Chart

Last Ten Years

(Unaudited)



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

**Schedule 19**

	2011	2012	2013	2014	2015	2016	2017	2018
<b>Teaching</b>								
Elementary Classroom Teachers	327	324	329	313	304	322	353	349
Secondary Classroom Teachers	252	255	260	323	324	344	374	386
Other Teachers	82	73	75	39	56	40	32	38
Total Teaching Staff	<u>661</u>	<u>652</u>	<u>664</u>	<u>675</u>	<u>684</u>	<u>706</u>	<u>759</u>	<u>773</u>
<b>Support Staff</b>								
Counselors	19	19	21	23	22	23	23	29
Therapists	16	15	16	17	17	17	19	19
Psychologists/Diagnosticians	15	15	16	16	15	17	20	13
Teacher Facilitators	17	7	7	8	8	14	13	12
Other Campus Professional	10	7	9	10	17	18	10	19
Other Non-Instructional	19	13	17	18	21	20	24	22
Athletic Trainer	2	1	3	3	2	4	3	5
Librarians	13	13	14	14	13	14	14	14
Nurses/Physicians	16	16	16	14	15	16	16	15
Total Support Staff	<u>127</u>	<u>106</u>	<u>119</u>	<u>123</u>	<u>130</u>	<u>143</u>	<u>142</u>	<u>148</u>
<b>Administrative Staff</b>								
Principals	14	15	15	15	14	15	17	17
Assistant Principals	27	24	25	24	26	26	26	28
Superintendent	1	1	1	1	1	1	1	1
Assistant Superintendent	3	1	1	1	2	2	2	1
Directors	10	13	11	13	15	14	19	13
Total Central Administration	<u>55</u>	<u>54</u>	<u>53</u>	<u>54</u>	<u>58</u>	<u>58</u>	<u>65</u>	<u>60</u>
<b>Paraprofessional Staff</b>								
Educational Aides	<u>132</u>	<u>123</u>	<u>122</u>	<u>119</u>	<u>128</u>	<u>126</u>	<u>134</u>	<u>155</u>
<b>Auxiliary Staff</b>								
Auxiliary	<u>400</u>	<u>390</u>	<u>390</u>	<u>363</u>	<u>369</u>	<u>349</u>	<u>382</u>	<u>399</u>
Total	<u>1,375</u>	<u>1,325</u>	<u>1,347</u>	<u>1,334</u>	<u>1,369</u>	<u>1,382</u>	<u>1,482</u>	<u>1,535</u>

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

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

## Teacher Salary Data

Last Ten Years

(Unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Region Average Salary	State Average Salary
2009	43,200	66,000	46,841	49,584	47,159
2010	43,200	66,000	47,302	50,642	48,263
2011	43,200	66,000	47,463	48,014	48,638
2012	43,200	66,000	47,011	50,386	48,375
2013	43,200	66,000	47,795	51,130	48,821
2014	43,200	66,000	47,958	52,208	49,692
2015	46,000	67,200	49,601	53,291	50,715
2016	48,000	68,700	52,345	54,379	51,892
2017	49,000	69,700	53,322	55,194	52,525
2018	50,000	70,900	54,030	56,144	53,334

Source: District Records and PEIMS Standards Report

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

Note 2: Minimum and Maximum Salary based on Bachelor's 187 Days.

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## Burleson Independent School District

### Operating Statistics

Last Ten Years

(Unaudited)

Fiscal Year	Total Enrollment	Average Daily Attendance	Operating Expenditures <sup>1</sup>	Cost Per Pupil	Percent Change	Operating Expenses	Cost Per Pupil
2009	9,588	9,025	70,180,656	7,776		82,340,502	9,124
2010	9,846	9,241	79,726,094	8,627	10.95%	96,435,739	10,436
2011	9,989	9,404	72,120,557	7,669	-11.11%	106,019,199	11,274
2012	10,160	9,705	75,980,885	7,829	2.09%	98,557,844	10,155.81
2013	10,457	9,990	78,814,758	7,890	0.77%	101,014,582	10,112
2014	10,618	10,186	81,731,793	8,024	1.70%	104,267,980	10,236
2015	10,805	10,389	87,023,734	8,377	4.40%	108,470,607	10,441
2016	11,376	10,804	94,337,802	8,731	4.24%	118,366,773	10,956
2017	11,748	11,226	100,028,328	8,910	2.05%	126,781,089	11,293.49
2018	12,054	11,487	104,797,465	9,123	2.39%	101,940,469	8,874

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

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

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

Percent Change	Teaching Staff	Pupil- Teacher Ratio	Students Receiving Free or Reduced- Price Meals
	628	14.4	29.5%
14.38%	634	14.6	33.0%
8.03%	661	14.2	35.0%
-9.92%	652	14.9	37.0%
-0.43%	665	15.0	36.0%
1.23%	675	15.1	35.0%
2.00%	685	15.2	38.0%
4.93%	706	15.3	38.0%
3.09%	759	14.8	37.0%
-21.42%	772	14.9	37.0%

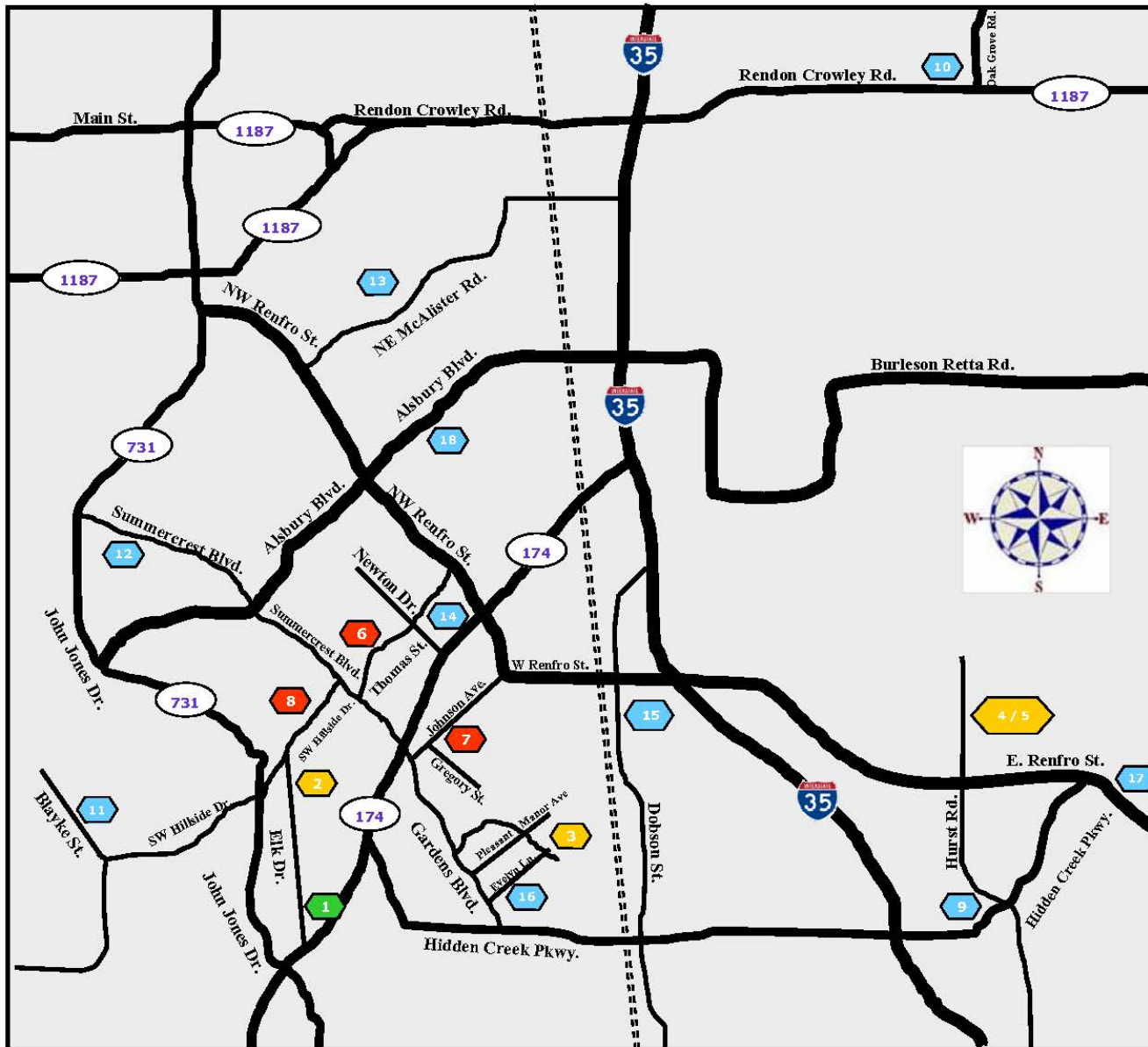
**Burleson Independent School District**  
School Building Information  
Last Ten Years  
(Unaudited)

**Schedule 22**

	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elementary</b>									
# of Locations	10	10	10	10	10	10	10	10	10
Sq. Footage	813,061	813,061	813,061	813,061	813,061	813,061	813,061	813,061	813,061
Capacity	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242
Enrollment	4,862	4,900	5,078	5,184	5,214	5,283	5,534	5,670	5,725
<b>Middle Schools</b>									
# of Locations	2	2	2	2	2	2	3	3	3
Sq. Footage	383,563	383,563	383,563	383,563	383,563	383,563	434,793	434,793	434,793
Capacity	2,200	2,200	2,200	2,200	2,200	2,200	2,700	2,700	2,700
Enrollment	2,278	2,282	2,331	2,342	2,388	2,446	2,571	2,750	2,896
<b>High Schools</b>									
# of Locations	2	3	3	3	3	3	3	4	4
Sq. Footage	447,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947	947,947
Capacity	2,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
Enrollment	2,756	2,651	2,750	2,931	3,016	3,076	3,271	3,328	3,433
<b>Athletic Facilities</b>									
Football fields	3	4	4	4	4	4	4	4	4
Running tracks	4	5	5	5	5	5	5	5	5
Ball Fields	2	4	4	4	4	4	4	4	4
<b>Playgrounds</b>	10	10	10	10	10	10	10	10	10
<b>Administrative</b>									
# of Locations	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
<b>Agriculture Science Center</b>									
Sq. Footage								28,900	28,900



# Burleson ISD School Location Map



## ADMINISTRATION

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

## HIGH SCHOOLS

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

## MIDDLE SCHOOLS

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

## ELEMENTARY SCHOOLS

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

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## **Federal Awards Section**



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

Board of Education  
Burleson Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Burleson Independent School District (the District) as of and for the year ended June 30, 2018, 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 12, 2018, which included an emphasis of matter paragraph on the restatement of beginning net position due to the implementation of new accounting guidance, GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

Board of Education  
Burleson Independent School District

### **Purpose of this Report**

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

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 12, 2018

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

Board of Trustees  
Burleson Independent School District

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

We have audited Burleson Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control over Compliance

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

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

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

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

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 12, 2018



**Burleson Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018

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

**Financial Statements**

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

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

(1) Special Education Cluster

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

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

**Burleson Independent School District**

Schedule of Findings and Questioned Costs – Continued  
Year Ended June 30, 2018

**Section II – Financial Statement Findings**

NONE

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

NONE

**Burleson Independent School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018

**Exhibit K-1**

(1) FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Junior ROTC	12.000	126902	\$ 57,249
<b>TOTAL DEPARTMENT OF DEFENSE</b>			57,249
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	15610101126902	97,944
ESEA, Title I, Part A	84.010A	16610101126902	843,178
Total CFDA Number 84.010A			941,122
Special Education Cluster			
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	156600011269026000	93,385
IDEA - Part B, Formula	84.027A <sup>(1)</sup>	166600011269026000	1,469,348
Total CFDA Number 84.027A			1,562,733
IDEA - Preschool	84.173 <sup>(1)</sup>	156610011269026000	2,723
IDEA - Preschool	84.173 <sup>(1)</sup>	166610011269026000	23,412
Total CFDA Number 84.173			26,135
Total Special Education Cluster			1,588,868
Career and Technical Education- Basic Grant	84.048	16420006126902	78,348
Total CFDA Number 84.048			78,348
Title III, Part A - English Language Acquisition	84.365A	15671001126902	7,567
Title III, Part A - English Language Acquisition	84.365A	16671001126902	33,378
Total CFDA Number 84.365A			40,945
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	15694501126902	34,640
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	16694501126902	155,853
Total CFDA Number 84.367A			190,493
ESEA, Title VI, Part A - Summer School LEP	84.369A	69551502	6,633
Total CFDA Number 84.369A			6,633
Total Passed Through State Department of Education			2,846,409
<b>TOTAL DEPARTMENT OF EDUCATION</b>			2,846,409

**Burleson Independent School District****Exhibit K-1**

## Schedule of Expenditures of Federal Awards - Continued

Year Ended June 30, 2018

(1) FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through State Department of Agriculture</u>			
Child Nutrition Cluster:			
School Breakfast Program	10.553 <sup>(2)</sup>	71401501	72,355
School Breakfast Program	10.553 <sup>(2)</sup>	71401601	385,705
Total CDFA Number 10.553			<u>458,060</u>
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71301501	352,079
National School Program Lunch - Cash Assistance	10.555 <sup>(2)</sup>	71301601	1,738,814
National School Program Lunch - Non-Cash Assistance	10.555 <sup>(2)</sup>	71301001	426,540
Total CDFA Number 10.555			<u>2,517,433</u>
Total Passed Through the State Department of Agriculture			<u>2,975,493</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			2,975,493
<b>U.S. General Services Administration</b>			
<u>Direct Programs</u>			
Donation of Federal Surplus Personal Property	39.003	N/A	1,996
<b>TOTAL U.S. GENERAL SERVICES ADMINISTRATION</b>			<u>1,996</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 5,881,147</u>
Other federal revenues not considered federal awards <sup>(3)</sup>			6,089
School Health & Related Services (SHARS) <sup>(3)</sup>			<u>1,306,342</u>
<b>TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3</b>			<u>\$ 7,193,578</u>

(1) Reported as Special Education Cluster, as required by Compliance Supplement April 2018

(2) Reported as Child Nutrition Cluster, as required by Compliance Supplement April 2018

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

## **Burleson Independent School District**

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

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

The District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*. Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

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

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying financial statements for such contingencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

#### **Note 3. Food Donation**

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. As of June 30, 2018, the District recognized food commodities totaling \$426,540 with a remaining \$3,205 in inventory.