

Burleson Independent School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019
Burleson, Texas



**Independent School District
Burleson, Texas**



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

Prepared by:
Brenda Mize, Chief Financial Officer

This Page Intentionally Left Blank

Burleson Independent School District
Comprehensive Annual Financial Report

This Page Intentionally Left Blank

Burleson Independent School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2019
 Table of Contents

	Page	Exhibit
Introductory Section		
Letter of Transmittal	vii	
Board of Trustees, Administrators, and Consultants.....	xii	
District Organizational Chart.....	xiii	
GFOA Certificate of Achievement.....	xiv	
Certificate of the Board.....	xv	
Financial Section		
Independent Auditor’s Report.....	3	
Management’s Discussion and Analysis	7	
Basic Financial Statements		
Government Wide Statements:		
Statement of Net Position	17	A-1
Statement of Activities	18	B-1
Governmental Funds Financial Statements:		
Balance Sheet – Governmental Funds.....	20	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	22	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	26	C-4
Proprietary Fund Financial Statements:		
Statement of Net Position	27	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	28	D-2
Statement of Cash Flows	29	D-3
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position – Fiduciary Fund	30	E-1
Statement of Changes in Fiduciary Net Position.....	31	E-2
Notes to the Basic Financial Statements.....	33	
Required Supplementary Information		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	66	G-1
Schedule of the District’s Proportionate Share of the Net Pension Liability	67	G-2
Schedule of the District’s Contributions.....	68	G-3
Schedule of the District’s Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan- Teacher Retirement System of Texas	69	G-4
Schedule of the District’s Contributions to the OPEB Plan.....	70	G-5
Notes to the Required Supplementary Information	71	

Burleson Independent School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2019
 Table of Contents - Continued

	Page	Exhibit
Supplementary Information – Combining Statements and Schedules		
Combining and Individual Nonmajor Fund Financial Statements:		
Nonmajor Governmental Funds:		
Combining Balance Sheet – Non Major Governmental Funds.....	76	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non Major Governmental Funds	80	H-2
Agency Funds:		
Statement of Changes in Fiduciary Net Position – Agency Funds	86	H-3
Compliance Schedule (Required by Texas Education Agency):		
Schedule of Delinquent Taxes Receivable	88	J-1
Budgetary Comparison Schedules:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program	92	J-3
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund	93	J-4
Statistical Section (Unaudited)		
Financial Trend Information:		
Net Position by Component	98	1
Governmental Activities Revenue and Expense	100	2
General Revenues and Changes in Net Position.....	102	3
Fund Balances, Governmental Funds.....	104	4
Governmental Funds Revenues.....	106	5
Governmental Funds Expenditures by Function	108	6
Governmental Funds Other Source, Uses and Changes in Fund Balance	110	7
Revenue Capacity Information:		
Assessed and Actual Value – Real and Personal Property	112	8
Property Tax Rates – Direct and Overlapping Governments.....	114	9
Ten Largest Taxpayers	116	10
Property Tax Levies and Collections.....	117	11
Debt Capacity Information		
Outstanding Debt by Type	118	12
Direct and Overlapping Governmental Activities Debt	119	13
Legal Debt Margin Information.....	120	14
Ratio of Net General Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita.....	122	15
Demographic and Economic Information		
Demographic and Economic Statistics	124	16
Principal Employers	125	17
Operating Information		
Total Enrollment and Average Daily Attendance Data Chart	126	18
Full Time Equivalent Employees by Function.....	127	19
Teacher Salary Data	128	20
Operating Statistics	130	21
School Building Information	132	22
District Map	133	23

Burleson Independent School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2019
 Table of Contents - Continued

	Page	Exhibit
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 <i>Government Auditing Standards</i>	137	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance.....	139	
Schedule of Findings and Questioned Costs	141	
Schedule of Expenditures of Federal Awards	143	K-1
Notes to the Schedule of Expenditures of Federal Awards	145	

This Page Intentionally Left Blank

Introductory Section

This Page Intentionally Left Blank



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

November 11, 2019

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 unmodified opinion based upon the audit of the Burleson Independent School District's financial statements for the fiscal year ended June 30, 2019 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. BIRD 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:

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

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

Tax Rate Adoption. The District Tax Assessor-Collector and Chief Financial Officer calculated the estimated rollback tax rate and published the required legal notice in June 2018. The Board of Trustees held the required public meeting on June 11, 2018, to discuss the proposed tax rate of \$1.17 maintenance and operations (General Fund) + \$.50 interest and sinking (Debt Service Fund) = \$1.67 per \$100 taxable valuation, however no action was taken. The Board of Trustees held the required public meeting on August 13, 2018, to discuss and adopt the 2018 proposed tax rate.

Accounting System

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

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

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

Economic Condition and Outlook

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

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

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 \$106.28 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 2018-19 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, 2019. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Acknowledgements

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

Sincerely,



Dr. Bret Jimerson
Superintendent



Brenda Mize
Chief Financial Officer

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

Board of Trustees

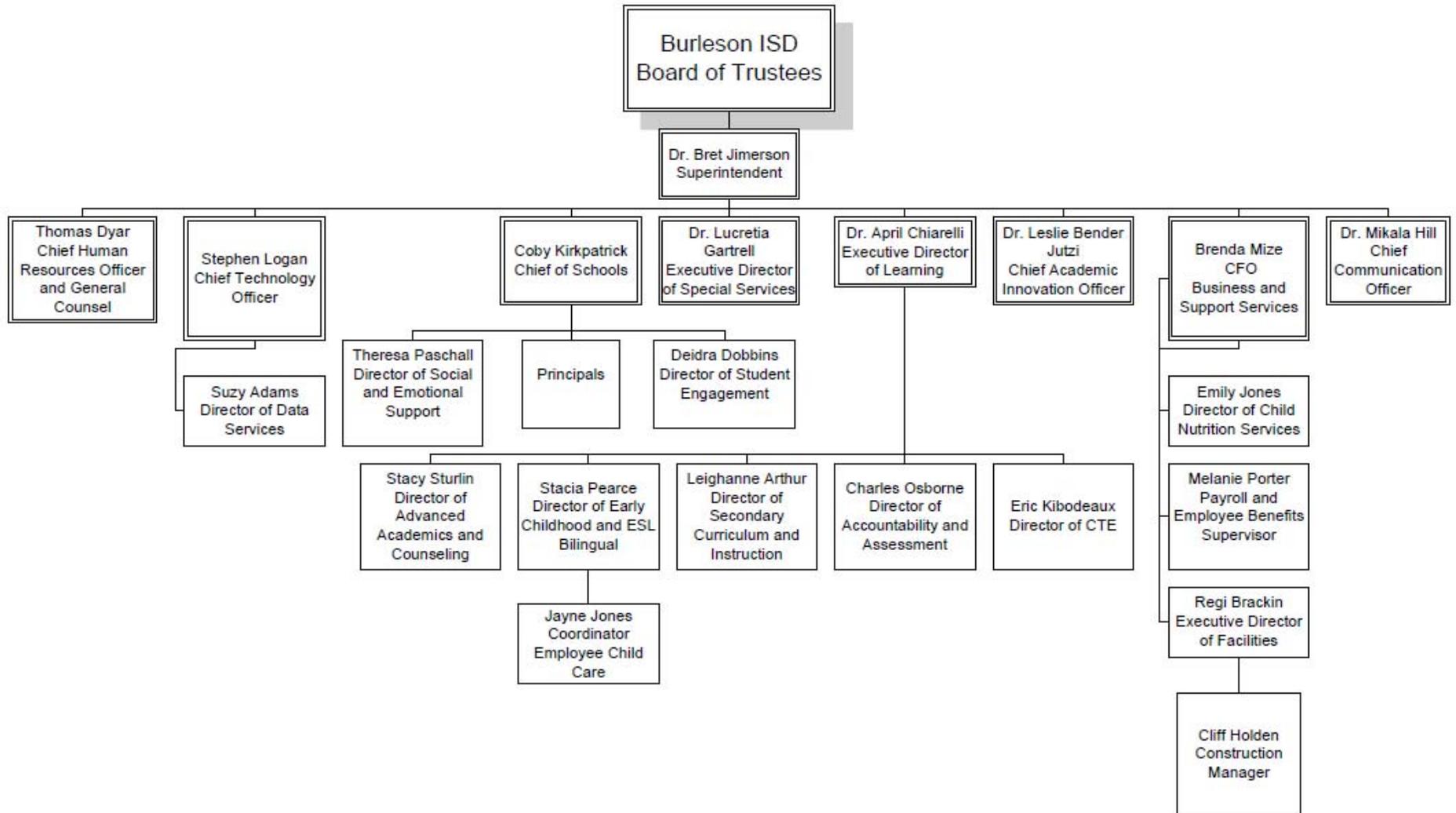
Andy Pickens.....	President
Staci Eisner.....	Secretary
Pat Worrell	Vice-President
Michael Ancy.....	Member
Jerri McNair	Member
Shawn Minor.....	Member
Ryan Richardson.....	Member

Administrative Staff

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

Consultants and Advisors

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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Burleson Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

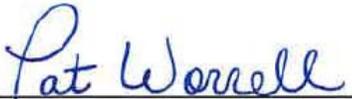
Certificate of the Board

Burleson Independent School District
Name of School District

Johnson
County

126-902
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2019, at a meeting of the Board of Trustees of such school district on the 11th day of November, 2019.


Signature of Board Secretary


Signature of Board President

This Page Intentionally Left Blank

Financial Section

This Page Intentionally Left Blank

Independent Auditor's Report

To the Board of Trustees of
Burlison Independent School District
Burlison, 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 Burlison Independent School District (the District), as of and for the year ended June 30, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.

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

Main: 817.332.7905 / Fax: 817.429.5936

CPAs AND ADVISORS | WEAVER.COM

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements, compliance schedules – required by the Texas Education Agency, budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, compliance schedules – required by the Texas Education Agency, budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Board of Trustees of
Burlleson Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019, 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 11, 2019

This Page Intentionally Left Blank

**BURLESON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

As management of Burleson Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2019. Please read this narrative in conjunction with the independent auditor's report on page 3, and the District's Basic Financial Statements that begin on page 17.

Financial Highlights

- On a government-wide basis, the liabilities and deferred inflows of Burleson Independent School District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$27,434,822 (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 in 2018, and changes in deferred outflows-pension in 2019. Unrestricted net position was (\$31,769,875) as of June 30, 2019.
- The District's total restated net position increased by \$10,851,609, which is due to an increase in attendance and property tax revenue.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$87,241,501. Approximately 31% of this total amount, \$27,461,897, 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 \$27,481,804 or 28.5% of the total general fund expenditures.
- The District's Enterprise Fund net position increased by \$85,080 from operations with net position of \$326,589. Increase in the Enterprise Fund was the result of an increase in the number of clients by approximately 10% and client composition falling within the higher rate classification. 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, 2019, assets and deferred outflows have fallen behind liabilities and deferred inflows by \$27.4 million with an increase in net position of \$10,851,609, 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, 2019, the District's restricted net position for grant funds was \$1,317,519 and restricted net assets for debt service was \$9.8 million. As of June 30, 2019, 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 \$31.8 million.

The net investment in capital assets is a deficit \$6.9 million. The District uses capital assets to provide services; consequently, these assets are not available for future appropriation. Although the District's investment in its capital assets is reported net of related debt, it should be understood that the resources needed to repay District debt is provided from other resources, since the capital assets themselves cannot be used to meet debt obligations.

Business-type Activities

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

The following table presents a comparison summary of the District's net assets for the fiscal year ended June 30, 2019 and fiscal year ended June 30, 2018:

Table I
Burleson Independent School District
Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	110,243,637	123,979,076	\$ 401,268	\$ 306,303	\$ 110,644,905	\$ 124,285,379
Capital assets	329,033,697	283,935,010	-	-	329,033,697	283,935,010
Long term investments	998,421	2,732,325	-	-	998,421	2,732,325
Total assets	<u>440,275,755</u>	<u>410,646,411</u>	<u>401,268</u>	<u>306,303</u>	<u>440,677,023</u>	<u>410,952,714</u>
Deferred outflow of resources	\$ 40,994,129	24,872,679	-	-	40,994,129	24,872,679
Current Liabilities	\$ 44,926,053	\$ 37,908,654	\$ 74,679	\$ 64,794	\$ 45,000,732	\$ 37,973,448
Long-term liabilities	449,238,213	419,272,418	-	-	449,238,213	419,272,418
Total liabilities	<u>494,164,266</u>	<u>457,181,072</u>	<u>74,679</u>	<u>64,794</u>	<u>494,238,945</u>	<u>457,245,866</u>
Deferred inflow of resources	14,867,029	16,866,028	-	-	14,867,029	16,866,028
Net position						
Net investment in capital assets	(6,871,592)	(14,623,939)	-	-	(6,871,592)	(14,623,939)
Restricted	11,206,645	11,320,215	-	-	11,206,645	11,320,215
Unrestricted	(32,096,464)	(35,224,216)	326,589	241,509	(31,769,875)	(34,982,707)
Total net position	<u>\$ (27,761,411)</u>	<u>\$ (38,527,940)</u>	<u>\$ 326,589</u>	<u>\$ 241,509</u>	<u>\$ (27,434,822)</u>	<u>\$ (38,286,431)</u>

Table II presents a summary of the changes in net position for the fiscal year ended June 30, 2019 with a comparison to the fiscal year ended June 30, 2018. Net position of the District's governmental activities increased \$10.7 million from \$38.5 million as restated in the prior year.

Revenues in the business-type activities exceeded costs, resulting in an \$85,080 increase in net position.

Table II
Burleson Independent School District
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 6,679,225	\$ 6,486,971	\$ 706,761	\$ 654,118	\$ 7,385,986	\$ 7,141,089
Operating grants and contributions	18,504,169	(7,555,283)	33,402	32,497	18,537,571	(7,522,786)
General Revenues						
Maintenance and operations taxes	52,882,627	48,692,234	-	-	52,882,627	48,692,234
Debt service taxes	22,463,135	20,963,615	-	-	22,463,135	20,963,615
State aid	51,524,236	53,159,874	-	-	51,524,236	53,159,874
Investment Earnings	2,558,767	1,501,201	-	-	2,558,767	1,501,201
Miscellaneous	831,670	896,023	-	-	831,670	896,023
Total Revenue	155,443,829	124,144,635	740,163	686,615	156,183,992	124,831,250
Expenses						
Instruction, curriculum and media services	78,212,942	49,387,078	-	-	78,212,942	49,387,078
Instructional and school leadership	10,138,401	6,461,495	-	-	10,138,401	6,461,495
Student support services	10,452,318	7,214,095	-	-	10,452,318	7,214,095
Child nutrition	7,098,022	4,803,193	-	-	7,098,022	4,803,193
Extracurricular activities	4,371,801	3,861,508	-	-	4,371,801	3,861,508
General administration	4,094,256	3,073,986	-	-	4,094,256	3,073,986
Plant maintenance, security & data processing	13,598,774	10,611,116	-	-	13,598,774	10,611,116
Community Services	1,002,886	616,331	655,083	604,849	1,657,969	1,221,180
Debt service	15,707,900	15,309,401	-	-	15,707,900	15,309,401
Intergovernmental charges	-	-	-	-	-	-
Total Expenses	144,677,300	101,338,203	655,083	604,849	145,332,383	101,943,052
Excess before transfers	10,766,529	22,806,432	85,080	81,766	10,851,609	22,888,198
Transfers in (out)	-	-	-	-	-	-
Change in net position	10,766,529	22,806,432	85,080	81,766	10,851,609	22,888,198
Net position at beginning of year	(38,527,940)	(2,963,278)	241,509	159,743	(38,286,431)	(2,803,535)
Prior Period Adjustment	-	(58,371,094)	-	-	-	(58,371,094)
Net position at end of year	\$ (27,761,411)	\$ (38,527,940)	\$ 326,589	\$ 241,509	\$ (27,434,822)	\$ (38,286,431)

As shown in Table II, the cost of all governmental activities for the current fiscal year was \$144,677,300. 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 \$75,345,762 because some of the costs were paid by those who directly benefited from the programs (\$6,679,225) or by other governments and organizations that subsidized certain programs with grants and contributions offset by NECE contributions related to OPEB (\$18,504,169) or by State equalization funding (\$51,524,236).

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 \$87,241,501, which is \$18,263,676 less than last year's total of \$105,505,177. Included in this year's total change in fund balance is an increase of \$2,585,801 in the District's General Fund, an increase of \$155,070 in the District's Debt Service Fund, and a decrease of \$22,259,987 in the District's Capital Projects Fund.

Over the course of the fiscal year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the fiscal year and reflect the actual beginning balances (versus the amounts we estimated in June 2018). 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 \$28,167,925 reported on pages 20 differs from the General Fund's budgetary fund balance of \$35,168,334 reported in the budgetary comparison schedule on page 66. This is principally due to expenditures less than budgeted of \$536,280 and transfers out of \$8,868,087.

The debt service fund has a total fund balance of \$16,280,074, 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, 2019 were \$28,842,111.

The capital projects fund has a total fund balance of \$39,446,097 of which \$17,813,409 is committed for authorized construction and technology projects/enhancements and \$21,632,688 is restricted related to bond proceeds. The net decrease in fund balance during the current year of \$22,259,987 was due to the expenditure of funds in completing construction projects in the amount of \$52,964,398.

The day care fund has total net position of \$326,589, after recording a net gain of \$85,080 for the year.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2019, the District had \$329,033,697 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$45,098,687 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 \$449,238,213 in bonds and other long-term liabilities outstanding (including accreted interest on bonds) versus \$419,272,418 last year-an increase of \$29,965,795. This increase was largely driven by issuance of \$24,955,000 in school building bonds and OPEB liability of \$40,995,985. 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	337,326,269
Furniture and Equipment	10,359,580
Construction in Progress	56,257,549
Total Capital Assets	<u>\$ 415,964,114</u>
Less Accumulated Depreciation	<u>(86,930,417)</u>
Related Debt	
Bonds Payable	340,570,852
Premium on Capital Appreciation Bonds	31,697,041
Less Deferred Loss on Refunding	<u>(14,729,916)</u>
Net Related Debt	<u>357,537,977</u>
Unspend Bond Proceeds	<u>21,632,688</u>
Net Investment in capital assets	<u><u>(6,871,592)</u></u>

Net position: Net Investment in Capital Assets

At June 30, 2019, the District had invested \$329,033,697 in capital assets with \$357,537,977 from debt financing. Then the amount of unspent bond proceeds totaled \$21,632,688. The net position of (\$6,871,592) is derived from netting the total assets, net of related debt with accumulated depreciation (non-cash expenditure) resulting in a current year calculation of (\$6,871,592) for Net Investment in Capital Assets.

Economic Factors and Next Year's Budgets and Rates

- The General Fund budgeted expenditures for the 2019-2020 year increased \$1.9 million compared to the 2018-2019 budgeted expenditures. This budget is before implementation of House Bill 3 and will be amended in accordance with board policy.
- The District decreased the maintenance and operations property tax rate at \$1.56835 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 million and original budgeted State foundation funding decreased approximately \$2.9 million. This budget is before implementation of House Bill 3 and will be amended in accordance with board policy.

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.

This Page Intentionally Left Blank

Basic Financial Statements

This Page Intentionally Left Blank

Burleson Independent School District

Statement of Net Position

June 30, 2019

Exhibit A-1

Control Data Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
1110	Cash and temporary investments	\$ 93,737,590	\$ 322,391	\$ 94,059,981
1220	Property taxes receivable (delinquent)	2,249,924	-	2,249,924
1230	Allowance for uncollectible taxes	(272,697)	-	(272,697)
1240	Due from other governments	13,831,899	-	13,831,899
1250	Accrued Interest	5,653	-	5,653
1290	Other receivables, net	-	78,877	78,877
1300	Inventories	65,024	-	65,024
1410	Prepaid expenses	626,244	-	626,244
	Capital assets			
1510	Land	12,020,716	-	12,020,716
1520	Buildings, net	257,805,856	-	257,805,856
1530	Furniture and equipment, net	2,949,576	-	2,949,576
1580	Construction in progress	56,257,549	-	56,257,549
1910	Long term investments	998,421	-	998,421
1000	Total assets	440,275,755	401,268	440,677,023
DEFERRED OUTFLOWS OF RESOURCES				
1700	Deferred loss on refunding	14,729,916	-	14,729,916
1705	Deferred outflows - pension	19,860,621	-	19,860,621
1706	Deferred outflows - OPEB	6,403,592	-	6,403,592
	Total deferred outflows of resources	40,994,129	-	40,994,129
LIABILITIES				
2110	Accounts payable	8,194,269	310	8,194,579
2140	Accrued interest payable	6,968,520	-	6,968,520
2150	Payroll deductions and withholdings	1,141,808	6,980	1,148,788
2160	Accrued wages payable	9,839,541	67,389	9,906,930
2180	Due to other governments	1,194,610	-	1,194,610
2300	Unearned revenues	-	-	-
	Noncurrent liabilities			
2501	Due within one year	17,587,305	-	17,587,305
2502	Due in more than one year	373,511,328	-	373,511,328
2540	Net pension liability	34,730,900	-	34,730,900
2545	Net OPEB liability	40,995,985	-	40,995,985
2000	Total liabilities	494,164,266	74,679	494,238,945
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	1,903,111	-	1,903,111
2606	Deferred inflows - OPEB	12,963,918	-	12,963,918
	Total deferred inflows of resources	14,867,029	-	14,867,029
NET POSITION				
3200	Net investment in capital assets	(6,871,592)	-	(6,871,592)
3820	Restricted for federal and state programs	1,317,519	-	1,317,519
3850	Restricted for debt service	9,889,126	-	9,889,126
3900	Unrestricted net position	(32,096,464)	326,589	(31,769,875)
3000	Total net position	\$ (27,761,411)	\$ 326,589	\$ (27,434,822)

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

Burleson Independent School District

Statement of Activities

Year Ended June 30, 2019

Data Control Codes		Program Revenues		
		Expenses	Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT				
	Governmental activities			
11	Instruction	\$ 74,085,797	\$ 3,070,943	\$ 7,772,948
12	Instructional resources and media services	1,444,932	-	140,618
13	Curriculum and staff development	2,682,213	-	435,062
21	Instructional leadership	2,352,001	-	290,014
23	School leadership	7,786,400	-	789,212
31	Guidance, counseling and evaluation services	5,754,459	-	716,183
32	Social work services	130,288	-	12,123
33	Health services	1,492,499	-	139,936
34	Student (pupil) transportation	3,075,072	-	84,077
35	Food services	7,098,022	2,939,390	5,900,508
36	Extracurricular activities	4,371,801	550,015	582,111
41	General administration	4,094,256	-	283,749
51	Plant maintenance and operations	10,094,402	118,877	707,455
52	Security and monitoring services	688,565	-	37,634
53	Data processing services	2,815,807	-	170,777
61	Community services	1,002,886	-	441,762
72	Debt service - interest on long term debt	15,707,900	-	-
	Total governmental activities	144,677,300	6,679,225	18,504,169
	Business-type activities			
	Child care	655,083	706,761	33,402
	Total business-type activities	655,083	706,761	33,402
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 145,332,383	\$ 7,385,986	\$ 18,537,571

Data
Control
Codes

General revenues

Taxes

MT

Property taxes, levied for general purposes

DT

Property taxes, levied for debt service

SF

State aid - formula grants, unrestricted

IE

Investment earnings

MI

Miscellaneous revenue

TR

Total general revenues

CN

Change in net position

NB

Net position, beginning

NE

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (63,241,906)	\$ -	\$ (63,241,906)
(1,304,314)	-	(1,304,314)
(2,247,151)	-	(2,247,151)
(2,061,987)	-	(2,061,987)
(6,997,188)	-	(6,997,188)
(5,038,276)	-	(5,038,276)
(118,165)	-	(118,165)
(1,352,563)	-	(1,352,563)
(2,990,995)	-	(2,990,995)
1,741,876	-	1,741,876
(3,239,675)	-	(3,239,675)
(3,810,507)	-	(3,810,507)
(9,268,070)	-	(9,268,070)
(650,931)	-	(650,931)
(2,645,030)	-	(2,645,030)
(561,124)	-	(561,124)
(15,707,900)	-	(15,707,900)
(119,493,906)	-	(119,493,906)
-	85,080	85,080
-	85,080	85,080
\$ (119,493,906)	\$ 85,080	\$ (119,408,826)
52,882,627	-	52,882,627
22,463,135	-	22,463,135
51,524,236	-	51,524,236
2,558,767	-	2,558,767
831,670	-	831,670
130,260,435	-	130,260,435
10,766,529	85,080	10,851,609
(38,527,940)	241,509	(38,286,431)
\$ (27,761,411)	\$ 326,589	\$ (27,434,822)

Burleson Independent School District

Balance Sheet – Governmental Funds

June 30, 2019

Data Control Codes		10 General Fund	50 Debt Service Fund
ASSETS			
1110	Cash and temporary investments	\$ 35,316,145	\$ 10,825,427
1220	Property taxes receivable (delinquent)	1,595,292	654,632
1230	Allowance for uncollectible taxes	(195,637)	(77,060)
1240	Due from other governments	12,913,643	-
1250	Accrued interest	3,547	-
1260	Due from other funds	589,356	5,500,000
1290	Other receivables	-	-
1300	Inventories	59,877	-
1410	Prepaid items	626,244	-
1910	Long term investments	998,421	-
1000	Total assets	51,906,888	16,902,999
1700	DEFERRED OUTFLOWS OF RESOURCES	-	-
1000A	TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 51,906,888</u>	<u>\$ 16,902,999</u>
LIABILITIES			
2110	Accounts payable	\$ 1,112,946	\$ -
2150	Payroll deductions and withholdings	1,109,576	-
2160	Accrued wages payable	9,226,902	-
2170	Due to other funds	8,982,052	-
2181	Due to state	1,148,897	45,353
2300	Unearned revenues	-	-
2000	Total liabilities	21,580,373	45,353
DEFERRED INFLOWS OF RESOURCES			
2600	Deferred revenue and property taxes	2,158,590	577,572
FUND BALANCES			
Nonspendable			
3410	Inventories	59,877	-
3430	Prepaid items	626,244	-
Restricted			
3480	Debt service	-	16,280,074
3470	Capital acquisitions	-	-
3450	Grant funds	-	-
Committed			
3545	Other purposes	-	-
3600	Unassigned	27,481,804	-
3000	Total fund balances	28,167,925	16,280,074
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 51,906,888</u>	<u>\$ 16,902,999</u>

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

EXHIBIT C-1

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 42,908,263	\$ 3,778,256	\$ 92,828,091
-	-	2,249,924
-	-	(272,697)
-	918,256	13,831,899
-	2,106	5,653
3,482,078	38,779	9,610,213
-	-	-
-	5,147	65,024
-	-	626,244
-	-	998,421
<hr/>	<hr/>	<hr/>
46,390,341	4,742,544	119,942,772
<hr/>	<hr/>	<hr/>
-	-	-
<hr/>	<hr/>	<hr/>
\$ 46,390,341	\$ 4,742,544	\$ 119,942,772
<hr/>	<hr/>	<hr/>
\$ 6,927,101	\$ 138,890	\$ 8,178,937
476	31,756	1,141,808
16,667	595,972	9,839,541
-	628,161	9,610,213
-	360	1,194,610
-	-	-
<hr/>	<hr/>	<hr/>
6,944,244	1,395,139	29,965,109
<hr/>	<hr/>	<hr/>
-	-	2,736,162
-	5,147	65,024
-	-	626,244
-	-	16,280,074
21,632,688	-	21,632,688
-	1,317,519	1,317,519
17,813,409	2,044,646	19,858,055
-	(19,907)	27,461,897
<hr/>	<hr/>	<hr/>
39,446,097	3,347,405	87,241,501
<hr/>	<hr/>	<hr/>
\$ 46,390,341	\$ 4,742,544	\$ 119,942,772
<hr/>	<hr/>	<hr/>

Burleson Independent School District**Exhibit C-2**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds	\$ 87,241,501
Capital assets used in governmental activities are not financial resources; therefore are not reported in the fund financial statements.	415,964,114
Accumulated depreciation is not reported in the fund financial statements.	(86,930,417)
Bonds payable and accumulated sick leave benefits are not reported in the fund financial statements.	(340,982,920)
Net pension liability is not reported in the fund financial statements.	(34,730,900)
Net OPEB liability is not reported in the fund financial statements.	(40,995,985)
Accreted interest on capital appreciation bonds is not reported in the fund financial statements.	(18,219,764)
Bond premiums on outstanding bonds payable are not recorded in the fund financial statements.	(31,697,041)
Deferred loss on bond refunding has not been reflected in the fund financial statements.	14,729,916
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(6,968,520)
Property tax and other revenue reported as deferred inflows in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,736,162
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	19,860,621
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(1,903,111)
Deferred outflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	6,403,592
Deferred inflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(12,963,918)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	<u>695,259</u>
Net position of governmental activities	<u>\$ (27,761,411)</u>

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

This Page Intentionally Left Blank

Burleson Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended June 30, 2019

<u>Data Control Codes</u>		<u>10 General Fund</u>	<u>50 Debt Service Fund</u>
REVENUES			
5700	Local and intermediate sources	\$ 54,599,247	\$ 22,792,507
5800	State program revenues	50,897,675	704,674
5900	Federal program revenues	2,370,606	-
5020	Total revenues	<u>107,867,528</u>	<u>23,497,181</u>
EXPENDITURES			
Current			
0011	Instruction	57,562,917	-
0012	Instructional resources and media services	1,172,134	-
0013	Curriculum and instructional staff development	1,634,007	-
0021	Instructional leadership	1,669,182	-
0023	School leadership	6,254,815	-
0031	Guidance, counseling and evaluation services	4,116,154	-
0032	Social work services	104,419	-
0033	Health services	1,230,636	-
0034	Student (pupil) transportation	3,065,297	-
0035	Food services	67,426	-
0036	Extracurricular activities	3,243,564	-
0041	General administration	2,781,770	-
0051	Facilities maintenance and operations	9,217,177	-
0052	Security and monitoring services	562,808	-
0053	Data processing services	2,420,182	-
0061	Community services	34,700	-
Debt service			
0071	Principal on long-term debt	-	13,590,000
0072	Interest on long-term debt	-	15,245,611
0073	Bond issuance cost and fees	-	6,500
Capital outlay			
0081	Facilities acquisition and construction	503,374	-
Intergovernmental			
0093	Payments to fiscal agent/member districts of SSA	-	-
0095	Payments to juvenile justice alternative ed. prg.	2,322	-
0099	Other intergovernmental charges	771,182	-
6030	Total expenditures	<u>96,414,066</u>	<u>28,842,111</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>11,453,462</u>	<u>(5,344,930)</u>
OTHER FINANCING SOURCES (USES)			
7911	Issuance of bonds	-	-
7915	Transfers in	426	5,500,000
7916	Premium or discount on issuance of bonds	-	-
8911	Transfers out	(8,868,087)	-
7080	Total other financing sources (uses)	<u>(8,867,661)</u>	<u>5,500,000</u>
1200	Net change in fund balances	2,585,801	155,070
0100	FUND BALANCE at July 1 (beginning)	<u>25,582,124</u>	<u>16,125,004</u>
3000	FUND BALANCE at June 30 (ending)	<u>\$ 28,167,925</u>	<u>\$ 16,280,074</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 2,074,274	\$ 6,012,834	\$ 85,478,862
6,176	1,923,210	53,531,735
-	6,341,802	8,712,408
<hr/> 2,080,450	<hr/> 14,277,846	<hr/> 147,723,005
315,214	3,406,634	61,284,765
-	50,329	1,222,463
-	647,465	2,281,472
-	233,394	1,902,576
-	131,734	6,386,549
-	600,391	4,716,545
-	-	104,419
-	2,467	1,233,103
-	-	3,065,297
-	6,123,457	6,190,883
-	837,793	4,081,357
24,803	2,848	2,809,421
109,250	55,526	9,381,953
71,451	51,043	685,302
168,632	-	2,588,814
-	839,463	874,163
-	-	13,590,000
-	-	15,245,611
254,652	-	261,152
52,020,396	-	52,523,770
-	39,862	39,862
-	-	2,322
-	-	771,182
<hr/> 52,964,398	<hr/> 13,022,406	<hr/> 191,242,981
<hr/> (50,883,948)	<hr/> 1,255,440	<hr/> (43,519,976)
24,955,000	-	24,955,000
3,368,087	-	8,868,513
301,300	-	301,300
(426)	-	(8,868,513)
<hr/> 28,623,961	<hr/> -	<hr/> 25,256,300
(22,259,987)	1,255,440	(18,263,676)
61,706,084	2,091,965	105,505,177
<hr/> \$ 39,446,097	<hr/> \$ 3,347,405	<hr/> \$ 87,241,501

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, 2019

Total net change in fund balances - governmental funds	\$ (18,263,676)
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.	52,437,312
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.	(7,338,625)
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.	(24,955,000)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	13,590,000
The change in current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements.	372,015
Interest is accrued on outstanding debt in the government-wide financial statements, including capital leases, whereas in the fund financial statements interest expenditures are reported when due.	(1,334,736)
The change in other long-term debt for local leave payable is not recognized in the fund financial statements.	4,145
Changes in the net pension liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an decrease to net position.	(3,417,508)
Changes in the net OPEB liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an decrease to net position.	(811,954)
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.	(137,389)
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.	(301,300)
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	1,616,952
Current year deferred loss on refunding associated with bonds payable is reported net of amortization on the government-wide financial statements.	(855,368)
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.	161,661
Change in net position of governmental activities	<u>\$ 10,766,529</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, 2019

Exhibit D-1

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Day Care Fund	Insurance Fund
ASSETS		
Current assets		
Cash and temporary investments	\$ 322,391	\$ 909,499
Other receivables	78,877	-
Total current assets	401,268	909,499
TOTAL ASSETS	401,268	909,499
DEFERRED OUTFLOWS		
	-	-
LIABILITIES		
Current liabilities		
Accounts payable	310	15,332
Payroll deductions and withholdings	6,980	-
Accrued wages payable	67,389	-
Claims payable	-	157,152
Total current liabilities	74,679	172,484
Noncurrent liabilities		
Claims payable	-	41,756
Total noncurrent liabilities	-	41,756
TOTAL LIABILITIES	74,679	214,240
DEFERRED INFLOWS		
	-	-
NET POSITION		
Unrestricted	326,589	695,259
TOTAL NET POSITION	\$ 326,589	\$ 695,259

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, 2019

Exhibit D-2

	Business-type Activities Enterprise Fund Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
OPERATING REVENUES		
Charges for services	\$ 706,761	\$ 525,940
Total operating revenues	706,761	525,940
OPERATING EXPENSES		
Personnel services	593,243	-
Contractual services	7,977	-
Utilities	19,391	-
Other supplies and expenses	33,197	-
Other operating costs	1,275	364,279
Total operating expenses	655,083	364,279
Operating income	51,678	161,661
NONOPERATING REVENUES		
State on-behalf revenue	33,402	-
Total nonoperating revenue	33,402	-
Income before contributions and transfers	85,080	161,661
Change in net position	85,080	161,661
TOTAL NET POSITION, beginning	241,509	533,598
TOTAL NET POSITION, ending	\$ 326,589	\$ 695,259

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, 2019

Exhibit D-3

	Business-type Activities Enterprise Fund Day Care Fund	Governmental Activities Internal Service Fund Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and interfund services	\$ 694,127	\$ 525,940
Payments to suppliers	(61,862)	(385,678)
Payments to employees	(549,369)	-
Net cash provided by operating activities	<u>82,896</u>	<u>140,262</u>
Net increase in cash and temporary investments	82,896	140,262
BALANCES, beginning of the year	<u>239,495</u>	<u>769,237</u>
BALANCES, end of the year	<u><u>\$ 322,391</u></u>	<u><u>\$ 909,499</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income	\$ 51,678	\$ 161,661
Adjustments to reconcile operating income to net cash provided by operating activities		
State on-behalf revenue	33,402	-
Change in assets and liabilities		
Receivables	(12,634)	-
Prepaid expenses	565	-
Accounts and payroll taxes payables	1,084	(223)
Accrued wages payable	8,801	-
Claims payable	-	(21,176)
Net cash provided by (used in) operating activities	<u><u>\$ 82,896</u></u>	<u><u>\$ 140,262</u></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, 2019

Exhibit E-1

	Private Purpose Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and temporary investments	\$ 32,715	\$ 132,848
Accounts receivable	-	26
	<u> </u>	<u> </u>
Total assets	<u>\$ 32,715</u>	<u>\$ 132,874</u>
LIABILITIES		
Accounts payable	\$ -	\$ 1,620
Due to other governments	-	4
Due to student groups	-	131,250
	<u> </u>	<u> </u>
Total liabilities	-	<u>\$ 132,874</u>
NET POSITION		
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, 2019

Exhibit E-2

	Private Purpose Trust Fund
	<hr/>
NET POSITION, beginning of the year	\$ 32,715
Deductions	
Scholarships granted	-
	<hr/>
NET POSITION, end of year	\$ 32,715
	<hr/> <hr/>

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

This Page Intentionally Left Blank

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:

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.

Burleson Independent School District

Notes to the Basic Financial Statements

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

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

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

Additionally, the District reports the following fund types:

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

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

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Measurement Focus/Basis of Accounting

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

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

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

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

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

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

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Budgetary Control

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

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

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

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

The budgetary comparison schedule for the General Fund indicates one function, school leadership, with an excess of expenditures over appropriations for the period ended June 30, 2019. The expenditures are related to period-end salary accruals.

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

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

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds at June 30, 2019 is as follows:

Appropriated budget funds	
Child nutrition program	\$ 329,517
Nonappropriated budget funds	<u>3,017,888</u>
All special revenue funds	<u>\$ 3,347,405</u>

Burleson Independent School District

Notes to the Basic Financial Statements

Encumbrance Accounting

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

As of June 30, 2019, 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.

Prepaid Items

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

Investments

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

Inventories

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

Interfund Receivables and Payables

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

Burleson Independent School District

Notes to the Basic Financial Statements

Capital Assets

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

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

Buildings	25-50 years
Furniture and equipment	10 years

Categories and Classifications of Fund Balances

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

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

Net Position

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

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

Long-term Obligations

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Oil and Gas Royalties

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

Estimates

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

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

Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2019 will change.

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 \$1,399,655 and \$577,572 in the General Fund and Debt Service Fund, respectively. The remaining amounts reported in the General Fund represent governmental revenue not expected to be collected within one year and has therefore, been reported as deferred outflow of resources.

Defined Benefit Pension Plan

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

Burleson Independent School District

Notes to the Basic Financial Statements

Other Post-Employment Benefits

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

Note 2. Deposits and Investments

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

Investments

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

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

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

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Primary government	\$ 95,058,402
Fiduciary funds	165,563
	<hr/>
	\$ 95,223,965
	<hr/>

Burleson Independent School District

Notes to the Basic Financial Statements

Cash and investments as of June 30, 2019 consist of the following:

Cash and temporary investments	\$ 94,225,544
Long term investments	998,421
	<hr/>
	\$ 95,223,965
	<hr/> <hr/>

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

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

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

- Depository: Wells Fargo;
- Securities pledged as of the date of the highest balance: \$20,491,767;
- Largest cash, savings, and certificate of deposit combined account balance amounted to \$15,514,584 and occurred during June 2019;
- Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

The District was fully collateralized throughout the fiscal year ended June 30, 2019, including the date of the highest combined balance.

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

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

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

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

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

Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2019, the District was not exposed to foreign currency risk.

Burleson Independent School District

Notes to the Basic Financial Statements

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

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

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

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

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

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

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

The Texpool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool.

Investment Pools measured at amortized cost are exempt from fair value reporting. Certificates of deposits are considered deposits with financial institutions and are also excluded.

Burleson Independent School District

Notes to the Basic Financial Statements

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

	Value at June 30, 2019	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost				
Investment pools				
TexPool	\$ 54,240,852	62%	39	AAAm
Lonestar	32,758,152	37%	46	AAA
Other investments				
Certificates of deposit	998,421	1%	391	AAAm
Total	<u>\$ 87,997,425</u>	<u>100%</u>		
Portfolio weighted average maturity			<u>45.11</u>	

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

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions/ Completions	(Retirements)/ Adjustments	Balance June 30, 2019
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,020,716	\$ -	\$ -	\$ 12,020,716
Construction in progress	13,285,980	52,188,728	(9,217,159)	56,257,549
Total capital assets not being depreciated	25,306,696	52,188,728	(9,217,159)	68,278,265
Capital assets being depreciated				
Buildings	328,109,110	-	9,217,159	337,326,269
Furniture and equipment	10,110,996	248,584	-	10,359,580
Total assets being depreciated	338,220,106	248,584	9,217,159	347,685,849
Less accumulated depreciation for				
Buildings	(72,707,998)	(6,812,415)	-	(79,520,413)
Furniture and equipment	(6,883,794)	(526,210)	-	(7,410,004)
Total accumulated depreciation	(79,591,792)	(7,338,625)	-	(86,930,417)
Total capital assets being depreciated, net	258,628,314	(7,090,041)	9,217,159	260,755,432
Governmental activities capital assets, net	<u>\$ 283,935,010</u>	<u>\$ 45,098,687</u>	<u>\$ 18,434,318</u>	<u>\$ 329,033,697</u>

Burleson Independent School District

Notes to the Basic Financial Statements

Depreciation expense was charged as direct expense as follows:

Governmental activities	
Instruction	\$ 4,941,017
Instructional resources and media services	91,556
Curriculum and staff development	123,522
Instructional leadership	143,673
School leadership	562,402
Guidance, counseling and evaluation services	359,570
Social Services	9,445
Health services	107,509
Student (pupil) transportation	5,071
Food services	243,382
Extracurricular activities	19,892
General administration	190,413
Plant maintenance and operations	429,623
Data processing services	108,601
Community services	2,949
	<hr/>
Total depreciation expense - governmental activities	\$ 7,338,625

Note 4. Long-Term Debt

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

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2019:

	Interest Rate Payable	Amounts Outstanding 7/1/2018	Issued Current Year	Refunded Current Year	Interest Accretion	Retired	Amounts Outstanding 6/30/2019	Due Within One Year
Bond indebtedness								
1995 Refunding bonds	5.90-5.95%	\$ 65,852	\$ -	\$ -	\$ -	\$ -	\$ 65,852	\$ -
2008 School building bonds	4.00-5.50%	140,000	-	-	-	140,000	-	-
2009 School building bonds	2.45-5.00%	75,000	-	-	-	35,000	40,000	20,000
2010 School building and refunding bonds	4.00%	24,180,000	-	-	-	1,345,000	22,835,000	1,395,000
2011 School building and refunding bonds	2.00-5.00%	21,825,000	-	-	-	305,000	21,520,000	310,000
2012 School building and refunding bonds	.057-3.00%	7,720,000	-	-	-	215,000	7,505,000	230,000
2015 School building and refunding bonds	2.00-5.00%	25,290,000	-	-	-	3,715,000	21,575,000	3,900,000
2016 School building and refunding bonds	2.00-5.00%	119,095,000	-	-	-	375,000	118,720,000	385,000
2017 School building and refunding bonds	2.00-5.00%	17,450,000	-	-	-	965,000	16,485,000	1,150,000
2017 School building bonds	4.00-5.00%	47,640,000	-	-	-	2,870,000	44,770,000	3,430,000
2017A School building and refunding bonds	3.00-6.00%	65,725,000	-	-	-	1,370,000	64,355,000	390,000
2018 School building bonds	5.00%	-	24,955,000	-	-	2,255,000	22,700,000	3,015,000
Total bonded indebtedness		329,205,852	24,955,000	-	-	13,590,000	340,570,852	14,225,000
Other district obligations								
Accreted interest on Capital appreciation bonds		18,591,779	-	-	1,157,985	1,530,000	18,219,764	1,550,000
Premium on bonds		33,012,693	301,300	-	-	1,616,952	31,697,041	1,613,213
Accumulated unpaid sick leave benefits		416,213	38,217	-	-	42,362	412,068	41,940
Claims payable		220,084	161,132	-	-	182,308	198,908	157,152
Net Pension Liability		19,233,159	17,623,367	-	-	2,125,626	34,730,900	-
Net OPEB Liability		33,288,447	8,273,948	-	-	566,410	40,995,985	-
Total other obligations		104,762,375	26,397,964	-	1,157,985	6,063,658	126,254,666	3,362,305
Total obligation of district		\$ 433,968,227	\$ 51,352,964	\$ -	\$ 1,157,985	\$ 19,653,658	\$ 466,825,518	\$ 17,587,305

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

	Principal	Interest	Total Requirements
2020	\$ 14,225,000	\$ 14,998,058	\$ 29,223,058
2021	6,123,837	16,784,021	22,907,858
2022	7,810,416	14,934,117	22,744,533
2023	8,157,650	14,668,794	22,826,444
2024	8,440,411	14,421,545	22,861,956
2025-2029	53,853,538	60,156,485	114,010,023
2030-2034	72,620,000	41,089,552	113,709,552
2035-2039	88,175,000	25,397,669	113,572,669
2040-2044	62,540,000	22,104,426	84,644,426
2044-2047	18,625,000	1,455,650	20,080,650
	\$ 340,570,852	\$ 226,010,317	\$ 566,581,169

Burleson Independent School District

Notes to the Basic Financial Statements

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, 2019.

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

On July 1, 2018, the District issued Unlimited Tax School Building Bonds, Series 2018 of \$24,955,000 to be used for the construction, acquisition and equipment of school buildings in the District. The bonds bear accrued interest at rates from 5%, which is due and payable on February 1 and August 1 of each year. The bonds are scheduled to mature between 2020 and 2047.

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 2019 fiscal year was based was \$4,772,239,374. 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, 2019 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, 2019 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, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,399,655 and \$577,572 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.

Burleson Independent School District

Notes to the Basic Financial Statements

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

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

Contributions

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

Burleson Independent School District

Notes to the Basic Financial Statements

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. Contribution rates can be found in the TRS 2018 CAFR, Note 11, on Page 76.

	Contribution Rates	
	2018	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

Employer #0442	2019
Employer contributions	\$ 2,125,626
Member contributions	5,619,492
NECE on-behalf contributions	3,465,052

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

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

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

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017, rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long term expected investment rate of return	7.25%
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Payroll growth rate	3.0%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Burleson Independent School District

Notes to the Basic Financial Statements

Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 fund asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Geometric Real Rate of Return**</u>	<u>Contribution to Long-Term Portfolio Returns**</u>
Global Equity			
U.S.	18.0%	5.70%	1.04%
Non-U.S. Developed	13.0%	6.90%	0.90%
Emerging Markets	9.0%	8.95%	0.80%
Directional Hedge Funds	4.0%	3.53%	0.14%
Private Equity	13.0%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.0%	1.11%	0.12%
Absolute Return	0.0%	0.00%	0.00%
Stable Value Hedge Funds	4.0%	3.09%	0.12%
Cash	1.0%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.0%	0.70%	0.02%
Real Assets	14.0%	5.21%	0.73%
Energy and Natural Resources	5.0%	7.48%	0.37%
Commodities	0.0%	0.00%	0.00%
Risk Parity			
Risk Parity	5.0%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility drag***			-0.79%
Total	<u>100%</u>		<u>7.25%</u>

* Target allocations are based on the FT 2016 polict model

** Capital Market assumptions come from Aoon Hewitt (2017 04)

*** The volatility drag resulting from the conversion between arithmetic and geometric meah 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 (6.907%) in measuring the 2018 Net Pension Liability.

	1% Decrease in discount rate (5.907%)	Discount rate (6.907%)	1% Increase in discount rate (7.907%)
District's proportionate share of the net pension liability \$	52,417,256	\$ 34,730,900	\$ 20,412,745

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

At June 30, 2019, the District reported a liability of \$34,730,900 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	\$ 34,730,900
State's proportionate share that is associated with District	56,651,232
Total	<u>\$ 91,382,132</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2017 rolled forward to August 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.063098%, which was an increase from 0.002948%, its proportion measured as of August 31, 2017.

Changes since the Prior Actuarial Valuation

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

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.

Burleson Independent School District

Notes to the Basic Financial Statements

The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

For the year ended June 30, 2019, the District recognized pension expense of \$2,809,374 and revenue of \$5,606,962 for support provided by the State.

At June 30, 2019, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 216,484	\$ 852,159
Changes in actuarial assumptions	12,522,162	391,318
Differences between projected and actual investment earnings	-	658,994
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	5,943,829	640
Contributions paid to TRS subsequent to the measurement dates	<u>1,178,146</u>	<u>-</u>
	<u>\$ 19,860,621</u>	<u>\$ 1,903,111</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:

<u>Year ended August 31:</u>	<u>Pension Expense Amount</u>
2020	\$ 4,423,726
2021	3,036,915
2022	2,644,193
2023	2,813,769
2024	2,386,858
Thereafter	<u>1,473,903</u>
	<u>\$ 16,779,364</u>

Burleson Independent School District

Notes to the Basic Financial Statements

Note 7. Defined Other Post-Employment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <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.

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

* or surviving spouse

Burleson Independent School District

Notes to the Basic Financial Statements

Contributions

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

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

	<u>2019</u>	<u>2018</u>
Active employees	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2019 are as follows:

Employer contributions	\$	566,410
Member contributions		467,476
NECE on-behalf contributions		853,892

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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-19 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Burleson Independent School District

Notes to the Basic Financial Statements

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 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, rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount rate	3.69%. Sourced from 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, 2018.
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 costs.
Projected salary increases	3.05% to 9.05%**
Healthcare trend rates	Initial medical trend rates of 107.74 percent and 9.00 percent for Medicare retirees and an initial medical trend rate of 6.75 percent for non-Medicare retirees. Initial prescription drug trend rate of 11.00 percent for all retirees. The first year trend increase for the Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.
Election rates	Normal retirement 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

Burleson Independent School District

Notes to the Basic Financial Statements

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27% in the discount rate since the previous year. 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 non-employer 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, 2018.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns**</u>
Global Equity			
U.S.	18.0%	5.70%	1.04%
Non-U.S. Developed	13.0%	6.90%	0.90%
Emerging Markets	9.0%	8.95%	0.80%
Directional Hedge Funds	4.0%	3.53%	0.14%
Private Equity	13.0%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.0%	1.11%	0.12%
Absolute Return	0.0%	0.00%	0.00%
Stable Value Hedge Funds	4.0%	3.09%	0.12%
Cash	1.0%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.0%	0.70%	0.02%
Real Assets	14.0%	5.21%	0.73%
Energy and Natural Resources	5.0%	7.48%	0.37%
Commodities	0.0%	0.00%	0.00%
Risk Parity			
Risk Parity	5.0%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility drag***			-0.79%
Total	<u>100%</u>		<u>7.25%</u>

* Target allocations are based on the FT 2016 polict model

** Capital Market assumptions come from Aoon Hewitt (2017 04)

*** The volatility drag resulting from the conversion between arithmetic

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 (3.69%) in measuring the Net OPEB Liability.

	1% Decrease (2.69%)	Current Single Discount Rate (3.69%)	1% Increase (4.69%)
District's proportionate share of the net OPEB liability	\$ 48,799,307	\$ 40,995,985	\$ 34,823,054

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

	1% Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase (9.5%)
District's proportionate share of the net OPEB liability	\$ 34,047,833	\$ 40,995,985	\$ 50,146,851

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

At June 30, 2019, the District reported a liability of \$40,995,985 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	\$ 40,995,985
State's proportionate share that is associated with District	<u>61,891,748</u>
Total	<u><u>\$ 102,887,733</u></u>

The net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was .082105% which was an increase of .005556% from its proportion measured as of August 31, 2017.

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:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.
- Change of benefit terms since the prior measurement date made effective September 1, 2017 by the 85th Texas Legislature.

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$3,621,548 and revenue of \$2,251,250 for support provided by the State.

At June 30, 2019, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 2,175,504	\$ 646,977
Changes in actuarial assumptions	684,112	12,316,941
Differences between projected and actual investment earnings	7,170	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	3,046,127	-
Contributions paid subsequent to the measurement dates	490,679	-
	<u>\$ 6,403,592</u>	<u>\$ 12,963,918</u>

Burleson Independent School District

Notes to the Basic Financial Statements

\$490,679 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, 2020. 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>
2020	\$ (1,234,568)
2021	(1,234,568)
2022	(1,234,568)
2023	(1,235,924)
2024	(1,236,700)
Thereafter	(874,677)
	<u>\$ (7,051,005)</u>

Note 8. Medicare Part D

Plan Description

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the years ended June 30, 2019, 2018 and 2017, the contributions made on behalf of the District were \$274,832, \$211,892 and \$206,023, respectively.

Note 9. Accumulated Unpaid Sick Leave Benefits

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

Balance at July 1, 2018	\$ 416,213
Additions	
new entrants, days earned (net), and salary increments	38,217
Deductions	
payments to participants	(42,362)
	<u>412,068</u>
Balance at June 30, 2019	<u>\$ 412,068</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
	<u> </u>	<u> </u>
Major governmental funds		
General fund	589,356	8,982,052
Capital projects fund	3,482,078	-
Debt service fund	5,500,000	-
Nonmajor governmental funds		
Special revenue funds		
Federal (funds 200-289)	-	608,705
State (funds 385-429)	-	19,456
Local (461-482)	38,779	
	<u> </u>	<u> </u>
Total	<u>\$ 9,610,213</u>	<u>\$ 9,610,213</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 2018-2019, 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, 2019, includes \$198,908 for workers' compensation case reserve losses, with \$157,152 of this amount due within one year. This liability includes estimated outstanding claims from October 1, 2012 to June 30, 2019. The liabilities reported in the fund at June 30, 2019 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, 2019, 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, 2018 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, 2019, are summarized below:

	State Entitlements	Federal Grants	Total
General fund	\$ 12,154,708	\$ 758,935	\$ 12,913,643
Debt service fund	-	-	-
Other funds	15,000	903,256	918,256
Total	\$ 12,169,708	\$ 1,662,191	\$ 13,831,899

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, 2019 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 2019 issues nor future costs that will have a material effect on the financial statements of the District.

Note 14. Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Total
Property taxes	\$ 52,517,779	\$ 22,444,853	\$ -	\$ -	\$ 74,962,632
Food sales	-	-	-	2,939,390	2,939,390
Investment income	739,667	227,527	1,580,863	10,710	2,558,767
Penalties, interest and other tax related income	326,441	120,127	-	-	446,568
Co-curricular student activities	550,015	-	-	3,023,373	3,573,388
Mineral Interests	-	-	493,411	-	493,411
Other	465,345	-	-	39,361	504,706
Total	\$ 54,599,247	\$ 22,792,507	\$ 2,074,274	\$ 6,012,834	\$ 85,478,862

Burleson Independent School District

Notes to the Basic Financial Statements

Note 15. Classification of Fund Balance

The District classifies governmental fund balances, as follows:

Nonspendable Fund Balance

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

Spendable Fund Balance

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

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

As of June 30, 2019, total restricted fund balance was \$39,230,281.

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, 2019, total committed fund balance was \$19,858,055.

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, 2019, there were no assignments of fund balance.

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

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

Burleson Independent School District

Notes to the Basic Financial Statements

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

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

Note 16. Instructional Materials Allotment

In May 2011, Senate Rule 6 created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional material purchases must be made through TEA's online registration system. Instructional materials acquired through the IMA totaling \$1,702,313 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, 2019, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

Note 17. New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In June 2017, GASB issued Statement No. 87, Leases. This Statement establishes standards for accounting and financial reporting for leases by lessees and lessors. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities that were previously accounted for as operating leases. It establishes a single model for lease accounting based on the principle that leases are a financing of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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.

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, 2019

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 53,211,713	\$ 54,211,713	\$ 54,599,247	\$ 387,534
5800	State program revenues	50,004,843	50,004,843	50,897,675	892,832
5900	Federal program revenues	1,470,000	2,320,000	2,370,606	50,606
5020	Total revenues	104,686,556	106,536,556	107,867,528	1,330,972
EXPENDITURES					
Current					
0011	Instruction	58,168,595	57,604,369	57,562,917	41,452
0012	Instructional resources and media services	1,161,930	1,182,840	1,172,134	10,706
0013	Curriculum and instructional staff development	1,613,903	1,634,197	1,634,007	190
0021	Instructional leadership	1,963,436	1,713,617	1,669,182	44,435
0023	School leadership	6,071,595	6,103,136	6,254,815	(151,679)
0031	Guidance, counseling and evaluation services	4,026,949	4,135,703	4,116,154	19,549
0032	Social work services	107,457	107,457	104,419	3,038
0033	Health services	1,207,426	1,242,535	1,230,636	11,899
0034	Student (pupil) transportation	3,039,464	3,139,464	3,065,297	74,167
0035	Food services	20,000	75,000	67,426	7,574
0036	Extracurricular activities	3,406,445	3,355,611	3,243,564	112,047
0041	General administration	2,877,412	2,852,412	2,781,770	70,642
0051	Facilities maintenance and operations	8,800,984	9,400,234	9,217,177	183,057
0052	Security and monitoring services	519,258	573,129	562,808	10,321
0053	Data processing services	2,469,150	2,463,650	2,420,182	43,468
0061	Community services	37,602	38,252	34,700	3,552
0081	Facilities acquisition and construction	-	550,000	503,374	46,626
	Debt services				
0095	Payments to juvenile justice alternative ed. prg.	3,500	3,500	2,322	1,178
0099	Other intergovernmental charges	775,240	775,240	771,182	4,058
6030	Total expenditures	96,270,346	96,950,346	96,414,066	536,280
1100	Excess of revenues over expenditures	8,416,210	9,586,210	11,453,462	1,867,252
OTHER FINANCING SOURCES					
7915	Transfers in	-	-	426	(426)
8911	Transfers out	-	-	(8,868,087)	(8,868,087)
7080	Total other financing sources	-	-	(8,867,661)	(8,868,513)
1200	Net change in fund balances	8,416,210	9,586,210	2,585,801	(7,001,261)
0100	FUND BALANCE - July 1 (beginning)	25,582,124	25,582,124	25,582,124	-
3000	FUND BALANCE - June 30 (ending)	\$ 33,998,334	\$ 35,168,334	\$ 28,167,925	\$ (7,001,261)

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

Burleson Independent School District
 Schedule of the District's Proportionate Share of
 the Net Pension Liability
 Year Ended June 30, 2019

Exhibit G-2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.063098416%	0.060151343%	0.056092500%	0.051144300%	0.028050900%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 34,730,900	\$ 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	56,651,232	33,601,011	39,284,622	37,390,769	31,992,845
Total	\$ 91,382,132	\$ 52,834,170	\$ 60,481,159	\$ 55,469,598	\$ 39,485,628
District's Covered Payroll	\$ 71,885,704	\$ 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 Payroll	48.31%	27.64%	32.12%	31.52%	13.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

Burleson Independent School District
 Schedule of the District's Contributions
 Year Ended June 30, 2019

Exhibit G-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,390,203	\$ 1,278,781	\$ 1,151,179	\$ 980,294	\$ 767,797
Contribution in Relation to the Contractually Required Contribution	<u>(1,390,203)</u>	<u>(1,278,781)</u>	<u>(1,151,179)</u>	<u>(980,294)</u>	<u>(767,797)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	72,980,410	\$ 70,639,806	\$ 66,995,472	\$ 62,059,880	\$ 56,750,102
Contributions as a Percentage of Covered Payroll	1.90%	1.81%	1.72%	1.58%	1.35%

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

Burleson Independent School District**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, 2019

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0821054138%	0.0765493643%
District's proportionate share of net OPEB liability	40,995,985	33,288,447
State's proportionate share of the net OPEB liability associated with the District	<u>61,891,748</u>	<u>54,213,057</u>
Total	<u><u>102,887,733</u></u>	<u><u>87,501,504</u></u>
District's covered-employee payroll	71,885,704	69,580,209
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	57.03%	47.84%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

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

Burleson Independent School District**Exhibit G-5**Schedule of the District's Contributions to the OPEB Plan
Year Ended June 30, 2019

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

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

Burleson Independent School District

Notes to the Required Supplementary Information

Note 1. Budgetary Data

A. Budgetary Information

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

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

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

B. Variances with Budget

A negative budget variance was noted in the following function. This function's expenditures exceeded appropriations due to payroll costs during the year ended June 30, 2019.

<u>Function</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
School Leadersip	6,103,136	6,254,815	(151,679)

This Page Intentionally Left Blank

Supplementary Information Combining Statements and Schedules

This Page Intentionally Left Blank

Combining and Individual Nonmajor Fund Financial Statements

Burleson Independent School District

Combining Balance Sheet
 Non Major Governmental Funds
 June 30, 2019

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS			
1110	Cash and temporary investments	\$ -	\$ -
1240	Due from other governments	332,561	20,576
1250	Accrued interest	-	-
1260	Due from other funds	-	-
1300	Inventories	-	-
1410	Prepaid items	-	-
1000	Total assets	332,561	20,576
	TOTAL ASSETS	\$ 332,561	\$ 20,576
LIABILITIES			
2110	Accounts payable	\$ 27,270	\$ 1,400
2150	Payroll deductions and withholdings	5,028	543
2160	Accrued wages payable	112,293	3,448
2170	Due to other funds	187,970	15,185
2181	Due to state	-	-
2000	Total liabilities	332,561	20,576
FUND BALANCES			
Nonspendable			
3410	Inventories	-	-
3430	Prepaid items	-	-
Restricted			
3450	Grant funds	-	-
Committed			
3545	Other purposes	-	-
3600	Unassigned	-	-
3000	Total fund balances	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 332,561	\$ 20,576

226 IDEA Part B, Discretionary	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
\$ -	\$ 642,744	\$ -	\$ -	\$ -	\$ -
-	-	8,139	63,226	43,508	33,036
-	-	-	-	-	-
-	5,147	-	-	-	-
-	-	-	-	-	-
-	647,891	8,139	63,226	43,508	33,036
\$ -	\$ 647,891	\$ 8,139	\$ 63,226	\$ 43,508	\$ 33,036
\$ -	\$ 4,672	\$ -	\$ 1,099	\$ -	-
-	13,155	-	346	204	138
-	275,246	-	5,604	8,887	2,080
-	25,301	8,139	56,177	34,417	21,311
-	-	-	-	-	-
-	318,374	8,139	63,226	43,508	23,529
-	5,147	-	-	-	-
-	-	-	-	-	-
-	324,370	-	-	-	9,507
-	-	-	-	-	-
-	-	-	-	-	-
-	329,517	-	-	-	9,507
\$ -	\$ 647,891	\$ 8,139	\$ 63,226	\$ 43,508	\$ 33,036

Burleson Independent School District

Combining Balance Sheet
 Non Major Governmental Funds
 June 30, 2019

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
ASSETS			
1110	Cash and temporary investments	\$ 28	\$ 21,488
1240	Due from other governments	-	15,000
1250	Accrued interest	-	-
1260	Due from other funds	-	-
1300	Inventories	-	-
1410	Prepaid items	-	-
		<hr/>	<hr/>
1000	Total assets	28	36,488
		<hr/>	<hr/>
TOTAL ASSETS		<u>\$ 28</u>	<u>\$ 36,488</u>
LIABILITIES			
2110	Accounts payable	\$ 28	\$ -
2150	Payroll deductions and withholdings	-	-
2160	Accrued wages payable	-	-
2170	Due to other funds	-	-
2181	Due to state	-	-
		<hr/>	<hr/>
2000	Total liabilities	28	-
		<hr/>	<hr/>
FUND BALANCES			
Nonspendable			
3410	Inventories	-	-
3430	Prepaid items	-	-
Restricted			
3450	Grant funds	-	36,488
Committed			
3545	Other purposes	-	-
3600	Unassigned	-	-
		<hr/>	<hr/>
3000	Total fund balances	-	36,488
		<hr/>	<hr/>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28</u>	<u>\$ 36,488</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
\$ 1,001,769	\$ -	\$ 2,110,808	\$ 1,419	\$ 3,778,256
-	-	-	-	918,256
-	-	2,106	-	2,106
-	-	38,779	-	38,779
-	-	-	-	5,147
-	-	-	-	-
<u>1,001,769</u>	<u>-</u>	<u>2,151,693</u>	<u>1,419</u>	<u>4,742,544</u>
<u>\$ 1,001,769</u>	<u>\$ -</u>	<u>\$ 2,151,693</u>	<u>\$ 1,419</u>	<u>\$ 4,742,544</u>
\$ 56,034	\$ -	\$ 37,885	\$ -	\$ 138,890
-	451	5,640	-	31,756
-	-	63,162	-	595,972
-	19,456	-	-	628,161
-	-	360	-	360
<u>56,034</u>	<u>19,907</u>	<u>107,047</u>	<u>-</u>	<u>1,395,139</u>
-	-	-	-	5,147
-	-	-	-	-
945,735	-	-	1,419	1,317,519
-	-	2,044,646	-	2,044,646
-	(19,907)	-	-	(19,907)
<u>945,735</u>	<u>(19,907)</u>	<u>2,044,646</u>	<u>1,419</u>	<u>3,347,405</u>
<u>\$ 1,001,769</u>	<u>\$ -</u>	<u>\$ 2,151,693</u>	<u>\$ 1,419</u>	<u>\$ 4,742,544</u>

Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Non Major Governmental Funds
Year Ended June 30, 2019

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	1,066,886	1,599,704	37,740
5020	Total revenues	<u>1,066,886</u>	<u>1,599,704</u>	<u>37,740</u>
EXPENDITURES				
Current				
0011	Instruction	903,319	725,489	36,063
0012	Instructional resources and media services	3,235	-	-
0013	Curriculum and Instructional staff development	101,677	184,765	1,677
0021	Instructional leadership	5,159	224,591	-
0023	School leadership	11,856	7,751	-
0031	Guidance, counseling and evaluation services	11,846	415,191	-
0033	Health services	-	-	-
0034	Student Pupil Transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	12,994	1,378	-
0041	General administration	825	475	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	15,975	202	-
Intergovernmental				
0093	Payments to fiscal agent/member districts of SSA	-	39,862	-
6030	Total expenditures	<u>1,066,886</u>	<u>1,599,704</u>	<u>37,740</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
7900	OTHER FINANCING SOURCES (USES)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

226 IDEA Part B, Discretionary	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
\$ -	\$ 2,950,100	\$ -	\$ -	\$ -	\$ -
-	140,047	-	-	-	-
19,983	3,194,933	94,803	156,870	78,795	92,088
19,983	6,285,080	94,803	156,870	78,795	92,088
-	-	90,632	-	7,085	29,058
-	-	-	-	-	-
-	-	-	148,269	71,631	7,000
-	-	-	1,911	-	-
-	-	1,390	6,690	-	-
19,983	-	2,781	-	-	53,527
-	-	-	-	-	-
-	6,123,457	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	30,739	-	-	-	-
-	-	-	-	-	-
-	-	-	-	79	-
-	-	-	-	-	-
19,983	6,154,196	94,803	156,870	78,795	89,585
-	130,884	-	-	-	2,503
-	-	-	-	-	-
-	130,884	-	-	-	2,503
-	198,633	-	-	-	7,004
\$ -	\$ 329,517	\$ -	\$ -	\$ -	\$ 9,507

Burleson Independent School District

Combining Statement of Revenues, Expenditures and Changes In
Fund Balances – Non major Governmental Funds
Year Ended June 30, 2019

Data Control Codes		385 Visual Impairment	397 Advanced Placement Incentives
REVENUES			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	6,765	15,225
5900	Federal program revenues	-	-
5020	Total revenues	<u>6,765</u>	<u>15,225</u>
EXPENDITURES			
Current			
0011	Instruction	4,064	-
0012	Instructional resources and media services	-	-
0013	Curriculum and Instructional staff development	2,701	884
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	<u>6,765</u>	<u>884</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>14,341</u>
OTHER FINANCING SOURCES (USES)			
1200	Net change in fund balances	-	14,341
0100	Fund Balance - July 1 (Beginning)	-	22,147
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 36,488</u>

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
\$ -	\$ -	\$ 3,062,734	\$ -	\$ 6,012,834
1,702,313	-	58,860	-	1,923,210
-	-	-	-	6,341,802
<u>1,702,313</u>	<u>-</u>	<u>3,121,594</u>	<u>-</u>	<u>14,277,846</u>
821,430	40	789,454	-	3,406,634
-	-	47,094	-	50,329
-	19,416	109,445	-	647,465
-	-	1,733	-	233,394
-	-	104,047	-	131,734
-	-	97,063	-	600,391
-	-	2,467	-	2,467
-	-	-	-	-
-	-	-	-	6,123,457
-	-	823,421	-	837,793
-	-	1,548	-	2,848
-	-	24,787	-	55,526
-	-	51,043	-	51,043
-	-	-	-	-
-	-	823,207	-	839,463
-	-	-	-	39,862
<u>821,430</u>	<u>19,456</u>	<u>2,875,309</u>	<u>-</u>	<u>13,022,406</u>
880,883	(19,456)	246,285	-	1,255,440
-	-	-	-	-
880,883	(19,456)	246,285	-	1,255,440
64,852	(451)	1,798,361	1,419	2,091,965
<u>\$ 945,735</u>	<u>\$ (19,907)</u>	<u>\$ 2,044,646</u>	<u>\$ 1,419</u>	<u>\$ 3,347,405</u>

This Page Intentionally Left Blank

Agency Funds

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

Statement of Changes in Fiduciary Net Position - Agency Funds

Year Ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
STUDENT ACTIVITY ACCOUNT				
Assets				
Cash and temporary investments	\$ 103,052	\$ 241,861	\$ 212,065	\$ 132,848
Accounts receivable	-	26	-	26
	<u>103,052</u>	<u>241,887</u>	<u>212,065</u>	<u>132,874</u>
Total assets	<u>\$ 103,052</u>	<u>\$ 241,887</u>	<u>\$ 212,065</u>	<u>\$ 132,874</u>
Liabilities				
Accounts payable	\$ 9,923	\$ 1,620	\$ 9,923	\$ 1,620
Due to other governments	91	33	120	4
Due to student groups	93,038	241,666	203,454	131,250
	<u>93,038</u>	<u>241,666</u>	<u>203,454</u>	<u>131,250</u>
Total liabilities	<u>\$ 103,052</u>	<u>\$ 243,319</u>	<u>\$ 213,497</u>	<u>\$ 132,874</u>

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

Burleson Independent School District
 Schedule of Delinquent Taxes Receivable
 Year Ended June 30, 2019

Last Ten Years	(1)	(2)	(3)	(10)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes	Beginning Balance 7/1/2018
	Maintenance	Debt Service		
2010 and prior years	Various	Various	Various	\$ 513,471
2011	1.370000	0.500000	3,517,047,761	45,183
2012	1.040000	0.500000	3,471,316,519	68,776
2013	1.040000	0.500000	3,434,466,119	87,736
2014	1.040000	0.500000	3,342,805,197	80,267
2015	1.040000	0.500000	3,639,098,970	72,840
2016	1.040000	0.500000	3,638,375,969	176,663
2017	1.040000	0.500000	3,880,366,485	235,759
2018	1.170000	0.500000	4,336,695,747	1,053,020
2019 (School year under audit)	1.170000	0.500000	4,772,239,374	-
1000 TOTALS				<u>\$ 2,333,715</u>

(a) Current year's total levy is net of \$4,180,968 for levy loss due to frozen taxes on "over 65" accounts.

Exhibit J-1

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy (a)	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 6/30/2019
\$ -	\$ 2,548	\$ 778	\$ (113,481)	\$ 396,664
-	1,642	599	-	42,942
-	3,179	1,529	-	64,068
-	(12,612)	(6,063)	(23,932)	82,479
-	1,301	626	(556)	77,784
-	10,359	4,980	3,881	61,382
-	16,685	8,022	(3,762)	148,194
-	8,275	3,979	(78,042)	145,463
-	303,773	129,817	(379,348)	240,082
75,235,750	52,182,852	22,300,364	238,332	990,866
<u>\$ 75,235,750</u>	<u>\$ 52,518,002</u>	<u>\$ 22,444,631</u>	<u>\$ (356,908)</u>	<u>\$ 2,249,924</u>

This Page Intentionally Left Blank

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, 2019

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 2,790,500	\$ 2,965,500	\$ 2,950,100	\$ (15,400)
5800	State program revenues	100,000	110,000	140,047	30,047
5900	Federal program revenues	3,018,025	3,218,025	3,194,933	(23,092)
5020	Total revenues	5,908,525	6,293,525	6,285,080	(8,445)
	EXPENDITURES				
0035	Food services	5,777,067	6,162,067	6,123,457	38,610
0051	Facilities maintenance and operations	35,000	35,000	30,739	4,261
6030	Total expenditures	5,812,067	6,197,067	6,154,196	42,871
1200	Net change in fund balances	96,458	96,458	130,884	34,426
0100	Fund balance - July 1 (beginning)	198,633	198,633	198,633	-
3000	Fund balance - June 30 (ending)	\$ 295,091	\$ 295,091	\$ 329,517	\$ 34,426

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, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Over or (Under)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 21,820,218	\$ 22,713,010	\$ 22,792,507	\$ 79,497
5800	State program revenues	1,276,344	514,355.00	704,674	190,319
5020	Total revenues	23,096,562	23,227,365	23,497,181	269,816
EXPENDITURES					
0071	Debt service	26,193,107	28,842,111	28,842,111	-
6030	Total expenditures	26,193,107	28,842,111	28,842,111	-
1100	Excess (deficiency) of revenues over (under) expenditures	(3,096,545)	(5,614,746)	(5,344,930)	269,816
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	5,500,000	5,500,000
7080	Total other financing sources (uses)	-	-	5,500,000	5,500,000
1200	Net change in fund balances	(3,096,545)	(5,614,746)	155,070	5,769,816
0100	Fund balance - July 1 (beginning)	16,125,004	16,125,004	16,125,004	-
3000	Fund balance - June 30 (ending)	\$ 13,028,459	\$ 10,510,258	\$ 16,280,074	\$ 5,769,816

This Page Intentionally Left Blank

Statistical Section (Unaudited)

This Page Intentionally Left Blank

Burleson Independent School District

Notes to the Basic Financial Statements

This statistical section is organized in five sections:

- Financial Trends- Compiles information reported in the Comprehensive Annual Report over the past ten years (2010-2019) as a result of the implementation of GASB 34 reporting. Information for Government Wide statements dates back to 2002 when the District implemented. These schedules report how the District's financial position has changed over time.
- Revenue Capacity Information- Provides information regarding the District's major own source revenue (property taxes) and the stability/growth of that revenue for the past ten year period.
- Debt Capacity Information- Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt, if needed, for the past ten years, where applicable.
- Demographic and Economic Information- Provides information regarding the District's socioeconomic environment: specially, its taxpayers, employers, and the changes to those groups over the past ten years, if applicable.
- Operating Information- Provides information on the District's employees, operations of the District, and facilities for the period stated in the reports.

Burleson Independent School District

Net Position by Component

Last Ten Years

(accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ (9,471,391)	\$ (13,749,605)	\$ (18,016,518)	\$(20,842,058)
Restricted	13,963,180	17,531,664	15,934,357	12,663,826
Unrestricted	15,986,510	7,973,873	14,612,284	10,459,002
Business Type Activities				
Unrestricted	-	-	78,246	66,612
Total Primary Government Net Position	\$ 20,478,299	\$ 11,755,932	\$ 12,608,369	\$ 2,347,382

Schedule 1

2014	2015	2016	2017	2018	2019
\$ (28,305,183)	\$ (30,697,028)	\$ (23,725,928)	\$ (18,985,241)	\$(14,623,939)	\$ (6,871,592)
10,081,840	8,800,546	9,356,974	9,598,901	11,320,215	11,206,645
19,861,926	17,862,321	11,252,600	6,423,062	(35,224,216)	(32,096,464)
73,853	112,166	119,030	159,743	241,509	326,589
\$ 1,712,436	\$ (3,921,995)	\$ (2,997,324)	\$ (2,803,535)	\$(38,286,431)	\$ (27,434,822)

Burleson Independent School District

Governmental Activities Revenue and Expense

Last Ten Years

(*accrual basis of accounting*)

(Unaudited)

	2010	2011	2012	2013
Expenses by Function				
Governmental Activities				
Instruction	\$ 46,550,341	\$ 50,533,901	\$ 48,097,966	\$ 48,317,821
Instructional Resources & Media Services	1,031,336	1,254,218	1,090,999	1,176,099
Curriculum & Staff Development	1,417,810	1,834,757	1,394,480	1,387,812
Instructional Leadership	1,003,556	1,018,989	875,690	946,455
School Leadership	4,814,938	5,377,191	5,104,708	5,102,142
Guidance, Counseling, & Evaluation Services	3,067,309	3,012,553	2,911,712	3,096,151
Social Work Services	62,780	1,990	-	56,328
Health Services	940,645	1,061,363	1,011,880	1,093,506
Student (Pupil) Transportation	2,103,204	1,921,336	1,771,166	1,864,305
Food Services	4,066,610	4,501,219	4,351,854	4,750,681
Extracurricular Activities	3,258,847	3,646,269	2,825,755	3,026,639
General Administration	2,815,412	2,947,019	2,450,929	2,707,304
Plant Maintenance & Operations	7,831,173	9,371,292	7,997,299	9,040,355
Security & Monitoring Services	350,455	322,064	265,415	276,481
Data Processing Services	1,456,979	1,983,971	1,384,539	1,411,545
Community Services	970,831	920,207	1,391,995	643,776
Debt Service - Interest on Long Term Debt	14,623,053	16,109,185	15,522,282	15,492,377
Debt Service - Bond Issuance Cost & Fees	4,300	201,675	109,175	624,805
Facilities Acquisition & Construction	66,160	-	-	-
Total Governmental Activities Expense	<u>96,435,739</u>	<u>106,019,199</u>	<u>98,557,844</u>	<u>101,014,582</u>
Business Type Activities Expense				
Child Care	-	-	604,630	610,249
Program Revenues				
Charges for Services				
Instruction	404,912	433,452	44,285	2,573,230
Food Service	2,180,157	2,093,910	2,222,403	2,394,643
Extracurricular Activities	1,970,401	2,287,479	471,228	441,557
Community Services	580,681	691,256	-	-
Other	43,414	42,046	57,805	48,873
Operating Grants and Contributions	12,429,245	10,681,528	12,625,718	6,760,500
Total Governmental Activities Program Revenue	<u>17,608,810</u>	<u>16,229,671</u>	<u>15,421,439</u>	<u>12,218,803</u>
Business Type Activities Revenues				
Charges for Services	-	-	574,687	566,867
Operating Grants and Contributions	-	-	-	-
Net (Expense)/Revenue And Changes in Net Position	<u><u>\$(78,826,929)</u></u>	<u><u>\$(89,789,528)</u></u>	<u><u>\$(83,166,348)</u></u>	<u><u>\$(88,839,161)</u></u>

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

Schedule 2

2014	2015	2016	2017	2018	2019
\$ 51,233,610	\$ 52,121,810	\$ 59,854,511	\$ 65,545,974	\$ 46,765,905	\$ 74,085,797
1,241,127	1,174,637	1,232,622	1,259,513	1,027,506	1,444,932
1,324,047	1,412,597	1,931,145	2,126,353	1,593,667	2,682,213
1,075,638	1,642,223	1,935,294	2,184,617	1,530,629	2,352,001
5,569,981	5,698,793	6,271,740	6,829,731	4,930,009	7,786,400
3,330,123	3,432,098	4,046,727	4,393,048	3,111,946	5,754,459
59,666	64,471	67,371	130,744	76,802	130,288
1,042,166	1,088,384	1,261,473	1,351,624	938,338	1,492,499
1,880,920	1,915,025	2,794,187	2,942,211	3,087,009	3,075,072
5,188,060	5,371,267	5,746,504	5,997,147	4,803,193	7,098,022
3,117,749	3,753,960	3,955,992	4,315,441	3,861,508	4,371,801
2,852,421	3,080,199	3,339,681	4,082,942	3,073,986	4,094,256
8,584,064	8,936,625	8,761,763	9,329,370	7,879,459	10,094,402
445,356	314,735	361,066	377,468	424,889	688,565
1,547,764	2,643,544	2,265,949	2,603,464	2,307,625	2,815,807
687,624	671,939	815,466	973,505	616,331	1,002,886
14,959,125	15,143,300	12,307,683	12,017,106	14,085,772	15,446,748
128,539	5,000	1,417,599	320,831	1,223,629	261,152
-	-	-	-	-	-
104,267,980	108,470,607	118,366,773	126,781,089	101,338,203	144,677,300
543,580	552,290	562,388	566,394	604,849	655,083
2,775,865	2,908,785	3,023,031	3,258,332	3,180,944	3,070,943
2,613,549	2,586,788	2,515,875	2,567,586	2,741,209	2,939,390
415,322	436,947	461,277	489,433	460,985	550,015
-	-	-	-	-	-
140,105	127,308	99,008	105,560	103,833	118,877
6,858,969	6,365,989	9,720,657	8,215,605	(7,555,283)	18,504,169
12,803,810	12,425,817	15,819,848	14,636,516	(1,068,312)	25,183,394
521,753	560,564	540,404	577,388	654,118	706,761
29,068	30,039	28,848	29,719	32,497	33,402
\$ (91,456,929)	\$ (96,006,477)	\$ (102,540,061)	\$ (112,103,860)	\$ (102,324,749)	\$ (119,408,826)

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

	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental Activities	\$ (78,826,929)	\$ (89,789,528)	\$ (88,795,779)	\$ (88,839,161)
Business-type Activities	-	-	(2,339)	(11,634)
	<u>\$ (78,826,929)</u>	<u>\$ (89,789,528)</u>	<u>\$ (88,798,118)</u>	<u>\$ (88,850,795)</u>
General Revenue and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 38,214,968	\$ 35,719,185	\$ 35,171,679	\$ 35,332,535
Property Taxes, Levied for Debt Service	18,329,719	17,257,445	16,855,823	16,919,470
State Aid - Unrestricted Formula Grants	23,494,941	25,221,315	30,548,650	31,980,677
Investment Earnings	294,249	155,843	80,209	83,777
Miscellaneous Local and Intermediate Revenue	2,201,181	2,713,373	1,266,642	923,169
Total Governmental Activities	<u>82,535,058</u>	<u>81,067,161</u>	<u>83,923,003</u>	<u>85,239,628</u>
Business-type Activities:	-	-	-	-
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 82,535,058</u>	<u>\$ 81,067,161</u>	<u>\$ 83,923,003</u>	<u>\$ 85,239,628</u>
Change in Net Position				
Governmental Activities	\$ 3,708,129	\$ (8,722,367)	\$ 687,798	\$ (3,556,151)
Business-type Activities	-	-	78,246	(11,634)
Total Change in Net Position	<u>\$ 3,708,129</u>	<u>\$ (8,722,367)</u>	<u>\$ 766,044</u>	<u>\$ (3,567,785)</u>

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

Schedule 3

2014	2015	2016	2017	2018	2019
\$ (91,464,170)	\$ (96,044,790)	\$ (102,546,925)	\$ (112,144,573)	\$ (102,406,515)	\$ (119,493,906)
7,241	38,313	6,864	40,713	81,766	85,080
<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>	<u>\$ (119,408,826)</u>
\$ 34,367,419	\$ 37,232,750	\$ 37,793,546	\$ 39,179,085	\$ 48,692,234	\$ 52,882,627
16,495,771	17,896,527	18,104,303	18,733,850	20,963,615	22,463,135
38,320,076	42,264,958	46,369,557	53,075,316	53,159,874	51,524,236
57,588	58,632	213,369	351,980	1,501,201	2,558,767
1,581,129	1,689,255	1,096,123	957,418	896,023	831,670
<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>130,260,435</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>\$ 130,260,435</u>
\$ (642,187)	\$ 3,097,332	\$ 1,029,973	\$ 153,076	\$ 22,806,432	\$ 10,766,529
7,241	38,313	6,864	40,713	81,766	85,080
<u>\$ (634,946)</u>	<u>\$ 3,135,645</u>	<u>\$ 1,036,837</u>	<u>\$ 193,789</u>	<u>\$ 22,888,198</u>	<u>\$ 10,851,609</u>

Burleson Independent School District

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
General Fund				
Nonspendable	\$ 127,843	\$ 122,163	\$ 226,556	\$ 304,651
Committed	-	13,874,622	99,806	149,325
Unassigned	28,042,051	14,707,187	20,112,493	19,596,818
Total General Fund	28,169,894	28,703,972	20,438,855	20,050,794
All Other Governmental Funds				
Nonspendable	-	86,041	58,212	11,495
Committed	-	-	14,827,092	15,071,963
Restricted for:				
Debt Service	23,517,201	21,588,409	19,707,583	17,694,475
Capital Acquisitions	-	5,466,278	4,647,629	3,469,281
Grant Funds	711,665	1,134,146	396,979	241,104
Unassigned	-	-	-	-
Total All Other Governmental Funds	24,228,866	28,274,874	39,637,495	36,488,318
Total All Government Funds	\$ 52,398,760	\$ 56,978,846	\$ 60,076,350	\$ 56,539,112
Change in Fund Balance for Governmental Funds	\$ (5,177,375)	\$ 4,580,086	\$ 3,097,504	\$ (3,537,238)

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

Schedule 4

2014	2015	2016	2017	2018	2019
\$ 250,157	\$ 400,292	\$ 278,233	\$ 270,614	\$ 752,698	\$ 686,121
20,706	287,680	161,186	-	-	-
23,647,503	24,524,180	22,000,000	22,981,552	24,829,426	27,481,804
<u>23,918,366</u>	<u>25,212,152</u>	<u>22,439,419</u>	<u>23,252,166</u>	<u>25,582,124</u>	<u>28,167,925</u>
34,886	30,963	27,825	8,114	4,225	5,147
15,068,464	18,835,540	15,422,545	11,696,613	15,430,133	19,858,055
15,061,089	14,137,487	13,088,136	13,542,177	16,125,004	16,280,074
1,934,410	-	-	-	48,074,312	21,632,688
312,276	181,750	181,239	432,066	289,830	1,317,519
-	-	-	-	(451)	(19,907)
<u>32,411,125</u>	<u>33,185,740</u>	<u>28,719,745</u>	<u>25,678,970</u>	<u>79,923,053</u>	<u>59,073,576</u>
<u>\$ 56,329,491</u>	<u>\$ 58,397,892</u>	<u>\$ 51,159,164</u>	<u>\$ 48,931,136</u>	<u>\$ 105,505,177</u>	<u>\$ 87,241,501</u>
<u>\$ (209,621)</u>	<u>\$ 2,068,401</u>	<u>\$ (7,238,728)</u>	<u>\$ (2,228,028)</u>	<u>\$ 56,574,041</u>	<u>\$ (18,263,676)</u>

Burleson Independent School District

Governmental Funds Revenues

Last Nine Years

(Unaudited)

	2010	2011	2012	2013
Local Sources:				
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 Sources	-	-	-	-
Co-curricular Revenues	2,552,714	2,505,836	3,309,125	3,020,855
Total Local Sources	63,677,766	62,907,337	59,880,912	58,684,552
State Programs:				
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
Total State Programs	27,873,801	26,100,036	32,113,999	32,704,530
Federal Programs:				
State Distributed Revenues from Federal Source:	8,333,217	8,557,069	7,180,955	5,654,017
Total Federal Programs	8,333,217	8,557,069	7,180,955	5,654,017
Other Financing Sources:				
Bond Proceeds and Other	70,342,359	27,106,510	13,874,622	12,031,542
Total Revenues	\$ 170,227,143	\$ 124,670,952	\$ 113,050,488	\$ 109,074,641

Schedule 5

2014	2015	2016	2017	2018	2019
\$ 51,003,758	\$ 55,150,878	\$ 55,876,497	\$ 58,023,847	\$ 69,455,629	\$ 75,409,200
-	-	-	-	-	-
3,888,383	3,961,718	3,868,962	4,000,853	5,244,204	3,556,885
-	-	-	-	-	-
3,695,172	3,834,222	3,539,722	3,729,456	3,637,408	6,512,777
58,587,313	62,946,818	63,285,181	65,754,156	78,337,241	85,478,862
38,320,076	38,654,135	42,197,507	43,220,942	47,478,657	46,283,554
1,362,739	4,375,445	5,447,670	6,719,491	6,400,187	7,248,181
39,682,815	43,029,580	47,645,177	49,940,433	53,878,844	53,531,735
5,652,580	5,650,616	6,171,935	6,981,525	7,193,578	8,712,408
5,652,580	5,650,616	6,171,935	6,981,525	7,193,578	8,712,408
-	-	-	-	-	-
<u>\$ 103,922,708</u>	<u>\$ 111,627,014</u>	<u>\$ 117,102,293</u>	<u>\$ 122,676,114</u>	<u>\$ 139,409,663</u>	<u>\$ 147,723,005</u>

Burleson Independent School District

Governmental Funds Expenditures By Function

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Expenditures by Function				
Current				
Instruction	\$ 44,527,640	\$ 46,919,595	\$ 44,241,226	\$ 43,964,457
Instructional Resources & Media Services	985,550	1,181,495	1,053,707	1,083,010
Curriculum & Staff Development	1,367,305	1,718,588	1,273,094	1,282,555
Instructional Leadership	961,847	939,953	804,834	866,516
School Leadership	4,694,167	4,848,447	4,561,622	4,600,600
Guidance, Counseling, & Evaluation Services	2,915,507	2,738,289	2,721,542	2,860,732
Social Work Services	62,457	1,796	-	56,328
Health Services	890,829	958,774	959,767	986,455
Student (Pupil) Transportation	2,095,728	1,909,710	1,761,046	1,854,085
Food Services	3,963,316	4,291,391	4,138,943	4,850,615
Extracurricular Activities	3,201,740	3,639,118	2,819,380	3,015,594
General Administration	2,206,564	2,308,809	1,869,336	2,127,303
Plant Maintenance & Operations	7,868,048	8,872,279	7,453,681	8,559,424
Security & Monitoring Services	383,195	315,198	264,347	317,253
Data Processing Services	2,046,096	1,902,742	1,274,022	1,316,464
Community Services	959,657	899,742	784,338	648,288
Debt Service				
Principal on Long Term Debt	1,348,967	1,978,720	2,140,256	2,864,688
Interest on Long Term Debt	14,497,891	16,582,361	16,736,906	16,691,000
Bond Insurance Cost & Fees	1,621,180	359,923	3,800	276,535
Capital Outlay				
Facilities Acquisition & Construction	78,210,386	17,178,744	719,626	3,624,760
Intergovernmental				
Payments to Fiscal Agent/Member Districts of SSA	68,394	5,114	6,192	40,048
Payments to Juvenile Justice Alternative Ed. Prg.	6,225	316	10,625	158
Other Governmental Charges	521,829	539,762	418,146	384,873
Total Expenditures	\$ 175,404,518	\$ 120,090,866	\$ 96,016,436	\$ 102,271,741
Debt Service as a percentage of noncapital expenditures	17.97%	18.39%	19.81%	20.10%
Capital Outlay as a percentage of operating expenditures	45.23%	14.65%	0.91%	3.90%

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

Schedule 6

2014	2015	2016	2017	2018	2019
\$ 46,101,876	\$ 47,663,770	\$ 53,309,040	\$ 56,467,397	\$ 58,660,695	\$ 61,284,765
1,132,587	1,083,901	1,117,396	1,104,506	1,214,937	1,222,463
1,223,021	1,325,555	1,785,669	1,921,224	2,059,987	2,281,472
975,378	1,504,517	1,727,316	1,898,780	2,107,065	1,902,576
4,967,091	5,167,382	5,552,533	5,831,744	6,085,281	6,386,549
3,044,477	3,171,903	3,603,519	3,811,342	4,148,683	4,716,545
59,666	64,471	67,334	112,998	102,198	104,419
926,800	987,154	1,114,998	1,152,675	1,149,998	1,233,103
1,871,241	1,906,042	2,783,872	3,168,025	3,091,861	3,065,297
4,947,288	5,329,987	5,408,386	5,569,599	5,818,384	6,190,883
3,130,083	3,831,252	3,886,937	4,138,485	4,600,657	4,081,357
2,190,131	2,237,327	2,411,313	3,032,695	2,683,287	2,809,421
8,133,280	8,563,837	8,276,005	8,569,359	8,759,561	9,381,953
445,368	314,811	360,600	373,960	432,796	685,302
1,432,054	2,671,521	2,155,227	2,457,573	2,463,185	2,588,814
687,546	675,254	781,105	868,096	885,924	874,163
3,175,487	3,681,207	5,967,905	7,735,000	11,715,000	13,590,000
17,086,032	16,646,700	14,074,789	12,429,774	13,115,431	15,245,611
128,539	5,000	1,417,599	320,831	1,223,629	261,152
1,881,859	2,057,524	8,639,262	3,525,032	12,974,599	52,523,770
63,532	74,669	67,632	93,471	100,967	39,862
7,426	1,501	1,343	-	-	2,322
392,948	605,045	627,746	637,407	702,052	771,182
<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>	<u>\$ 191,242,981</u>
19.97%	18.91%	18.42%	16.83%	19.87%	20.79%
1.28%	2.33%	6.90%	2.82%	9.00%	27.46%

Burleson Independent School District

Governmental Fund Other Source, Uses and Changes in Fund Balance

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Excess of revenues over (under) expenditures	\$(75,519,734)	\$ (22,526,424)	\$ 3,159,430	\$ (5,228,642)
Other Financing Sources (Uses)				
Capital Related Debt Issued (Regular Bonds)	66,700,000	51,095,000	-	8,575,000
Transfers In	416,051	-	13,874,622	1,505,006
Transfers Out	-	-	(13,973,422)	(1,505,006)
Premium or Discount on Issuance of Bonds	3,642,359	6,111,165	-	529,340
Prepaid Interest	-	-	-	-
Other Uses (Refunding Bonds)	(416,051)	(30,099,655)	-	(9,013,270)
Capital Leases	-	-	-	1,422,196
Non-Current Loans	-	-	-	-
Sale of Real and Personal Property	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	70,342,359	27,106,510	(98,800)	1,513,266
Net Change in Fund Balances	\$ (5,177,375)	\$ 4,580,086	\$ 3,060,630	\$ (3,715,376)

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

Schedule 7

2014	2015	2016	2017	2018	2019
\$ (81,002)	\$ 2,056,624	\$ (8,035,233)	\$ (2,543,859)	\$ (4,686,514)	\$ (43,519,976)
-	-	146,039,656	17,630,000	118,064,151	24,955,000
-	-	5,558,760	-	8,519,602	8,868,513
-	-	(5,558,760)	-	(8,519,602)	(8,868,513)
-	-	16,247,550	832,340	13,805,714	301,300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,776	-	-	-	-
-	-	(161,490,701)	(18,146,509)	(70,609,310)	-
-	-	-	-	-	-
-	11,776	796,505	315,831	61,260,555	25,256,300
\$ (81,002)	\$ 2,068,400	\$ (7,238,728)	\$ (2,228,028)	\$ 56,574,041	\$ (18,263,676)

Burleson Independent School District

Schedule 8

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

Tax Roll for Fiscal Year	Actual Value			Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Value ²	Assessed Value to Total Estimated Actual Value
	Real Property	Personal Property	Less Exemptions				
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%
2019	6,034,776,812	400,800,003	1,663,337,441	4,772,239,374	1.67	6,435,576,815	74.15%

Sources: Johnson and Tarrant County Appraisal District

¹Per \$100 of assessed value.

²Estimated actual value includes real property, personal property, and oil, gas, and other minerals.

This Page Intentionally Left Blank

Burleson Independent School District

Property Tax Rates - Direct And Overlapping Governments

(Per \$100 Valuation)

Last Ten Years

(Unaudited)

	2010	2011	2012	2013	2014
Burleson ISD:					
Maintenance and Operations	1.0400	1.0400	1.0400	1.0400	1.0400
Interest and Sinking	0.5000	0.5000	0.5000	0.5000	0.5000
Total	1.5400	1.5400	1.5400	1.5400	1.5400
City of Burleson ¹	0.694	0.710	0.690	0.690	0.690
City of Fort Worth ¹	0.855	0.855	0.855	0.855	0.855
City of Crowley ¹	0.64	0.64	0.669019	0.669029	0.676448
Johnson County ¹	0.300589	0.3275	0.3305	0.333229	0.371154
Tarrant County ¹	0.264	0.264	0.264	0.264	0.264
Tarrant County Hospital District ¹	0.227897	0.22789	0.22789	0.227897	0.227897

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

¹Overlapping rates

Schedule 9

2015	2016	2017	2018	2019
1.0400	1.0400	1.0400	1.1700	1.1700
0.5000	0.5000	0.5000	0.5000	0.5000
<u>1.5400</u>	<u>1.5400</u>	<u>1.5400</u>	<u>1.6700</u>	<u>1.6700</u>
0.740	0.740	0.646027	0.735	0.735
0.855	0.855	0.835	0.805	0.785
0.765515	0.718061	0.703351	0.719	0.709
0.445	0.448	0.431713	0.4417	0.472
0.264	0.264	0.264	0.244	0.234
0.227897	0.227897	0.227897	0.224429	0.224429

Burleson Independent School District

Schedule 10

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

Principal Employer	Rank	2019		Rank	2010	
		2018-2019 Total Taxable Assessed Value ¹	Percentage of Total Taxable Assessed Value		2008-2009 Total Taxable Assessed Value ²	Percentage of Total Taxable Assessed Value
Burleson Gateway	1	\$ 35,663,519	0.75%			
Wagner Smith	2	30,119,928	0.63%			
XTO Energy	3	21,266,153	0.45%	1	93,946,100	3%
BRE DDR BR McAlister	4	20,930,000	0.44%			
FDL Operating	5	20,203,448	0.42%			
Sam's Real Estate	6	19,343,170	0.41%			
H E Butt Grovery Co.	7	18,539,539	0.39%			
Halliburton	8	18,193,405	0.38%			
Summercrest at Burleson	9	16,538,853	0.35%			
EB Reserve	10	15,808,651	0.33%	4	61,353,424	1.74%
Chesapeake Exploration, Inc.				2	74,915,725	2.12%
Williams Production				3	70,374,036	1.99%
EOG Resources				5	22,815,690	0.65%
Devon Energy Production				6	15,654,727	0.44%
Burleson Commons				7	14,983,133	0.42%
Titan Operating				8	14,408,505	0.41%
Barnett Gathering				9	10,803,633	0.31%
Target Corporation				10	10,518,830	0.30%
Wal-Mart Real Estate Business						
		<u>\$ 216,606,666</u>	<u>4.54%</u>		<u>\$ 389,773,803</u>	<u>11.05%</u>

Source: Johnson and Tarrant County Appraisal District

¹Total 2018-2019 taxable assessed v alue equals \$4,772,239,374

²Total 2009-2010 taxable assessed v alue equals \$3,528,093,360

Burleson Independent School District

Schedule 11

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

Fiscal Year	Total Tax Levy	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ¹	Percentage of Levy		Amount	Percentage of Levy
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%
2019	75,474,090	74,483,216	98.69%	62,364	74,545,580	98.77%

¹Collected amounts represent total collections before refunds.

Source: Johnson County Tax Office

Burleson Independent School District**Schedule 12**

Outstanding Debt by Type

Last Ten Years

(Unaudited)

Fiscal Year	General Obligation Debt	Other Obligations	Capital Leases	Notes Payables	Total Primary Government	Percentage of Personal Income	Per Capita
2010	294,804,009	22,417,818	-	-	317,221,827	27.95%	9,235
2011	315,003,199	27,040,861	-	-	342,044,060	26.90%	9,958
2012	312,862,942	25,180,886	-	-	338,043,828	25.24%	9,841
2013	310,441,243	24,364,535	979,175	-	335,784,953	24.07%	9,775
2014	307,661,941	26,463,747	582,990	-	334,708,678	22.16%	9,744
2015	304,395,852	24,703,067	167,874	-	329,266,793	21.10%	9,586
2016	296,800,852	39,757,407	-	-	336,558,259	20.68%	9,798
2017	288,945,852	38,695,411	-	-	327,641,263	N/A	9,538
2018	329,205,852	51,604,472	-	-	380,810,324	N/A	11,086
2019	340,570,852	49,916,805	545,147	-	391,032,804	N/A	11,384

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

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

Burleson Independent School District**Schedule 13**

Direct and Overlapping Governmental Activities Debt

June 30, 2013

(Unaudited)

Taxing Body	Net Debt Outstanding	As of	Percent Overlapping ¹	Amount Overlapping Net Debt
City of Burleson	\$ 155,260,000	6/30/2019	76.21%	\$ 118,323,646
City of Crowley	32,270,000	6/30/2019	3.23%	1,042,321
City of Fort Worth	745,560,000	6/30/2019	0.99%	7,381,044
Johnson County	24,205,000	6/30/2019	25.88%	6,264,254
Tarrant County	294,500,000	6/30/2019	0.85%	2,503,250
Tarrant County Hospital District	17,735,000	6/30/2019	0.85%	150,748
Total Overlapping Net Debt	1,269,530,000			135,665,263
Burleson ISD	340,570,852	6/30/2019	100%	340,570,852
Total Direct and Overlapping Debt				\$ 476,236,115
Ratio of Total Direct and Overlapping Net Debt to 2019 Taxable Assessed Valuation \$4,772,239,374				9.98%

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

¹The percentage of overlapping debt is estimated using taxable assessed property values.

Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Burleson Independent School District

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
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%
2019	466,825,518	381,143,678	85,681,840	81.65%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	<u><u>\$ 4,772,239,374</u></u>
Debt Limit (10% of assessed value)	\$ 477,223,937
Debt applicable to limit	<u><u>\$ 381,143,678</u></u>
Legal debt margin	<u><u>\$ 96,080,259</u></u>

This Page Intentionally Left Blank

Burleson Independent School District

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

Fiscal Year	Total Taxable Assessed Value	Assessment Ratio	Gross Bonded Debt Outstanding at Year End ¹	Reserve for Retirement of Bonded Debt	Net Bonded Debt Outstanding at Year End
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
2019	4,772,239,374	100%	340,570,852	9,889,126	330,681,726

Sources: Johnson and Tarrant County Appraisal District, District records

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

Schedule 15

Fiscal Year	Ratio Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Value Per Capita
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
2019	6.93%	46,145	7,166	103.418

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

Schedule 16

Fiscal Year	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ³	Unemployment Rate ⁴	Residential Units ⁵	Assessed Value of Residential Units ⁵	Average Assessed Value of Residential Units ⁵	Average Daily Attendance
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
2019	46,145	-	N/A	3.4%	20,130	3,971,138,527	197,275	11,735

Sources:

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

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

³Bureau of Economic Analysis. Personal income for Johnson County updated through 2017.

⁴US Department of Labor - Bureau of Labor Statistics

⁵Johnson County and Tarrant County Appraisal District

Burleson Independent School District

Schedule 17

Principal Employers
 Current Year and Five Years Ago
 (Unaudited)

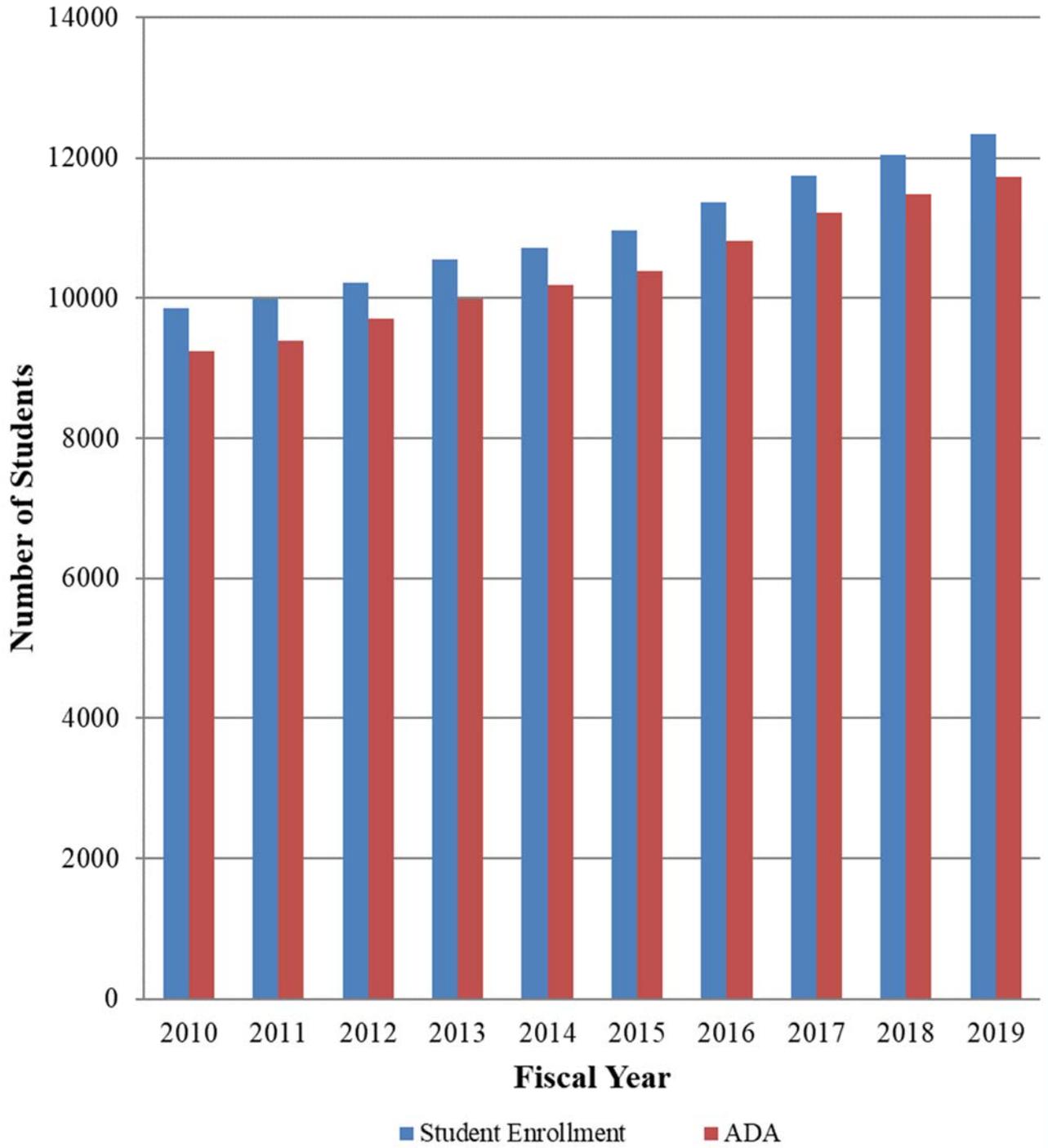
Principal Employer	Business Type	Rank	2018-2019		2013-2014		
			Number of Employees	Percentage of Total Employment	Rank	Number of Employees	Percentage of Total Employment
Burleson ISD	Education	1	1550	10.69%	1	1334	9.74%
Wal-Mart	Retail	2	565	3.90%	2	410	2.99%
City of Burleson	Municipality	3	452	3.12%	3	272	1.99%
H.E.B. Grocery Store	Grocery	4	422	2.91%			
Champion Buildings	Manufacturing	5	340	2.34%			
Kroger Marketplace	Retail	6	190	1.31%			
Sam's Club	Retail	7	150	1.03%			
Basden Steel	Manufacturing	8	150	1.03%			
KWS Manufacturing	Manufacturing	9	150	1.03%	6	200	1.46%
Home Depot	Retail	10	118	0.81%	7	150	1.09%
Burley Fence	Manufacturing				4	250	1.82%
Lowe's	Retail				5	220	1.61%
Target	Retail				8	150	1.09%
Thomas Conveyor	Manufacturing				9	150	1.09%
Albertson's	Retail				10	140	1.02%
			<u>4087</u>	<u>28.18%</u>		<u>3276</u>	<u>23.90%</u>

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

Burleson Independent School District

Schedule 18

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



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

Schedule 19

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

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

Burleson Independent School District**Schedule 20**

Teacher Salary Data
Last Ten Years
(Unaudited)

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>District Average Salary</u>	<u>Region Average Salary</u>	<u>State Average Salary</u>
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
2019	51,000	71,609	54,961	56,985	54,122

Source: District Records and PEIMS Standards Report

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

This Page Intentionally Left Blank

Burleson Independent School District

Operating Statistics

Last Ten Years

(Unaudited)

Fiscal Year	Total Enrollment	Average Daily Attendance	Operating Expenditures ¹	Cost Per Pupil	Percent Change	Operating Expenses	Cost Per Pupil
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	10,156
2013	10,457	9,990	78,814,758	7,890	0.77%	101,014,582	10,112
2014	10,618	10,186	81,731,793	8,024	1.70%	104,267,980	10,236
2015	10,805	10,389	87,023,734	8,377	4.40%	108,470,607	10,441
2016	11,376	10,804	94,337,802	8,731	4.24%	118,366,773	10,956
2017	11,748	11,226	100,028,328	8,910	2.05%	126,781,089	11,293
2018	12,054	11,487	104,797,465	9,123	2.39%	101,940,469	8,874
2019	12,340	11,735	109,436,472	9,326	2.22%	144,677,300	12,329

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

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

Schedule 21

Percent Change	Teaching Staff	Pupil-Teacher Ratio	Students Receiving Free or Reduced-Price Meals
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%
38.92%	780	15.1	39.0%

Burleson Independent School District

Schedule 22

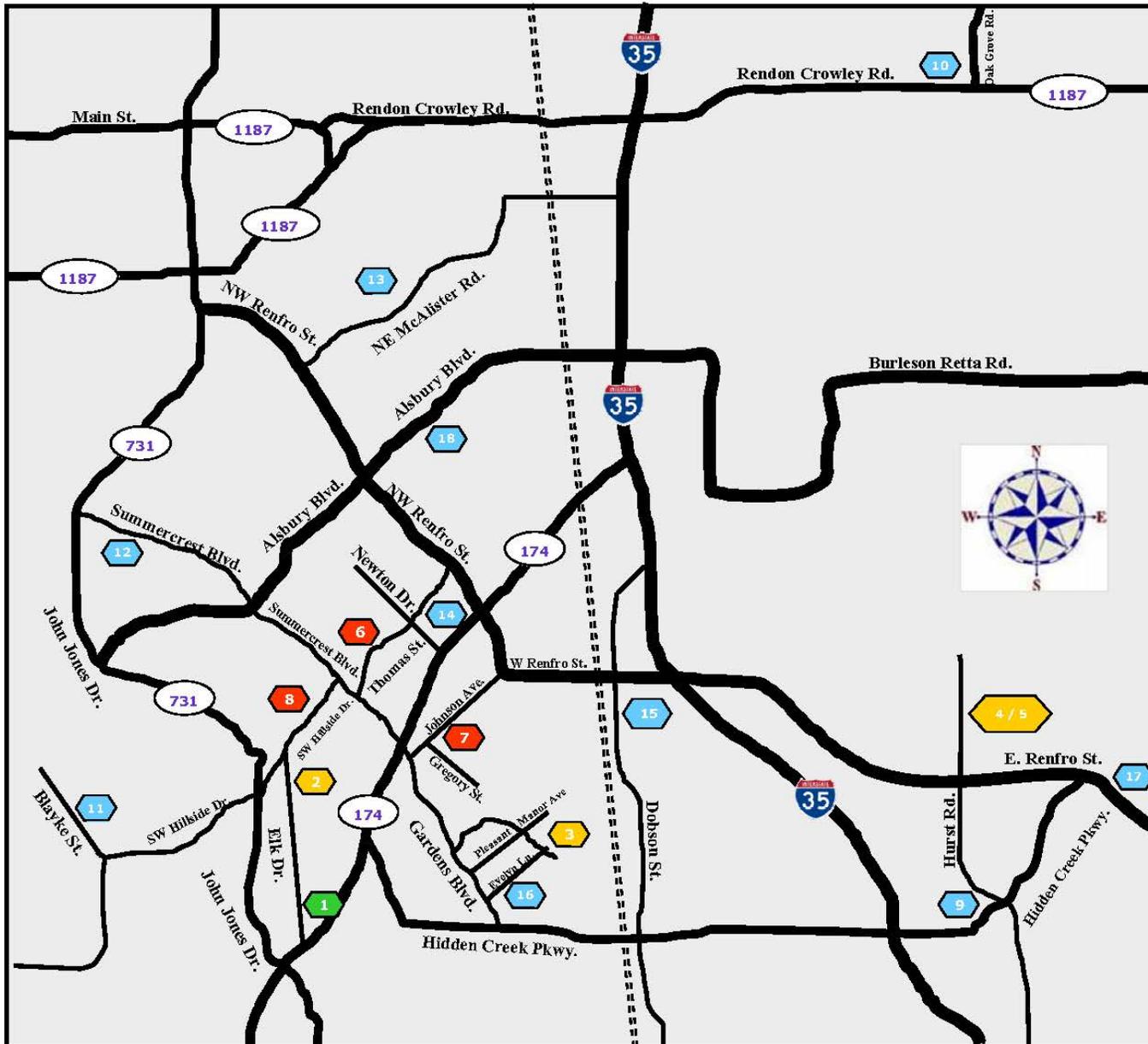
School Building Information

Last Ten Years

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary										
# of Locations	10	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	813,061
Capacity	6,242	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	5,725
Middle Schools										
# of Locations	2	2	2	2	2	2	3	3	3	3
Sq. Footage	383,563	383,563	383,563	383,563	383,563	383,563	434,793	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	2,700
Enrollment	2,278	2,282	2,331	2,342	2,388	2,446	2,571	2,750	2,896	2,896
High Schools										
# of Locations	2	3	3	3	3	3	3	4	4	4
Sq. Footage	447,947	947,947	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	4,150
Enrollment	2,756	2,651	2,750	2,931	3,016	3,076	3,271	3,328	3,433	3,433
Athletic Facilities										
Football fields	3	4	4	4	4	4	4	4	4	4
Running tracks	4	5	5	5	5	5	5	5	5	5
Ball Fields	2	4	4	4	4	4	4	4	4	4
Playgrounds										
	10	10	10	10	10	10	10	10	10	10
Administrative										
# of Locations	2	2	2	2	2	2	2	2	2	2
Sq. Footage	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437	42,437
Agriculture Science Center										
Sq. Footage								28,900	28,900	28,900

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 Alsbury Blvd 817-245-3200

This Page Intentionally Left Blank

Federal Awards Section

This Page Intentionally Left Blank

**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
Burlison 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 Burlison Independent School District (the District) as of and for the year ended June 30, 2019, 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 11, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2019-01.

Board of Education
Burlison Independent School District

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 11, 2019

**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
Burlison Independent School District

Report on Compliance for Each Major Federal Program

We have audited Burlison 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, 2019. 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, 2019.

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 11, 2019

Burleson Independent School District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

- 10.553 National School Breakfast Program⁽¹⁾
- 10.555 National School Lunch Program⁽¹⁾
- 10.555 National School Lunch Program – Non-cash Assistance⁽¹⁾

(1) Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? Yes No

Burleson Independent School District

Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2019

Section II – Financial Statement Findings

Finding 2019-01

Other Matter – Negative Budget Variance

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

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

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

Effect: The District was not in compliance with the Texas Education Agency requirement.

Recommendation: The District should continue to closely monitor actual expenditures as compared to budget to ensure budget adherence and ensure proper amendments are made throughout the fiscal year.

View of Responsible Officials: See Corrective Action Plan

Section III – Federal Award Findings and Questioned Costs

NONE

Burleson Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Junior ROTC	12.000	126902	\$ 63,873
TOTAL DEPARTMENT OF DEFENSE			<u>63,873</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	18610101126902	36,491
ESEA, Title I, Part A	84.010A	19610101126902	1,057,973
Total CFDA Number 84.010A			<u>1,094,464</u>
Special Education Cluster			
IDEA - Part B, Formula	84.027A ⁽¹⁾	186600011269026000	350,630
IDEA - Part B, Formula	84.027A ⁽¹⁾	196600011269026000	1,290,757
IDAA-Part B, Discretionary	84.027A ⁽¹⁾	2265431911010	19,983
Total CFDA Number 84.027A			<u>1,661,370</u>
IDEA - Preschool			
IDEA - Preschool	84.173 ⁽¹⁾	186610011269026000	12,694
IDEA - Preschool	84.173 ⁽¹⁾	196610011269026000	26,199
Total CFDA Number 84.173			<u>38,893</u>
Total Special Education Cluster			
			1,700,263
Career and Technical Education- Basic Grant	84.048	19420006126902	97,317
Total CFDA Number 84.048			<u>97,317</u>
Title III, Part A - English Language Acquisition			
Title III, Part A - English Language Acquisition	84.365A	18694501126902	7,861
Title III, Part A - English Language Acquisition	84.365A	19694501126902	73,010
Total CFDA Number 84.365A			<u>80,871</u>
ESEA, Title II, Part A - Improving Teacher Quality			
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	18694501126902	22,296
ESEA, Title II, Part A - Improving Teacher Quality	84.367A	19694501126902	138,723
Total CFDA Number 84.367A			<u>161,019</u>
ESEA, Title VI, Part A - Subpart 1			
ESEA, Title VI, Part A - Subpart 1	84.424A	19680101126902	50,871
Total CFDA Number 84.424A			<u>50,871</u>
ESEA, Title VI, Part A - Summer School LEP			
ESEA, Title VI, Part A - Summer School LEP	84.369A	69551802	2,503
Total CFDA Number 84.369A			<u>2,503</u>
Hurricane Education Recovery			
Hurricane Education Recovery	84.938C	51271901	40,025
Total CFDA Number 84.938C			<u>40,025</u>
Total Passed Through State Department of Education			
			<u>3,227,333</u>
TOTAL DEPARTMENT OF EDUCATION			<u><u>3,227,333</u></u>

Burleson Independent School District
 Schedule of Expenditures of Federal Awards - Continued
 Year Ended June 30, 2019

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
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through State Department of Agriculture</u>			
Child Nutrition Cluster:			
School Breakfast Program	10.553 ⁽²⁾	71401801	78,462
School Breakfast Program	10.553 ⁽²⁾	71401901	447,443
Total CDFA Number 10.553			525,905
National School Program Lunch - Cash Assistance	10.555 ⁽²⁾	71301801	374,487
National School Program Lunch - Cash Assistance	10.555 ⁽²⁾	71301901	1,852,438
National School Program Lunch - Non-Cash Assistance	10.555 ⁽²⁾	71301001	434,026
Total CDFA Number 10.555			2,660,951
Total Passed Through the State Department of Agriculture			3,186,856
TOTAL DEPARTMENT OF AGRICULTURE			3,186,856
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,478,062
School Health & Related Services (SHARS) ⁽³⁾			2,234,346
TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3			\$ 8,712,408

(1) Reported as Special Education Cluster, as required by Compliance Supplement September 2019

(2) Reported as Child Nutrition Cluster, as required by Compliance Supplement September 2019

(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, 2019, the District recognized food commodities totaling \$434,026 with a remaining \$5,147 in inventory.

Note 4. Indirect Cost Rate

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

Burleson Independent School District

Corrective Action Plan

For the Fiscal Year Ended June 30, 2019

Corrective Action Plan

Finding 2019-001: Negative Budget Variance

Corrective Action Plan:

Business office will verify payroll to the accrual amounts and job type classifications by completing a variable test by function and employee count.

Responsible Official: Brenda Mize, CFO

Implementation Date: November 2019

Prepared by Management