

2021

**WE ARE
BOERNE**

Annual Comprehensive
Financial Report

**BOERNE INDEPENDENT
SCHOOL DISTRICT**

FOR FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY: BISD OFFICE OF BUSINESS AND FINANCE

BOERNE INDEPENDENT SCHOOL DISTRICT
Boerne, Texas

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Year Ended June 30, 2021

BOARD OF SCHOOL TRUSTEES

Donna Sharp	President
Rich Sena	Vice-President
Carlin Friar	Secretary
Joe Tidwell	Trustee
Jessica Davila-Burnett	Trustee
Maritza Gonzalez-Cooper	Trustee
Garrett Wilson	Trustee

Prepared by the Office of
Business and Finance

Wesley Scott
Chief Financial Officer

BOERNE INDEPENDENT SCHOOL DISTRICT
Boerne, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

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Introductory Section





November 15, 2021

Donna Sharp, President
Members of the Board of School Trustees
Boerne Independent School District
Boerne, Texas

Dear President Sharp and Board Members:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency (“TEA”) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants 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. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Boerne Independent School District (“District” or “Boerne”) for the year ended June 30, 2021.

This report consists of management’s representations concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. 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 help protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, has audited the financial statements of the District. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with emphasis on the administration of federal awards. These reports are presented as part of the CAFR’s Federal Awards Section. Findings associated with the Single Audit will be found in the Schedule of Findings and Questioned Costs along with a Corrective Action Plan from District Management.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the

MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE DISTRICT

Boerne was established in 1907. The District is located in rapidly growing Kendall County and includes portions of Bexar and Comal counties and the City of Fair Oak Ranch. The District includes 315 square miles of suburban growth and rural Texas hill country.

Boerne enrollment is 9,617 students for 2020-21. Student demographics for 2020-21 are: 32.9% Hispanic, 61.4% White, 1.0% African American, 1.5% Asian/Pacific Islander, 0.1% Native Hawaiian, 0.3% Native American, and 2.8% of two or more races. About 18 percent of students are considered economically disadvantaged.

Residents of the District elect members of the Board of Trustees to three-year terms from each of seven at-large seats. The Trustee seats are up for election on a rotating basis on the second Saturday in May. Vacancies may be filled by appointment until the next election. Trustees annually elect Board officers, including President, Vice President, and Secretary. The Trustees serve the citizens of the District without compensation.

The District provides a full range of educational services for grade levels Pre-K through 12, in addition to educational programs that begin at age 3 for some children and extend through age 22 for others. These programs include regular and enriched academic education, special education for students with disabilities, occupational and vocational education, bilingual instruction for students with limited English proficiency, and specialized instruction for economically disadvantaged students.

Academically talented students may seek challenges in, pre-Advanced Placement, Advanced Placement, and dual credit courses in English, Mathematics, Social Studies, and Science and other subjects in grades 6-12. In addition, students may study four different foreign languages (Spanish, German, American Sign Language, and Computer Science). The District provides programs for gifted students in a variety of settings in grades K-12 that focus on the development of higher-level and cognitive thinking skills.

A unique program that every 5th grader in BISD has the opportunity to engage in is The Boerne Outdoor Academy (BOA). This program was created by parents, teachers, and outdoor educators to enrich and extend the classroom learning. The program features outdoor inquiry, experience-based learning, and interpersonal skills-development through group learning, living, and recreations in an idyllic Hill Country camp setting. The Boerne Outdoor Academy exists to nurture our youth's commitment to themselves, their community, and their environment.

Another non-traditional program BISD offers is the *Boerne Academy* which is an alternative high school experience available for students needing a different approach to completing high school. The Boerne Academy not only prepares students to complete high school but also works with students individually to ensure they are ready for their futures after high school with connections to the work-force or post-secondary opportunities.

BISD is also committed to serving our community and has partnered with ESC 20 to offer classes for those needing to learn English (English as a Second Language) or to help earn a GED.

Because the district has emphasized the importance of the Whole Child, Safety and Wellness Advisory Teams (SWAT) have been identified at each campus as well as the district. Team members represent all facets of a child's education from administration, counseling, health, education, safety, and engagement. Members collaborate to find ways to identify and support specific needs of students. In addition, the district is committed to providing leadership opportunities for students as well. With this in mind, students are invited to participate in various advisory committees to provide their perspective on various topics. BISD Athletics Department, Fine Arts Department, and Counseling Services Department have joined together to establish the Leadership Council which provides training for students that serve as leaders within their programs and activities.

District Accomplishments

- Boerne students consistently score above the state average on the State's standardized tests in Reading, Writing, Mathematics, Science and Social Studies. In the Spring of 2012, the Texas Assessment of Knowledge and Skills was replaced by the State of Texas Assessments of Academic Readiness (STAAR). In addition, beginning in 2018--2019, schools in Texas were rated under the new A-F accountability system. In 2019 (the latest year the Texas Education Agency issued ratings), Boerne ISD earned a 94 (A) overall rating.
- More than 672 students received diplomas in 2 commencement ceremonies held during the 2020-2021 school year. Over 240 students in the Class of 2020 earned credit for at least 3 hours in ELA or Mathematics or 9 hours in any subject. For the Class of 2020, the most recent data available, the graduation rate was 98.7 percent.
- Boerne ISD has won numerous statewide awards, including the 2020 Best Small School District in Texas by the H-E-B Excellence in Education Awards, as well as a 2020 Top Workplace by the San Antonio Express-News.
- In addition, The Boerne ISD Board of Trustees was named the 2019 Texas Education Service Center Region 20 School Board of the Year, and Superintendent Dr. Thomas Price received the 2020 Texas Education Service Center Region 20 Superintendent of the Year.
- Boerne ISD schools are consistently rated as some of the best in the state, as eight schools were ranked in the 2022 Top 25 Schools Rankings by Niche. Fair Oaks Ranch and Curington Elementary Schools were named Capturing Kids Hearts National Showcase Schools.

Innovative Initiatives

- Advancement Via Individual Determination (AVID) - College Preparatory strategies embedded into Middle School curriculum.
- Implementation of Pathways to Technology Early College HS (P-TECH) in Fall 2022

Community Support

- Since 2004, voters have approved almost \$462 million in bonds to build new schools and make improvements to existing schools. In May 2016, Boerne voters approved a \$175 million bond election.
- The Boerne Education Foundation (Foundation) was created in 1997. The mission of the Foundation is to foster community involvement in innovative educational programs by generating and disbursing funds and other resources to provide enrichment for students of the Boerne Independent School District. To date, BEF has distributed over \$3 million to Boerne ISD schools.

Financial Stewardship

- The District has one of the lowest interest and sinking (dedicated to bond debt) tax rates among similar fast growth ISD's in Texas. Under House Bill 3, which passed in the 2019 legislative session, the M&O rate for the District has decreased over ten cents through the 2020-21 fiscal year.

OUR MISSION AND VISION

The Boerne Independent School District engages, inspires, and enriches our community through innovative learning experiences. Our community will engage students and adults in a challenging educational environment that inspires creativity and enriches lives for today's realities and tomorrow's possibilities.

OUR BELIEFS

- All students have talents and gifts and deserve the highest quality education
- All students should have opportunities to achieve high levels of success
- Children matter to the community and should experience a sense of belonging
- Children grow best with family and community nurturing
- All students must be post-high school ready to enter the workforce and/or higher education

- In educating the whole child by addressing not only academics but social/emotional needs
- Education is a partnership involving students, families, community, and the district
- In fostering an atmosphere of open communication
- In a culture of collaboration and respect of all stakeholders
- In the importance of community partnerships
- Our staff is student-centered and dedicated to excellence
- Continuous development of staff is essential to student success
- In attracting and retaining the highest quality staff

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Introduction

The District is located in the heart of a rapidly growing area in Kendall County just outside of the seventh largest city in America, San Antonio. The District's appeal to families is due to factors such as excellent teachers, strong academics, and outstanding extracurricular programs. The District facilities provide functionality with aesthetically pleasing facades. As a family-friendly District, our emphasis is on children and families. The District also places great emphasis on a high quality work force and an employee-family culture.

Population

There are an estimated 42,638 (as of 2019) people residing in the District and about 16,089 households. Enrollment in the District has been steadily growing since over the past 15 years with a 4-6% increase each year and recent trends show a stable enrollment around 10,250.

Local Economy

The political boundaries of Boerne I.S.D. effectively serve as a bedroom community to the greater San Antonio Metropolitan area. It's proximity to entities such as USAA and Valero, as well as the Texas Hill Country impact the economy of the District in unique ways. The largest sectors of employment are education, health care, and professional services.

Access

The District has an excellent transportation system, with many major roads and highways traversing through it. Interstate Highway 10, which is the major east-west interstate highway in the southern United States, runs north-south through the District. Highway 46 is the major east-west thoroughfare, and Highway 3351 provides access through the eastern portion of the District.

THE REPORTING ENTITY

Boerne Independent School District is an independent reporting entity clearly within the criteria established in Section 2100 of the Governmental Accounting Standards Board codification.

Internal and Budgetary Controls

The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the District's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

Budgetary controls are established by regulations of the Texas Education Agency and by District policy for all administrators with line item responsibility. TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets once approved. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board of Trustees.

General Educational Functions

Principally, local taxes and state entitlements support general educational activities. Direct federal aid is nominal in the General Fund; however, the Special Revenue Fund receives most of its funding from Federal grants, which are distributed through the Texas Education Agency. General educational activities are accounted for in the General and Special Revenue Funds. State and federal grants or entitlements primarily support the Special Revenue Fund. They include support for the economically and academically disadvantaged, federal support for special and vocational education, and a variety of other projects as described in the Combining Statements.

Cash Management

The District's cash position is reviewed regularly and all idle cash is invested in accordance with the District's investment policy. The District's investment officers invest primarily in U.S. Government agency notes, municipal bonds, and local government investment pools. Yields on investments remain favorable compared to the three-month Treasury bill rate.

The District's investment policy is to protect principal and minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral pledged to the District was held in the District's name by the Federal Reserve in Boston, Massachusetts.

Risk Management

The purpose of Risk Management is to plan for the negative consequences of any decision, process, or action by using whatever means feasible to control the chance of financial loss. Effective risk management is a critical component of any sound organization. Every dollar spent on property damage, on-the-job injuries, liability claims, and insurance premiums is a dollar not spent for school district services.

The objectives of risk management are to:

1. ensure that District assets are protected and managed appropriately;
2. identify situations that may create liability and financial burden upon the District;
3. implement effective procedures to minimize and/or avoid loss exposures;
4. act as a resource and service center for all District employees.

The District also maintains a worker's compensation program, property and casualty exposures and coverage, safety training and inspection program.

Worker's Compensation Program

The District provides all employees with worker's compensation coverage for injuries that occur in the course and scope of employment.

Property and Casualty Coverage

Commercial property and casualty policy (P&C) is purchased by the District to provide fire and extended coverage of all District permanent structures and their contents. Other P&C exposures insured are Boiler & Machinery, Underground Storage Tank Liability, Crime Coverage, Errors & Omissions Coverage, and numerous Fidelity Bonds.

Safety Program

The District provides regular training to various campus personnel and employee groups throughout the District. Specific or targeted training is provided on the basis of need and at periodic intervals throughout the year. In

addition, the use of inspections has allowed the District to identify unsafe acts or conditions, make necessary changes and prevent loss situations from occurring to others.

Employee Benefits

Boerne makes an array of benefits available through a Section 125 Cafeteria Plan to all regular employees who work 20 hours or more per week. Participation in the Cafeteria Plan allows for certain benefits to be deducted from the employee's pay with tax-deferred money. The District subsidizes premiums for active employees based on the coverage tier selected (i.e., employee only, employee and spouse, employee and children, employee and family). The District does not subsidize retiree benefits.

Health Insurance Program

The District offers its employees a suite of health benefit plans fully insured by TRS-ActiveCare.

Supplemental Employee Benefits

Other benefits offered are voluntary and supplemental in nature. The participant pays the total cost of these insurances. The supplemental benefits include 1) Dental Insurance, 2) Vision Insurance 3) Employee, Spouse and Child Term Life Insurance, 4) Disability/Income Replacement, 5) Pre-Paid Legal, 6) Medical and Dependent Care Spending Accounts, 7) Cancer Insurance, 8) Critical Illness Insurance, and 9) Health Spending Accounts.

Fiscal Strategic Planning

The District continues to be proactive in its strategic fiscal planning by requesting input from community members and staff. The priorities of the Strategic Plan focus on promoting community involvement; educating diverse learners; hiring, developing, and retaining quality staff; and promoting a safe environment for the students and staff.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting to local governments that issue annual financial reports that meet certain requirements. In order to receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy accounting principles generally accepted in the United States as well as applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe our current annual comprehensive financial report meets the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility.

Senate Bill 218 of the 77th Texas Legislature (2001) authorized the implementation of the Financial Integrity Rating System of Texas, officially known as Schools FIRST. This law requires each school district to prepare and distribute an annual financial management report and provide the public an opportunity to comment on the report at a public meeting. The primary goal of Schools FIRST is to improve the management of a school district's financial resources.

For twelve years in a row, the District earned a "Superior Achievement" rating from the TEA. This is the highest possible rating under the Schools FIRST accountability system. Beginning in 2014-15, the TEA modified the ratings to a point system with a maximum of 100 points and a "Superior" rating for achieving a minimum of 90 points. In the latest FIRST report presented to the public in October 2020 for 2018-19, the District earned a "Superior" rating with a score of 96 points.

The timely preparation of this report could not have been accomplished without the assistance of the following departments: Administration, Communications, Human Resources, Curriculum, Technology, and Business and Finance. We would like to acknowledge our independent auditors, Weaver and Tidwell, L.L.P., for their role in providing professional guidance and assistance in the preparation of this report.

Finally, without the interest, leadership and support of the Board of Trustees, preparation of this report would not have been possible.

Thomas Price, Ed.D.
Superintendent of Schools

Wesley Scott
Deputy Superintendent
Business and Finance

CERTIFICATE OF BOARD

Boerne Independent School District
Name of School District

Kendall County
County

130-901
Co.-Dist. Number

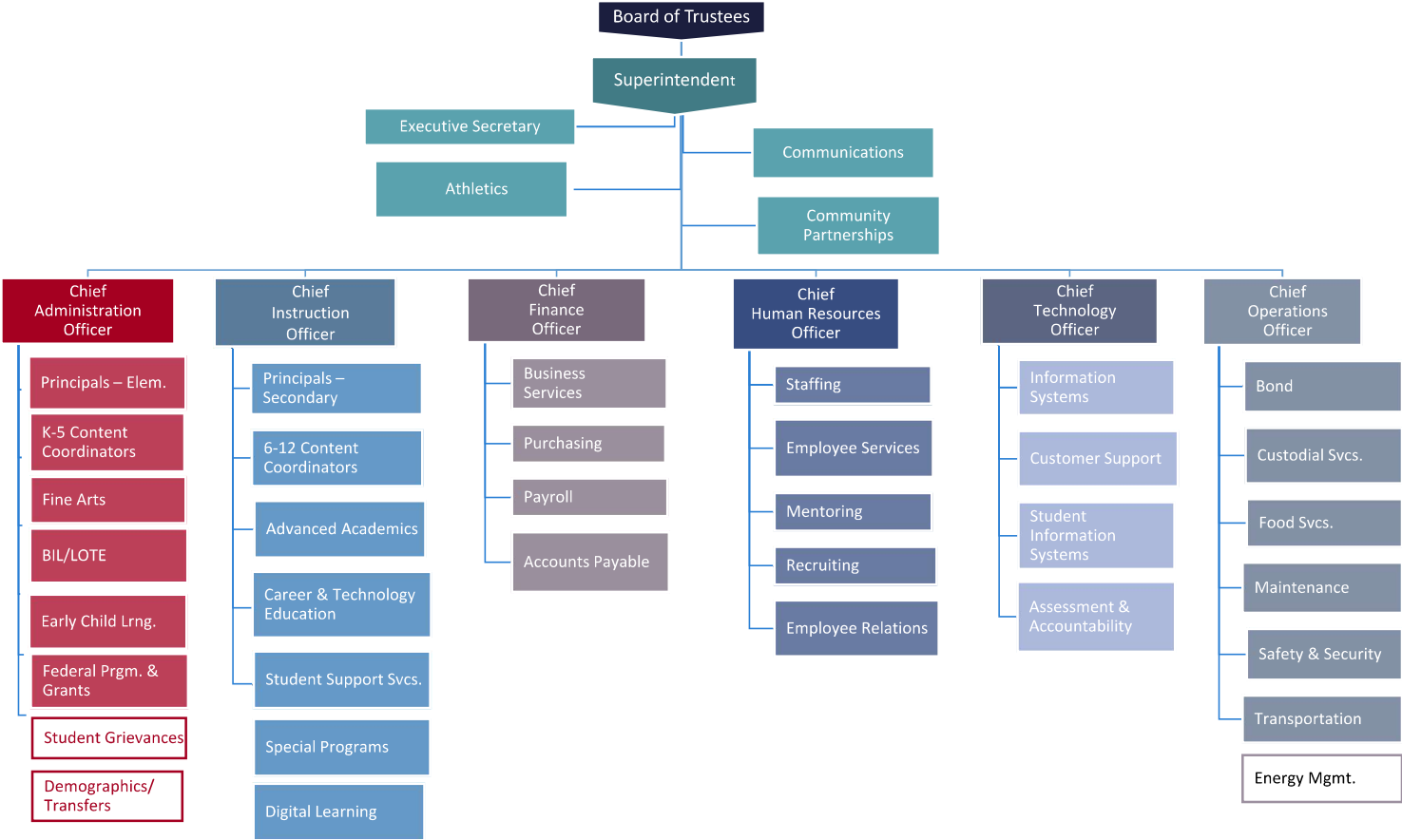
We, the undersigned, certify that the attached Annual Financial Reports of the above named school district were reviewed and { } approved { } disapproved for the year ended June 30, 2021, at a meeting of the Board of School Trustees of such school district on the _____ day of _____, 2021.

Signature of Board Secretary

Signature of Board President

If the board of trustees disapproved of the auditors' report, the reason(s) for *disapproving it is (are)*:
(attach list as necessary)

Executive Leadership Team Boerne ISD 2020-2021



BOERNE INDEPENDENT SCHOOL DISTRICT
Boerne, Texas

APPOINTED OFFICIALS AND ADVISORS
June 30, 2021

APPOINTED OFFICIALS

Thomas Price, Ed.D.	Superintendent
Ashley Stewart, Ed. D.	Chief Administrative Officer
Larissa Flores	Chief Instructional Officer
Elaine Howard, Ed.D.	Chief Human Resources Officer
Henry Acosta	Chief Operations Officer
Patti Holub	Chief Technology Officer
Wesley Scott	Chief Financial Officer

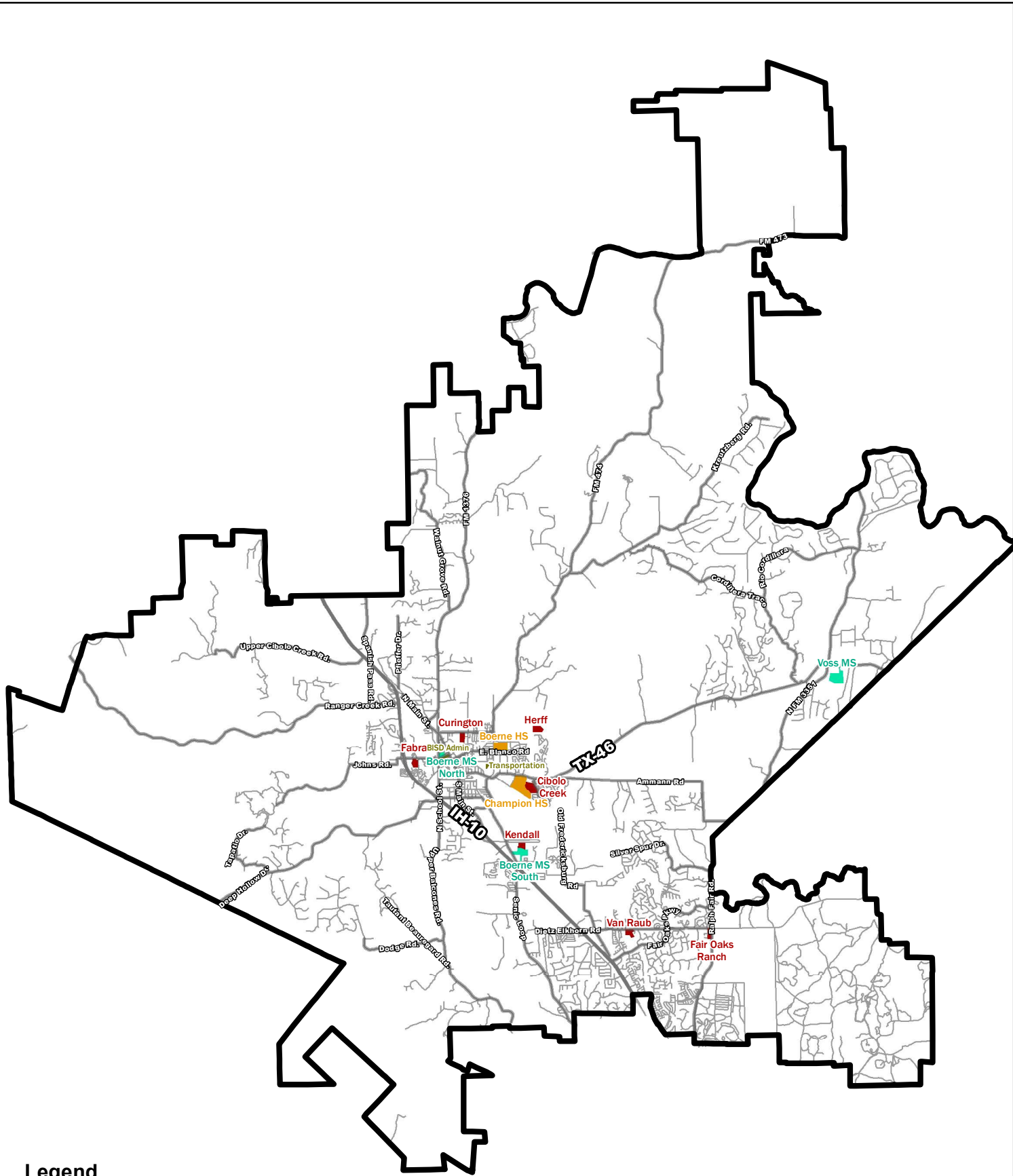
ACCOUNTANTS AND ADVISORS

Weaver and Tidwell, L.L.P.
Certified Public Accountants
San Antonio, Texas






Walsh, Gallegos, Trevino, Russo & Kyle, Inc.
General Counsel
San Antonio, Texas

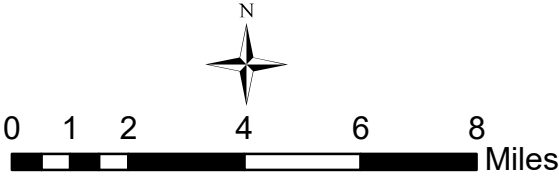
Hilltop Securities, Inc.
Financial Advisors
San Antonio, Texas

McCall Parkhurst & Horton, LLP
Bond Counsel
San Antonio, Texas



Legend

-  Boerne ISD Boundary
-  Elementary Schools
-  Middle Schools
-  High Schools
-  Other ISD Facilities





Financial Section



Independent Auditor's Report

Board of Trustees of
Boerne Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boerne Independent School District (the District) as of and for the year ended June 30, 2021, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement

As discussed in Note IV to the financial statements, the June 30, 2020 fund balances/net position have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this 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, supplementary information – combining statements and schedules, Texas Education Agency (TEA) required 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 Regulations (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 supplementary information – combining statements and schedules, TEA required schedules, and 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 information is 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.

Board of Trustees
Boerne Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021, 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.

San Antonio, Texas
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Management's Discussion & Analysis (MD&A)



**BOERNE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

This discussion and analysis of the Boerne Independent School District’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District’s financial statements.

FINANCIAL HIGHLIGHTS

- The District’s total combined net position at June 30, 2021 was negative \$4,044,857.
- For the fiscal year ended June 30, 2021, the District’s general fund reported a total fund balance of \$19,522,450, of which \$19,482,127 was unassigned.
- At the end of the fiscal year, the District’s governmental funds (the general fund plus all federal, state, and local grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$33,682,609.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management’s Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- The proprietary fund statements provide information about services provided to parties inside the District. The proprietary funds include the internal service fund (the District’s insurance fund).
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the fiduciary resources belong. This fund includes student activity funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District’s assets and liabilities. All of the current period’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the District's net position and how it has changed. Net position is the difference between the District's assets and liabilities and is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, staffing patterns, enrollment, and attendance.

The government-wide financial statements of the District include the *governmental activities*. Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – These funds include the internal service fund. The District's workers' compensation and unemployment fund activity is reported in the internal service fund and is shown in a separate statement of net position and statement of changes in net position.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was negative \$4,044,857 at June 30, 2021. *Table 1* focuses on net position while *Table 2* shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2021. Revenues for the District not restricted to specific programs increased approximate to pre-pandemic levels due to an increase in state foundation revenue. Property tax revenues increased due to the increase in assessed value of properties within the District. Deferred outflows of resources increased for the pension plan and for the other postemployment benefits plan (OPEB) due to changes in actuarial assumptions, changes in proportion and difference between the District's contributions, and the proportionate share of contributions. There were significant increases in Plant Maintenance, Data Processing, and Contracted Instructional Services Between Schools expenses due to planned one-time purchases from net position and recapture payments made to the State. *Table 1* indicates the overall condition of the District remained relatively stable. The District's current assets remained relatively stable and capital assets decreased due to the regularly scheduled depreciation. The District's long-term liabilities decreased primarily due to regularly scheduled principal payments.

TABLE 1
Net Position

	Governmental Activities	
	2021	2020 (as restated)
Assets		
Current and Other Assets	\$ 49,250,342	\$ 49,956,113
Capital Assets	<u>350,282,164</u>	<u>358,791,030</u>
Total Assets	399,532,506	408,747,143
Total Deferred Outflows of Resources	<u>16,733,548</u>	<u>16,794,159</u>
Liabilities		
Current and Other Liabilities	17,850,469	17,108,689
Long-term Liabilities	<u>382,084,687</u>	<u>394,895,041</u>
Total Liabilities	399,935,156	412,003,730
Total Deferred Inflows of Resources	<u>20,375,755</u>	<u>16,429,886</u>
Net Position		
Net Investment in Capital Assets	32,545,511	18,413,989
Restricted	6,761,574	10,464,764
Unrestricted	<u>(43,351,942)</u>	<u>(31,771,067)</u>
Total Net Position	<u>\$ (4,044,857)</u>	<u>\$ (2,892,314)</u>

TABLE 2
Change in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues		
<u>Program Revenues</u>		
Charges for Services	\$ 2,901,070	\$ 2,233,620
Operating Grants and Contributions	15,286,557	13,065,238
<u>General Revenues</u>		
Property Taxes	98,366,506	93,848,195
State Aid - formula	6,140,939	3,284,820
Investment Earnings	144,254	1,005,812
Insurance Proceeds from Winter Storm Damage	534,172	-
Other	<u>375,983</u>	<u>1,815,344</u>
Total Revenues	<u>123,749,481</u>	<u>115,253,029</u>
Expenses		
Instruction	61,304,730	59,505,033
Instructional Resources & Media Services	1,252,214	1,227,420
Curriculum & Staff Development	2,817,859	2,410,842
Instructional Leadership	1,347,941	1,587,071
School Leadership	6,259,304	5,848,539
Guidance, Counseling & Evaluation Services	4,382,545	3,971,152
Health Services	1,335,471	1,500,031
Student (pupil) Transportation	3,156,341	3,061,686
Child Nutrition Services	3,592,139	3,841,689
Co-Curricular Activities	4,425,202	3,392,270
General Administration	3,809,047	4,374,559
Plant Maintenance and Operations	10,706,826	8,807,461
Security & Monitoring Services	1,190,892	1,290,174
Data Processing Services	5,509,873	2,382,878
Community Services	54,329	41,401
Debt Service	10,820,626	12,736,542
Contracted Instructional Services Between Schools	2,176,662	-
Payments Related to Shared Service Agreements	-	18,500
Other Governmental Charges	<u>760,023</u>	<u>873,655</u>
Total Expenses	<u>124,902,024</u>	<u>116,870,903</u>
Change in Net Position	(1,152,543)	(1,617,874)
Beginning Net Position, restated	<u>(2,892,314)</u>	<u>847,072</u>
Ending Net Position	<u>\$ (4,044,857)</u>	<u>\$ (770,802)</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending June 30, 2021, the District's governmental funds reported a combined fund balance of \$33,682,609. This compares to a combined fund balance of \$36,351,593 at June 30, 2020. Fund balance declined primarily as a result of the expenditure of bond proceeds received in 2018. The revenues increased mainly due to an increase in the property tax levy and increased state funding. The expenditures decreased due to capital project activity completed in 2020. The general fund's fund balance decreased largely due increased recapture payments and planned one-time expenditures for transportation, technology, and band uniforms.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with State law, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were material changes between the original budget and the final amended budget. The general fund's actual revenues exceeded budgeted revenues by \$274,957 and the budgeted expenditures exceeded actual expenditures by \$1,613,091.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2021, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At June 30, 2021, the District had a total of \$350,282,164 invested in capital assets such as land, buildings, and District equipment, net of depreciation.

More detailed information about the District's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At year end, the District had \$302,723,910 in general obligation bonds and notes outstanding versus \$310,064,647 last year. In December 2020 the District issued \$90,699,896 of Unlimited Tax Refunding Bonds to defease a portion of the Unlimited Tax Building Bonds, Series 2013. The transactions resulted in a reduction of \$33,355,992 in future interest payments. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

COVID-19

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While changes to operations caused a significant hardship, the overall impact to the financial operations for the 2019-2020 school year as a percentage of the overall budget was nominal. Areas impacted the most were teaching and learning, technology, and facilities. The District received \$1.3 million in additional allocations but elected to use those funds for anticipated additional costs in the 2020-21 school year. In the 2020-2021 school year the District opened in-person learning from Day 1 of the school year to 100% of the students. Over the course of the school year in person attendance grew to 86% and reached an enrollment of approximately 9,700. The District experienced challenges operationally, financially, and culturally while attempting to address learning loss experienced from remote learning.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

Total appraised market value of the District for the 2021-2022 (2021 Tax Year) is \$10.9 billion which is a ten percent increase from the preceding year. Total taxable property values (including "frozen" values) used for the 2021-2022 budget preparation increased nine percent from the preceding year.

The Board set the tax rate for the 2021-2022 school year at the September 2021 Board meeting. The tax rates were approved with a decrease from prior year. Debt service tax rate is \$0.324, and maintenance and operation rate is \$0.8806 for a total tax rate of \$1.2046 per \$100 valuation.

The original 2021-2022 general operating fund budget is \$86.4 million, a decrease of 3.2 percent from the 2020-2021 adopted budget and 4.3 percent decrease from the 2020-2021 final amended budget. A modest pay increase was approved for all positions for the 2021-2022 fiscal year. All employees received one percent of mid-point. New positions were budgeted to accommodate growth and programs. There was no estimated excess revenue due to the State.

The District's 2021-2022 estimated average membership is projected at 10,137 with estimated average daily attendance at 9,630. Attendance has been estimated at 95 percent.

COVID-19 brought financial challenges to the general operating fund and child nutrition fund. Enrollment of 10,280 through September of 2021 has exceeded budgeted expectations offset by attendance percentages lower than budgeted expectations. Administration estimates as of the date of this report that these numbers will not result in recapture payments due to the State. The Seamless Summer Option, which offers free lunch and breakfast to all students for the 2021-2022 school year, was implemented by the District and as of the date of this report, appears to have resulted in a meal participation level that will result in a child nutrition program that will sustain itself in the 2021-2022 school year.

The District utilized Coronavirus Aid, Relief, and Economic Security (CARES) Act funds for staffing to reduce classroom size at the Kindergarten and 1st grade levels to address learning loss.

The District remains aware of its dependence on local taxation to support all phases of its operations and is committed to providing the best possible education to every student, using the resources made available to it by State law and local taxpayer support.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Boerne Independent School District's business office at 235 Johns Road, Boerne, Texas 78006 or by calling (830) 357-2000.

Basic Financial Statements

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2021

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 44,537,678
1220	Property Taxes Receivable (Delinquent)	2,494,550
1230	Allowance for Uncollectible Taxes	(832,119)
1240	Due from Other Governments	2,191,077
1290	Other Receivables	687,087
1300	Inventories	150,807
1490	Other Current Assets	21,262
Capital Assets		
1510	Land	20,451,252
1520	Buildings, net	311,102,910
1530	Furniture & Equipment, net	4,873,176
1540	Vehicles, net	3,822,134
1590	Infrastructure, net	<u>10,032,692</u>
1000	Total Assets	<u>399,532,506</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	158,888
1705	Deferred Outflow Related to TRS Pension	9,251,459
1706	Deferred Outflow Related to TRS OPEB	<u>7,323,201</u>
1700	Total Deferred Outflows of Resources	<u>16,733,548</u>
LIABILITIES		
2110	Accounts Payable	1,469,016
2140	Accrued Interest	4,205,772
2150	Payroll Deductions & Withholdings Payable	2,514
2160	Accrued Wages Payable	9,069,377
2180	Due to Other Governments	2,880,712
2300	Unearned Revenue	223,078
Noncurrent Liabilities		
2501	Due within one year	11,202,447
2502	Due in more than one year	323,807,830
2540	Net Pension Liability (District's Share)	23,123,035
2545	Net OPEB Liability (District's Share)	23,828,609
2590	Other Long term liabilities - due or payable after one year	<u>122,766</u>
2000	Total Liabilities	<u>399,935,156</u>
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	2,926,620
2606	Deferred Inflow Related to TRS OPEB	<u>17,449,135</u>
2600	Total Deferred Inflows of Resources	<u>20,375,755</u>
NET POSITION		
3200	Net Investment in Capital Assets	32,545,511
3820	Restricted for Federal and State Programs	131,294
3850	Restricted for Debt Service	5,204,383
3890	Other Restrictions on Net Position	1,425,897
3900	Unrestricted	<u>(43,351,942)</u>
3000	Total Net Position	<u>\$ (4,044,857)</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2021

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		6 Governmental Activities	Net (Expense)/ Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions		
Governmental Activities:						
0011	Instruction	\$ 61,304,730	\$ 475,293	\$ 9,742,598	\$ (51,086,839)	
0012	Instructional Resources & Media Services	1,252,214	-	100,927	(1,151,287)	
0013	Curriculum & Staff Development	2,817,859	-	345,316	(2,472,543)	
0021	Instructional Leadership	1,347,941	-	121,903	(1,226,038)	
0023	School Leadership	6,259,304	-	658,378	(5,600,926)	
0031	Guidance, Counseling & Evaluation Services	4,382,545	-	528,878	(3,853,667)	
0033	Health Services	1,335,471	-	286,970	(1,048,501)	
0034	Student (Pupil) Transportation	3,156,341	-	267,141	(2,889,200)	
0035	Child Nutrition Services	3,592,139	1,425,856	1,037,283	(1,129,000)	
0036	Co-curricular/Extracurricular Activities	4,425,202	891,691	218,962	(3,314,549)	
0041	General Administration	3,809,047	-	633,711	(3,175,336)	
0051	Plant Maintenance & Operations	10,706,826	108,230	428,693	(10,169,903)	
0052	Security & Monitoring Services	1,190,892	-	19,154	(1,171,738)	
0053	Data Processing Services	5,509,873	-	628,350	(4,881,523)	
0061	Community Services	54,329	-	28,484	(25,845)	
0072	Debt Service - Interest	8,411,431	-	239,809	(8,171,622)	
0073	Debt Service - Fiscal Charges	2,409,195	-	-	(2,409,195)	
0091	Contracted Instruc Services Between Schools	2,176,662	-	-	(2,176,662)	
0099	Other Governmental Charges	760,023	-	-	(760,023)	
TP	TOTAL PRIMARY GOVERNMENT	\$ 124,902,024	\$ 2,901,070	\$ 15,286,557	(106,714,397)	
General Revenues:						
Taxes:						
MT	Property Taxes, Levied for General Purposes				73,714,375	
DT	Property Taxes, Levied for Debt Service				24,652,131	
SF	State aid - unrestricted formula grants				6,140,939	
MI	Miscellaneous local & intermediate				481,212	
E1	Insurance proceeds from winter storm				534,172	
FR	Operating transfer to custodial fund				(105,229)	
IE	Investment earnings				144,254	
TR	Total general revenues				<u>105,561,854</u>	
CN	Changes in Net Position				(1,152,543)	
NB	Net Position -- beginning (as restated)				<u>(2,892,314)</u>	
NE	Net Position -- ending				<u>\$ (4,044,857)</u>	

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Data Control Codes	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 29,321,242	\$ 9,222,542	\$ 5,093,613	\$ 43,637,397
1220 Property Taxes - Delinquent	1,898,841	595,709	-	2,494,550
1230 Allowance for Uncollectible Taxes (credit)	(650,493)	(181,626)	-	(832,119)
1240 Due from Other Governments	1,666,014	142,337	382,726	2,191,077
1260 Due from Other Funds	398,127	-	-	398,127
1290 Other Receivables	534,805	-	152,282	687,087
1300 Inventories, at cost	40,323	-	110,484	150,807
1490 Other Current Assets	21,262	-	-	21,262
1000 Total Assets	<u>\$ 33,230,121</u>	<u>\$ 9,778,962</u>	<u>\$ 5,739,105</u>	<u>\$ 48,748,188</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,398,636	\$ -	\$ 70,380	\$ 1,469,016
2150 Payroll Deductions & Withholdings Payable	2,514	-	-	2,514
2160 Accrued Wages Payable	8,657,414	-	411,963	9,069,377
2170 Due to Other Funds	-	-	396,964	396,964
2180 Due to Other Governments	2,880,712	-	-	2,880,712
2300 Unearned Revenue	-	-	223,078	223,078
2000 Total Liabilities	<u>12,939,276</u>	<u>-</u>	<u>1,102,385</u>	<u>14,041,661</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	<u>768,395</u>	<u>255,523</u>	<u>-</u>	<u>1,023,918</u>
2600 Total Deferred Inflows of Resources	<u>768,395</u>	<u>255,523</u>	<u>-</u>	<u>1,023,918</u>
FUND BALANCES				
3410 Nonspendable	40,323	-	66,694	107,017
3450 Restricted - Grant Funds	-	-	64,600	64,600
3470 Restricted - Capital Acquisitions and Contractual Obligations	-	-	3,079,529	3,079,529
3480 Restricted - Debt Service	-	9,523,439	-	9,523,439
3490 Restricted - Other	-	-	1,425,897	1,425,897
3600 Unassigned	<u>19,482,127</u>	<u>-</u>	<u>-</u>	<u>19,482,127</u>
3000 Total Fund Balance	<u>19,522,450</u>	<u>9,523,439</u>	<u>4,636,720</u>	<u>33,682,609</u>
4000 Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 33,230,121</u>	<u>\$ 9,778,962</u>	<u>\$ 5,739,105</u>	<u>\$ 48,748,188</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2021

Amounts reported for government activities in the Statement of Net Position are different because:

Total fund balances - governmental funds \$ 33,682,609

The District uses internal service funds to charge the costs of worker's compensation, equipment and unemployment) to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position, including furniture and equipment and accumulated depreciation in the following amounts: 776,352

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in the governmental funds.

Land	\$	20,451,252	
Buildings		373,847,733	
Furniture and Equipment		11,307,687	
Vehicles		8,128,455	
Infrastructure		<u>29,606,861</u>	443,341,988
Accumulated Depreciation - Buildings		(62,744,823)	
Accumulated Depreciation - Furniture and Equipment		(6,434,511)	
Accumulated Depreciation - Vehicles		(4,306,321)	
Accumulated Depreciation - Infrastructure		<u>(19,574,169)</u>	(93,059,824)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Unearned revenue is not reported as a liability in the government-wide financial statements, because the revenue is considered earned.

Accrued Interest - Bonds	\$	(4,205,772)	
Bonds Payable - Long-term		(302,723,910)	
Unamortized Bond Premiums		(18,251,160)	
Accretion of Interest on Capital Appreciation Bonds		<u>(14,035,207)</u>	(339,216,049)

Unavailable revenue from property taxes and other items is not reported as a deferred inflow in the government-wide financial statements, because the revenue is considered earned.

Property Taxes 1,023,918

Deferred Charge on Refunding Bonds is a deferred outflow and is not reported in the fund financial statements. 158,888

Included in the items related to long term debt, as required by GASB 68 and 75, are the following:

District's proportionate share of the net pension liability	\$	(23,123,035)	
District's proportionate share of the net OPEB liability		(23,828,609)	
Deferred resource inflow related to TRS pension		(2,926,620)	
Deferred resource inflow related to TRS OPEB		(17,449,135)	
Deferred resource outflow related to TRS pension		9,251,459	
Deferred resource outflow related to TRS OPEB		<u>7,323,201</u>	(50,752,739)

Net Position - Governmental Activities \$ (4,044,857)

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Data Control Codes		General Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
5700	Local and Intermediate Sources	\$ 75,035,856	\$ 24,817,105	\$ 3,007,358	\$ 102,860,319
5800	State Sources	11,011,634	239,809	475,497	11,726,940
5900	Federal Sources	1,071,427	-	4,043,899	5,115,326
5020	Total Revenues	<u>87,118,917</u>	<u>25,056,914</u>	<u>7,526,754</u>	<u>119,702,585</u>
EXPENDITURES					
Current:					
0011	Instruction	48,389,643	-	3,154,448	51,544,091
0012	Instructional Resources and Media Services	983,260	-	37,969	1,021,229
0013	Curriculum and Instructional Staff Development	2,428,364	-	206,400	2,634,764
0021	Instructional Leadership	1,263,696	-	2,000	1,265,696
0023	School Leadership	5,248,898	-	146,159	5,395,057
0031	Guidance and Counseling Services	3,413,255	-	421,013	3,834,268
0033	Health Services	1,058,797	-	84,123	1,142,920
0034	Pupil Transportation	3,114,739	-	200,845	3,315,584
0035	Child Nutrition Services	85,466	-	2,983,899	3,069,365
0036	Co-Curricular Activities	2,719,967	-	643,303	3,363,270
0041	General Administration	3,475,245	-	22,243	3,497,488
0051	Plant Maintenance and Operations	9,508,523	-	8,591	9,517,114
0052	Security & Monitoring Services	899,119	-	188,088	1,087,207
0053	Data Processing Services	2,774,938	-	2,232,825	5,007,763
0061	Community Services	38,879	-	14,258	53,137
0071	Debt Service - Principal on Long-Term Debt	155,000	7,185,634	-	7,340,634
0072	Debt Service - Interest	15,284	14,120,585	-	14,135,869
0073	Debt Service - Cost of Issuance and Fiscal Charges	175	2,409,020	-	2,409,195
0081	Facilities Acquisition and Construction	1,946	-	723,545	725,491
0091	Contracted Instructional Services Between Schools	2,176,662	-	-	2,176,662
0099	Other Intergovernmental Charges	760,023	-	-	760,023
6030	Total Expenditures	<u>88,511,879</u>	<u>23,715,239</u>	<u>11,069,709</u>	<u>123,296,827</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>(1,392,962)</u>	<u>1,341,675</u>	<u>(3,542,955)</u>	<u>(3,594,242)</u>
OTHER FINANCING SOURCES (USES)					
7911	Issuance of Debt - Refunding Bonds	-	90,699,896	-	90,699,896
7915	Transfers in	-	-	450,000	450,000
7916	Premium on Issuance of Bonds	-	5,481,842	-	5,481,842
7919	Insurance Recovery	534,172	-	-	534,172
8911	Transfers out	(450,000)	-	(105,229)	(555,229)
8940	Payment to Refunded Bond Escrow Agent	-	(95,685,423)	-	(95,685,423)
7080	Total Other Financing Sources (Uses)	<u>84,172</u>	<u>496,315</u>	<u>344,771</u>	<u>925,258</u>
1200	Net Change in Fund Balance	(1,308,790)	1,837,990	(3,198,184)	(2,668,984)
0100	FUND BALANCES, July 1, 2020 (as restated)	<u>20,831,240</u>	<u>7,685,449</u>	<u>7,834,904</u>	<u>36,351,593</u>
3000	FUND BALANCES, June 30, 2021	<u>\$ 19,522,450</u>	<u>\$ 9,523,439</u>	<u>\$ 4,636,720</u>	<u>\$ 33,682,609</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2021

Amounts reported for government activities in the Statement of Activities are different because:

Total net change in fund balances - governmental funds		\$ (2,668,984)
The District uses internal service funds to charge the costs of worker's compensation to appropriate functions in other funds. The net income (loss) of the internal service fund is reported with the governmental activities.		(53,726)
Current year capital expenditures in the fund financial statements are shown as increases in capital assets in the government-wide financial statements.		1,539,277
Long-term issuances of debt are reported as resources in the fund financial statements and are shown as increases in long-term debt in the government-wide financial statements. Payments of principal on long-term debt are expenditures in the fund financial statements and are shown as reductions in long-term debt in the government-wide financial statements. Long-term debt activity was:		
Accrued Interest - Bonds	1,550,843	
Bonds Payable - Long-term	7,340,737	
Unamortized Bond Premiums	6,386,056	
Accreted Interest on Capital Appreciation Bonds	(3,534,596)	
Deferred Charge for Refunding Bonds	<u>825,717</u>	12,568,757
Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(10,048,143)
Adjustments related to the net pension liability, net OPEB liability, and related deferred inflows and deferred outflows, which impact ending net position.		(1,936,273)
Reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, recognizing other long-term liabilities, and consolidating interfund transactions.		<u>(553,451)</u>
Changes in Net Position - Governmental Activities		<u>\$ (1,152,543)</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2021

		Governmental Activities
		<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 900,281
	Total Current Assets	<u>900,281</u>
1000	TOTAL ASSETS	<u>\$ 900,281</u>
LIABILITIES		
Current Liabilities		
2123	Other Liabilities	\$ 122,766
2170	Due to Other Funds	<u>1,163</u>
	Total Current Liabilities	<u>123,929</u>
2000	TOTAL LIABILITIES	<u>123,929</u>
NET POSITION		
3900	Unrestricted	<u>776,352</u>
3000	TOTAL NET POSITION	<u>\$ 776,352</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2021

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
5754 Charges for Services	\$ <u>212,556</u>
5020 Total Operating Revenues	<u>212,556</u>
OPERATING EXPENSES	
6100 Payroll Costs	154,133
6400 Other Operating Expenses	<u>113,207</u>
6030 Total Operating Expenses	<u>267,340</u>
Operating Income (Loss)	(54,784)
NON-OPERATING REVENUES (EXPENSES)	
7955 Investment Income	<u>1,058</u>
1300 Changes in Net Position	(53,726)
0100 TOTAL NET POSITION, July 1, 2020	<u>830,078</u>
3300 TOTAL NET POSITION, June 30, 2021	<u>\$ 776,352</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Interfund Services Provided	\$ 212,556
Cash Received from Temporary Interfund Borrowing	367,966
Cash Payments for Insurance Claims	(180,717)
Cash Payments for Premiums	<u>(113,207)</u>
Net Cash Provided (Used) by Operating Activities	<u>286,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	<u>1,058</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>1,058</u>
Net Increase In Cash & Cash Equivalents	287,656
CASH AND CASH EQUIVALENTS, July 1, 2020	<u>612,625</u>
CASH AND CASH EQUIVALENTS, June 30, 2021	<u>\$ 900,281</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (54,784)
Effect of Changes in Current Assets and Liabilities:	
(Increase) Decrease in Due from Other Funds	367,966
Increase (Decrease) in Accounts Payable	(3,918)
Increase (Decrease) in Other Liabilities	(23,829)
Increase (Decrease) in Due to Other Funds	<u>1,163</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 286,598</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>CUSTODIAL FUNDS</u>
ASSETS	
Cash	\$ 263,675
TOTAL ASSETS	<u>\$ 263,675</u>
LIABILITIES	
Accounts Payable	\$ 79
Due to Other Governments	<u>3,201</u>
TOTAL LIABILITIES	<u>3,280</u>
NET POSITION	
Restricted for Individuals and Organizations	<u>\$ 260,395</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 64,427
Enterprising Services Revenue	22,979
Earnings from Temporary Deposits	89
Contributions, Gifts, and Donations	<u>66,707</u>
Total Additions	<u>154,202</u>
DEDUCTIONS:	
Professional and Contracted Services	13,265
Supplies and Materials	43,427
Other Deductions	<u>36,404</u>
Total Deductions	93,096
Operating Transfer In from Governmental Funds	<u>105,229</u>
Change in Fiduciary Net Position	166,335
TOTAL NET POSITION, July 1 (Beginning)	<u>94,060</u>
TOTAL NET POSITION, June 30 (Ending)	<u><u>\$ 260,395</u></u>

The accompanying notes are an integral part of this statement.



BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Boerne Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas (the "State"). It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Governmental Funds

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is not considered a major fund for reporting purposes for the year ended June 20, 2021.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund.

Permanent Funds

The permanent funds are governmental funds that are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The District uses these funds for scholarships.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses includes costs of material, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund type used by the District includes the following:

Internal Service Funds

These funds are used to account for, and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal service fund are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the governmental-wide financial statements.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District has the following type of fiduciary funds:

Custodial Funds

These funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are primarily used to account for the District's student activity funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the District.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded at cost as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

5. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, vehicles, and infrastructure are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	30 years
Buildings	20 to 50 years
Vehicle	2 to 15 years
Furniture and equipment	3 to 15 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

7. Receivable and Payables Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All residual balances between governmental activities are eliminated in the government-wide statements. All property taxes receivable are shown net of an allowance for uncollectible taxes.

8. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidations. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide Statement of Net Position.

9. 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 effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

12. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

15. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS'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.

16. Other Postemployment Benefits

The fiduciary net position of the TRS Texas Public School Retired Employees Insurance Group Program ("TRS- Care") 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 OPEB, 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1.

I. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required. During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

II. DETAILED NOTES ON ALL FUNDS

A. 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.

1. Cash Deposits

At June 30, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,003,943 and the bank balance was \$1,246,444. The District's cash deposits at June 30, 2021, and during the year ended June 30, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments

The District is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), 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, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

As of June 30, 2021, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value/ Amortized Cost</u>	<u>Ratings *</u>	<u>Weighted Average Maturity (Days)</u>
External investment pools:			
Lone Star	\$ 1,004,926	AAAm	50
TexPool	42,631,799	AAAm	49
Texas TERM	160,685	AAAm	50
Total Value	<u>\$ 43,797,410</u>		

Portfolio weighted average maturity

49

* Rated by Standard and Poor's Investor Services

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/'P1' as provided by two of the top nationally recognized rating agencies. As of June 30, 2021, the District's investments in Lone Star, TexPool, and Texas TERM were rated 'AAA-m' by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2021, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both Lone Star members and nonmembers. Lone Star is rated 'AAAm' by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00. Lone Star is measured at amortized cost.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight 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. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

TexasTERM

The Texas Term Local Government Investment Pool (TexasTERM) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC, which also serves as the investment advisor. The reported value of TexasTERM is the same as the fair value of TexasTERM shares. Investment options include TexasDAILY, a money market portfolio, which is rated "AAAm" by Standard and Poor's and TexasTERM CD Purchase Program, a fixed rate, fixed-term investment option enabling investors to invest in FDIC-insured certificates of deposit from banks throughout the United States. TexasTERM is recorded at Net Asset Value, which is representative of fair value.

B. Receivables

Receivables due from other governments as of June 30, 2021, for the District's individual major funds and Non-major Governmental Funds are as follows:

General Fund	
State Aid	\$ 1,225,318
Other	<u>440,696</u>
Total General Fund	<u>1,666,014</u>
Debt Service	
Other	<u>142,337</u>
Non-Major Governmental Fund	
Grants	380,126
Other	<u>2,600</u>
Total Special Revenue Fund	<u>382,726</u>
Total Governmental Activities	<u>\$ 2,191,077</u>

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

C. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

	Balance July 1, 2020	Additions	Transfers	Deletions	Balance, June 30, 2021
Capital Assets not being depreciated:					
Land	\$ 20,189,684	\$ 261,568	\$ -	\$ -	\$ 20,451,252
Construction In Progress	<u>12,618,811</u>	<u>110,008</u>	<u>(12,728,819)</u>	-	-
Total	<u>32,808,495</u>	<u>371,576</u>	<u>(12,728,819)</u>	-	<u>20,451,252</u>
Capital Assets being depreciated:					
Buildings and Improvements	361,396,172	12,484,601	-	(33,040)	373,847,733
Furniture and Equipment	10,659,678	648,009	-	-	11,307,687
Vehicles	7,377,380	751,075	-	-	8,128,455
Infrastructure	<u>29,594,026</u>	<u>12,835</u>	-	-	<u>29,606,861</u>
Total	<u>409,027,256</u>	<u>13,896,520</u>	-	<u>(33,040)</u>	<u>422,890,736</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(55,197,081)	(7,580,782)	-	33,040	(62,744,823)
Furniture and Equipment	(5,644,334)	(790,177)	-	-	(6,434,511)
Vehicles	(3,844,493)	(461,828)	-	-	(4,306,321)
Infrastructure	<u>(18,358,813)</u>	<u>(1,215,356)</u>	-	-	<u>(19,574,169)</u>
Total	<u>(83,044,721)</u>	<u>(10,048,143)</u>	-	<u>33,040</u>	<u>(93,059,824)</u>
Total Capital Assets being depreciated	<u>325,982,535</u>	<u>3,848,377</u>	-	-	<u>329,830,912</u>
Capital Assets, Net	<u>\$358,791,030</u>	<u>\$ 4,219,953</u>	<u>\$ (12,728,819)</u>	<u>\$ -</u>	<u>\$350,282,164</u>

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 5,443,402
12 Instructional Resources & Media Services	163,321
13 Curriculum & Staff Development	77,328
23 School Leadership	451,543
31 Guidance, Counseling & Evaluation Services	282,215
33 Health Services	112,886
34 Student Transportation	464,309
35 Child Nutrition Services	418,451
36 Co-Curricular Activities	913,157
41 General Administration	67,430
51 Plant Maintenance & Operations	1,037,456
52 Security & Monitoring Services	198,548
53 Data Processing Services	<u>418,097</u>
Total Depreciation	<u>\$ 10,048,143</u>

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

D. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$309,264,647	\$90,699,896	\$97,885,633	\$302,078,910	\$11,042,447
Notes Payable	800,000	-	155,000	645,000	160,000
Accreted Interest (as restated)	10,500,611	6,303,962	2,769,366	14,035,207	-
Bond Premium (as restated)	24,637,216	-	6,386,056	18,251,160	-
Total	\$345,202,474	\$97,003,858	\$107,196,055	\$335,010,277	\$11,202,447

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The annual requirements to amortize debt issues outstanding at year end were as follows:

Bonds Payable			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 11,042,447	\$ 12,981,376	\$ 24,023,823
2023	6,031,237	12,700,877	18,732,114
2024	5,365,336	12,632,940	17,998,276
2025	9,355,000	9,590,264	18,945,264
2026	9,345,000	9,230,435	18,575,435
2027-31	43,664,890	49,953,650	93,618,540
2032-36	60,230,000	33,729,137	93,959,137
2037-41	58,005,000	24,657,526	82,662,526
2042-46	70,900,000	13,711,032	84,611,032
2047-48	28,140,000	1,580,800	29,720,800
Total	\$ 302,078,910	\$ 180,768,037	\$ 482,846,947

Notes Payable			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 160,000	\$ 12,769	\$ 172,769
2023	165,000	10,113	175,113
2024	170,000	6,945	176,945
2025	150,000	3,375	153,375
Total	\$ 645,000	\$ 33,202	\$ 678,202

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

A summary of changes in long term obligations for the year ended June 30, 2021 is as follows:

Series	Original Amount	Interest Rates	Final Maturity	Outstanding 07/01/20	Issued	Retired	Outstanding 06/30/21	Due Within One Year	Accreted Interest
Bonds Payable									
1999	\$ 38,597,407	4.00 - 5.00%	2024	\$ 3,904,452	\$ -	\$ 1,059,050	\$ 2,845,402	\$ 999,658	\$ 6,180,726
2002	7,736,757	3.50 - 5.00%	2024	85,202	-	26,583	58,619	22,789	1,507,916
2013	98,025,000	3.00 - 5.00%	2022	92,370,000	-	91,470,000	900,000	900,000	-
2014	8,854,992	0.60 - 3.55%	2036	8,204,993	-	85,000	8,119,993	85,000	761,447
2015	5,380,000	2.69%	2027	4,035,000	-	475,000	3,560,000	500,000	-
2016	81,545,000	2.00 - 5.00%	2047	78,770,000	-	725,000	78,045,000	300,000	-
2017	81,215,000	3.00 - 5.00%	2048	80,915,000	-	180,000	80,735,000	625,000	-
2019	40,980,000	5.00%	2029	40,980,000	-	3,865,000	37,115,000	4,755,000	-
2020	90,699,896	0.28 - 2.63%	2043	-	90,699,896	-	90,699,896	2,855,000	5,585,118
Notes Payable									
2015	1,500,000	0.50 - 2.25%	2025	800,000	-	155,000	645,000	160,000	-
Totals	\$ 454,534,052			\$ 310,064,647	\$ 90,699,896	\$ 98,040,633	\$ 302,723,910	\$ 11,202,447	\$ 14,035,207

Advanced Refunding of Debt

The District issued \$90,699,896 of unlimited tax refunding bonds, Series 2020 to provide resources to defease a portion (\$90,700,000) of the Unlimited Tax Building Bonds, Series 2013 on December 17, 2020.

The refunded debt and assets have been placed in escrow for the payment of related debt service. As a result, the refunded portion of the bonds is considered to be defeased and the pro-rata portion of the liability has been removed from the applicable governmental columns in the Statement of Net Position. The current refunding resulted in an economic gain of \$25,721,669 and a reduction of \$33,355,992 in future debt payments.

E. Commitments Under Noncapitalized Leases

The District has various operating lease agreements where the future minimum payments are immaterial to the operations of the District and, accordingly, the District has elected not to disclose future payments by fiscal year.

F. Interfund Transactions

The interfund balances and transfers at June 30, 2021 were as follows:

	Receivable Balance	Payable Balance
General Fund:		
Non-major Governmental Funds	\$ 396,964	\$ -
Internal Service Funds	1,163	-
Total General Fund	\$ 398,127	\$ -
Other Governmental Funds:		
General Fund	-	396,964
Internal Service Funds:		
General Fund	-	1,163
TOTAL	\$ 398,127	\$ 398,127

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Transfers between funds during the year were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 450,000	Revenue supplement
Special Revenue Fund	Custodial Fund	105,229	Revenue supplement

III. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

C. Defined Benefit Pension Plan - Teacher Retirement System

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan 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. TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

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

Pension Plan Fiduciary Net Position

Detailed information about TRS'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/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)642-6592.

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% (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 postemployment benefit changes, including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

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. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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 TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Contribution Rates			
Fiscal Year	State	Public Education Employer*	Active Employee
2019	6.80%	1.50%	7.70%
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

*SB 12 requires an increase in employer contributions by public school districts, charter schools, and regional education service centers. Prior to SB12, only those employers not participating in Social Security were required to pay a 1.5% contribution. Beginning September 1, 2019, all employers are required to pay the Public Education Employer Contribution irrespective of participation in Social Security.

Contribution Rates

	<u>2020</u>	<u>2021</u>
Active Employee	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

	<u>Measurement Year (2020)</u>
Employer Contributions	\$ 1,226,239
Member Contributions	\$ 3,105,910
NECE On-behalf Contributions	\$ 3,530,142

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

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS 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 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.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

- 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 TRS 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 is an additional surcharge to which an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.5% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution rate and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate	2.33%. Source for the rate is the Fixed Income Market Data /Yield Curve/ Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2119
Inflation	2.30%
Salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2019. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 14, 2019.

Discount Rate

A single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

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

The long-term rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2020 are summarized as follows:

Asset Class	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contribution to Long-Term Portfolio Results
Global Equity			
U.S	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy and Natural Resources	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag (3)			-0.67%
Total	100%		7.33%

(1) Target allocations are based on the fiscal year 2020 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of the plan using the discount rate of 7.25%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$35,655,307	\$23,123,035	\$12,940,839

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

At August 31, 2020, the District reported a liability of \$23,123,035 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$23,123,035
State's proportionate share that is associated with District	45,823,139
Total	<u>\$68,946,174</u>

The NPL was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2019 through August 31, 2020.

At August 31, 2020, the District's proportion of the collective NPL was 0.0431739%, which was an increase of 0.0017871% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

- There were no changes in assumptions since the prior measurement date.

For the year ended June 30, 2021, the District recognized pension expense of \$3,530,142 and revenue of \$3,530,142 for support provided by the State.

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 42,221	\$ 645,303
Changes in actuarial assumptions	5,365,367	2,281,317
Difference between projected and actual investment earnings	468,106	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,878,386	-
Contributions paid to TRS subsequent to the measurement date	1,497,379	-
Total	\$ 9,251,459	\$ 2,926,620

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2022	\$1,327,094
2023	\$1,515,205
2024	\$1,425,170
2025	\$598,984
2026	(\$70,536)
Thereafter	\$31,543

D. Defined Other Postemployment Benefit Plan

Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined benefit OPEB plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The TRS Board of Trustees (the "Board") administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board is granted the authority to establish basic and optional group insurance for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS 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/Pages/about_publications.aspx or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least ten years of service credit in the TRS pension system. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments.

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

TRS-Care Monthly Premium Rates

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

Contributions

Contribution rates for TRS-Care 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 does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the State’s contribution rate, which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate, which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to TRS-Care by type of contributor:

	<u>Contribution Rates</u>
	<u>Fiscal Year</u>
	<u>2020</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/private funding remitted by employers	1.25%
	<u>Measurement</u>
	<u>Year (2020)</u>
Employer Contributions	\$ 1,226,239
Member Contributions	\$ 3,105,910
NECE On-behalf Contributions	\$ 3,530,142

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject (regardless of whether they participate in the TRS-Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the NECE in the amount of \$230.8 million in the 2020-2021 biennium.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

1. Rates of Mortality
2. Rates of Retirement
3. Rates of Termination
4. Rates of Disability Incidence
5. General Inflation
6. Wage Inflation
7. Expected Payroll Growth

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2019 rolled forward to 8/31/2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.33% as of August 31, 2020
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases*	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% in the discount rate since the previous year. Because TRS-Care 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 NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care'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.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” of as August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability

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 in measuring the net OPEB liability:

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the Net OPEB Liability:	\$ 28,594,276	\$ 23,828,609	\$ 20,064,416

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At August 31, 2020, the District reported a liability of \$23,839,609 for its proportionate share of TRS-Care’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	\$23,828,609
State's proportionate share that is associated with the District	32,019,939
Total	<u>\$55,848,548</u>

The Net OPEB liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on the District’s contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2019 through August 31, 2020.

At June 30, 2021, the employer’s proportion of the collective net OPEB liability was 0.0626829%, compared to 0.0599127% as of June 30, 2020.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate (3.25%)	Current Healthcare Trend Rate (4.25%)	1% Increase in Healthcare Trend Rate (5.25%)
District's proportionate share of the Net OPEB Liability:	\$ 19,464,921	\$ 23,828,609	\$ 29,640,425

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2021

total OPEB liability since the prior measurement period:

- The discount rate was changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. These changes lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.5% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. These changes lowered the total OPEB liability.

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$268,102.

At August 31, 2020, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 1,247,657	\$ 10,905,190
Changes in actuarial assumptions	1,469,730	6,543,459
Difference between projected and actual investment earnings	8,230	486
Changes in proportion and Differences between the District's contributions and proportionate share of contributions	4,205,473	-
Contributions paid to TRS subsequent to the measurement date	392,111	-
Total	\$ 7,323,201	\$ 17,449,135

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2021	\$ (1,854,103)
2022	\$ (1,855,138)
2023	\$ (1,855,730)
2024	\$ (1,855,568)
2025	\$ (1,219,102)
Thereafter	\$ (1,878,404)

For the year ended August 31, 2020, the District recognized OPEB expense of \$640,204 and revenue of \$640,204 for support provided by the State.

Medicare Part D Subsidies

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 Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on behalf of the District were \$306,880, \$258,964, and \$190,770, respectively.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

E. Employee Health Care Coverage

During the year ended June 30, 2021, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$316 per month per employee, \$341 per month per employee with child, \$366 per month per employee and spouse, and \$391 per month per employee and family to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2019 and terms of coverage and premiums costs are included in the contractual provisions.

F. Risk Management

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District is insured. This exposure is in property and general liability, workers' compensation, and unemployment compensation.

Property and General Liability

The District purchases commercial insurance to cover general liabilities. In February 2021, most of the State of Texas endured snow, ice, and low temperatures unusual for the geographic area. These conditions, coupled with power shortages, resulted in property damage to the District. Proceeds totaling \$534,172 were received to help repair those damages. There have been no significant reductions in insurance coverage from the prior year for any category of risk.

Workers' Compensation

During the year ended June 30, 2021, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperative Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop-loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2020, the Fund carries a discount reserve of \$44,135,645 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2021, the Fund anticipated no additional liability to members beyond their contractual obligation for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each 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, 2020 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Unemployment Compensation

During the year ended June 30, 2021, the District provided unemployment compensation coverage to its employees through participation in 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. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool. For the year ended June 30, 2021, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

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, 2020 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

G. Prior Period Restatement

The District restated beginning fund balance/net position related to prior years as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Non-Major Capital Projects</u>	<u>Government- wide Governmental Activities</u>
June 30, 2020 Fund Balance/Net				
Position as Previously Reported	\$ 19,746,632	\$ 7,545,123	\$ 5,492,262	\$ (770,802)
Adjustment for revenue recognition				
Related to property tax accrual	435,473	140,326	-	-
Related to state aid accrual	649,135	-	-	649,135
Adjustment for expenditure recognition	-	-	253,078	253,078
Adjustment for premium amortization	-	-	-	(4,009,279)
Adjustment for accreted interest	-	-	-	985,554
Total (as restated)	<u>\$ 20,831,240</u>	<u>\$ 7,685,449</u>	<u>\$ 5,745,340</u>	<u>\$ (2,892,314)</u>

Adjustments for revenue recognition: Corrections were made to provide for appropriate recognition of revenue items in the fund level statements for non-exchange revenues in accordance with GAAP. The adjustments to the fund level statements were to increase fund balances of \$435,473 and \$140,326 in the General and Debt Service Funds, respectively, for revenues measurable and available within 60 days of year end. Amounts were also recognized totaling \$649,135 for state aid that had been previously recognized as unearned at the fund and government-wide level.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Adjustment for expenditure recognition: Corrections were made to provide for the proper recognition of expenditures in the fund level and government-wide statements in accordance with GAAP. Amounts totaling \$253,078 was recorded in the Non-Major Capital Projects Fund to recognize amounts improperly recorded as a liability and expenditure/expense in a previous fiscal period.

Adjustment for premium amortization: Corrections were made to provide for the proper recognition of expenditures in the government-wide statements in accordance with GAAP. An amount totaling \$4,009,279 was recorded in the Government-Wide statements account for bond premiums amortized under the effective method as required by Government Accounting Standards Board pronouncement No. 62.

Adjustment for accreted interest: Corrections were made to provide for the proper recognition of expenditures in the government-wide statements in accordance with GAAP. An amount totaling \$985,554 was recorded in the Government-Wide statements to account for the calculation of accreted interest associated with capital appreciation bonds.

The net effect on the prior year change in fund balance or net position to the General, Debt Service, and Non-Major Capital Projects Funds and Government-Wide Governmental Activities are \$1,084,608, \$140,326, \$253,078, and (\$2,151,512), respectively.

H. Excess of Expenditures Over Appropriations by Function

The Texas Education Agency requires the budgets for certain Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in one functional category in the General Fund for the year ended June 30, 2021. Amounts budgeted for recapture under Texas Education Code Chapter 49 were not adequate to cover actual expenditures.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
REVENUES					
5700	Local and Intermediate Sources	\$ 75,568,681	\$ 75,568,681	\$ 75,035,856	\$ (532,825)
5800	State Sources	13,161,723	10,730,279	11,011,634	281,355
5900	Federal Sources	545,000	545,000	1,071,427	526,427
5020	Total Revenues	89,275,404	86,843,960	87,118,917	274,957
EXPENDITURES					
Current:					
0010	Instruction & Instructional Related Services:				
0011	Instruction	50,749,815	48,585,167	48,389,643	195,524
0012	Instructional Resources and Media Services	1,016,130	987,283	983,260	4,023
0013	Curriculum and Instructional Staff Development	2,793,089	2,629,648	2,428,364	201,284
	Total Instruction & Instructional Related Services	54,559,034	52,202,098	51,801,267	400,831
0020	Instructional & School Leadership:				
0021	Instructional Leadership	1,183,191	1,284,997	1,263,696	21,301
0023	School Leadership	5,385,547	5,325,452	5,248,898	76,554
	Total Instructional and School Leadership	6,568,738	6,610,449	6,512,594	97,855
0030	Support Services - Student:				
0031	Guidance and Counseling Services	3,678,000	3,618,999	3,413,255	205,744
0033	Health Services	1,075,526	1,125,348	1,058,797	66,551
0034	Pupil Transportation	2,615,130	3,211,966	3,114,739	97,227
0035	Child Nutrition Services	6,105	101,105	85,466	15,639
0036	Co-Curricular Activities	2,749,305	2,910,631	2,719,967	190,664
	Total Support Services - Student	10,124,066	10,968,049	10,392,224	575,825
0040	Administration:				
0041	General Administration	3,867,312	3,815,439	3,475,245	340,194
	Total Administration	3,867,312	3,815,439	3,475,245	340,194
0050	Support Services - Non-Student Based:				
0051	Plant Maintenance and Operations	9,398,400	9,626,764	9,508,523	118,241
0052	Security & Monitoring Services	1,033,346	949,866	899,119	50,747
0053	Data Processing Services	2,577,211	2,895,630	2,774,938	120,692
	Total Support Services - Non-Student Based	13,008,957	13,472,260	13,182,580	289,680
0060	Ancillary Services:				
0061	Community Services	17,740	42,524	38,879	3,645
	Total Ancillary Services	17,740	42,524	38,879	3,645
0070	Debt Service				
0071	Debt Service	172,610	172,610	170,459	2,151
	Total Debt Service	172,610	172,610	170,459	2,151

(Continued on next page.)

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(GAAP Basis)	
EXPENDITURES (Continued)				
0080	Capital Outlay			
0081	\$ 1,947	\$ 1,947	\$ 1,946	\$ 1
	<u>1,947</u>	<u>1,947</u>	<u>1,946</u>	<u>1</u>
0090	Intergovernmental Charges			
0091	\$ -	\$ 1,684,637	\$ 2,176,662	\$ (492,025)
0099	955,000	880,000	760,023	119,977
	<u>955,000</u>	<u>2,564,637</u>	<u>2,936,685</u>	<u>(372,048)</u>
6030	<u>89,275,404</u>	<u>89,850,013</u>	<u>88,511,879</u>	<u>1,338,134</u>
1100	-	(3,006,053)	(1,392,962)	1,613,091
	Other Financing Sources (Uses):			
7919	-	525,000	534,172	9,172
8911	-	(450,000)	(450,000)	-
	<u>-</u>	<u>75,000</u>	<u>84,172</u>	<u>9,172</u>
1200	-	(2,931,053)	(1,308,790)	1,622,263
0100	<u>20,831,240</u>	<u>20,831,240</u>	<u>20,831,240</u>	<u>-</u>
3000	<u>\$ 20,831,240</u>	<u>\$ 17,900,187</u>	<u>\$ 19,522,450</u>	<u>\$ 1,622,263</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED JUNE 30, 2021

	Measurement Year						
	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.0431739%	0.0413868%	0.0399888%	0.0394284%	0.0383046%	0.0395622%	0.0243006%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 23,123,035	\$ 21,514,139	\$ 22,010,814	\$ 12,607,080	\$ 14,474,737	\$ 13,984,711	\$ 6,491,027
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>45,823,139</u>	<u>41,785,626</u>	<u>42,175,066</u>	<u>24,437,063</u>	<u>28,970,238</u>	<u>26,992,031</u>	<u>22,919,079</u>
Total	<u>\$ 68,946,174</u>	<u>\$ 63,299,765</u>	<u>\$ 64,185,880</u>	<u>\$ 37,044,143</u>	<u>\$ 43,444,975</u>	<u>\$ 40,976,742</u>	<u>\$ 29,410,106</u>
District's Covered Payroll	\$ 60,689,798	\$ 53,179,855	\$ 48,863,880	\$ 46,966,848	\$ 44,011,175	\$ 41,898,919	\$ 40,418,780
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	38.10%	40.46%	45.05%	26.84%	32.89%	33.38%	16.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	73.74%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, 81.a.(2)(a) requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2020 - the period from September 1, 2019 - August 31, 2020.

Note: Seven years of data are presented in accordance with GASB 68, Paragraph 138. "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."

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,773,928	\$ 1,599,407	\$ 1,208,597	\$ 1,340,091	\$ 1,282,679	\$ 1,207,743	\$ 1,079,313
Contribution in Relation to the Contractually Required Contribution Associated with the District	(1,773,928)	(1,599,407)	(1,208,597)	(1,340,091)	(1,282,679)	(1,207,743)	(1,079,313)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 62,854,308	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880	\$ 46,596,786	\$ 44,011,175	\$ 42,065,117
Contributions as a Percentage of Covered Payroll	2.82%	2.69%	2.27%	2.74%	2.75%	2.74%	2.57%

Note: GASB 68, Paragraph 81.b. requires that the data in this schedule be presented as of the District's current fiscal year end.

Note: Seven years of data are presented in accordance with GASB 68, Paragraph 138. "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."

BOERNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
LIABILITY OF A COST-SHARING MULTIPLE EMPLOYER OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2021

	Measurement Year			
	2020	2019	2018	2017
District's Proportion of the Net Pension Liability (Asset)	0.0626829%	0.0599127%	0.0571479%	0.0539478%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 23,828,609	\$ 28,333,429	\$ 28,534,482	\$ 23,439,856
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>41,563,944</u>	<u>37,648,788</u>	<u>43,232,210</u>	<u>37,806,439</u>
Total	<u>\$ 65,392,553</u>	<u>\$ 65,982,217</u>	<u>\$ 71,766,692</u>	<u>\$ 61,246,295</u>
District's Covered Payroll	\$ 60,689,798	\$ 53,179,855	\$ 48,863,880	\$ 46,966,848
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	39.26%	53.28%	58.40%	49.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.66%	2.66%	1.57%	0.91%

Note: The authoritative pronouncement that mandates this schedule requires ten years of historical data or the maximum available as of the date the financial statements. Four years of data is available as of the date of these statements.

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 470,285	\$ 466,914	\$ 420,542	\$ 374,736
Contribution in Relation to the Contractually Required Contribution Associated with the District	(470,285)	(466,914)	(420,542)	(374,736)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 62,854,308	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880
Contributions as a Percentage of Covered Payroll	0.75%	0.79%	0.79%	0.77%

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31 of the prior year. Three years of data is available as of the date of these statements.

Combining Statements

This supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor are they a part of the Basic Financial Statements, but are presented for purposes of additional analysis.

BOERNE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET - Continued
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental Funds
ASSETS							
1110 Cash and Cash Equivalents	\$ 676,025	\$ 16,638	\$ 1,233,000	\$ 1,925,663	\$ 3,084,339	\$ 83,611	\$ 5,093,613
1240 Due from Other Governments	380,572	2,154	-	382,726	-	-	382,726
1260 Due from Other Funds	-	-	-	-	-	-	-
1290 Other Receivables	7,436	-	144,846	152,282	-	-	152,282
1300 Inventories	110,484	-	-	110,484	-	-	110,484
1000 TOTAL ASSETS	<u>\$ 1,174,517</u>	<u>\$ 18,792</u>	<u>\$ 1,377,846</u>	<u>\$ 2,571,155</u>	<u>\$ 3,084,339</u>	<u>\$ 83,611</u>	<u>\$ 5,739,105</u>
LIABILITIES							
2110 Accounts Payable	\$ 29,669	\$ 1,095	\$ 34,806	\$ 65,570	\$ 4,810	\$ -	\$ 70,380
2160 Accrued Wages Payable	411,793	-	-	411,793	-	170	411,963
2170 Due to Other Funds	396,380	-	584	396,964	-	-	396,964
2300 Unearned Revenues	223,078	-	-	223,078	-	-	223,078
2000 TOTAL LIABILITIES	<u>1,060,920</u>	<u>1,095</u>	<u>35,390</u>	<u>1,097,405</u>	<u>4,810</u>	<u>170</u>	<u>1,102,385</u>
FUND BALANCES							
3410 Nonspendable - Inventory	66,694	-	-	66,694	-	-	66,694
3450 Restricted for Federal and State Grants	46,903	17,697	-	64,600	-	-	64,600
3470 Restricted - Capital Acquisitions and Contractual Obligations	-	-	-	-	3,079,529	-	3,079,529
3490 Other Restricted Fund Balance	-	-	1,342,456	1,342,456	-	83,441	1,425,897
3000 TOTAL FUND BALANCES	<u>113,597</u>	<u>17,697</u>	<u>1,342,456</u>	<u>1,473,750</u>	<u>3,079,529</u>	<u>83,441</u>	<u>4,636,720</u>
4000 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,174,517</u>	<u>\$ 18,792</u>	<u>\$ 1,377,846</u>	<u>\$ 2,571,155</u>	<u>\$ 3,084,339</u>	<u>\$ 83,611</u>	<u>\$ 5,739,105</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2021

Control Codes		Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Permanent Fund		Total Nonmajor Governmental
							Boerne	Outdoor Academy	
REVENUES:									
5700	Local & Intermediate Sources	\$ 1,424,447	\$ -	\$ 1,554,425	\$ 2,978,872	\$ 7,406	\$ 21,080		\$ 3,007,358
5800	State Program Revenues	36,224	439,273	-	475,497	-	-		475,497
5900	Federal Program Revenues	4,043,899	-	-	4,043,899	-	-		4,043,899
5020	Total Revenues	<u>5,504,570</u>	<u>439,273</u>	<u>1,554,425</u>	<u>7,498,268</u>	<u>7,406</u>	<u>21,080</u>		<u>7,526,754</u>
EXPENDITURES:									
0011	Instruction	2,293,701	335,139	484,705	3,113,545	-	40,903		3,154,448
0012	Instructional Resources & Media Services	-	27	32,694	32,721	5,248	-		37,969
0013	Curriculum & Inst'l Staff Development	189,861	2,975	13,564	206,400	-	-		206,400
0021	Instructional Leadership	2,000	-	-	2,000	-	-		2,000
0023	School Leadership	46,305	-	99,854	146,159	-	-		146,159
0031	Guidance, Counseling & Evaluation Services	99,772	-	321,241	421,013	-	-		421,013
0032	Social Work Services	-	-	-	-	-	-		-
0033	Health Services	84,123	-	-	84,123	-	-		84,123
0034	Student (Pupil) Transportation	-	-	845	845	200,000	-		200,845
0035	Child Nutrition Services	2,900,019	-	5,253	2,905,272	73,077	5,550		2,983,899
0036	Cocurricular/Extracurricular Activities	-	-	643,303	643,303	-	-		643,303
0041	General Administration	-	-	22,243	22,243	-	-		22,243
0051	Plant Maintenance & Operations	-	-	8,591	8,591	-	-		8,591
0052	Security & Monitoring Services	-	148,380	39,708	188,088	-	-		188,088
0053	Data Processing Services	508,500	-	5,770	514,270	1,718,555	-		2,232,825
0061	Community Services	14,258	-	-	14,258	-	-		14,258
0081	Facilities Acquisition and Construction	-	-	47,208	47,208	676,337	-		723,545
0093	Payments to Member Districts of SSA	-	-	-	-	-	-		-
6030	Total Expenditures	<u>6,138,539</u>	<u>486,521</u>	<u>1,724,979</u>	<u>8,350,039</u>	<u>2,673,217</u>	<u>46,453</u>		<u>11,069,709</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	(633,969)	(47,248)	(170,554)	(851,771)	(2,665,811)	(25,373)		(3,542,955)
7915	Transfers In	450,000	-	-	450,000	-	-		450,000
8911	Transfers Out (Use)	-	-	(105,229)	(105,229)	-	-		(105,229)
1200	Excess (Deficiency) Of Revenues and Other Resources Over Expenditures and Other Use	(183,969)	(47,248)	(275,783)	(507,000)	(2,665,811)	(25,373)		(3,198,184)
0100	FUND BALANCE, July 1 (Beginning) (as restated)	<u>297,566</u>	<u>64,945</u>	<u>1,618,239</u>	<u>1,980,750</u>	<u>5,745,340</u>	<u>108,814</u>		<u>7,834,904</u>
3000	FUND BALANCE, June 30 (Ending)	<u>\$ 113,597</u>	<u>\$ 17,697</u>	<u>\$ 1,342,456</u>	<u>\$ 1,473,750</u>	<u>\$ 3,079,529</u>	<u>\$ 83,441</u>		<u>\$ 4,636,720</u>

Required TEA Schedules

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2021

Year Ended 06/30	1			2		3	10	20	31	32	40	50
	Maintenance & Operations	Tax Rates		Taxable Assessed Valuation	Balance 07/01/20	Current Year's Tax Levy **	Maintenance & Operations Collections	Debt Service Collections	Net Adjustments	Balance 06/30/21		
2012 & Prior years	\$ various	\$ various	\$ various	\$ various	\$130,983		\$10,936	\$2,960		\$117,087		
2013	1.04	0.27	1.38	\$4,017,398,421	\$65,737		\$5,203	\$1,271		\$59,263		
2014	1.04	0.25	1.38	\$4,171,416,708	\$81,537		\$4,493	\$1,097	-\$290	\$75,657		
2015	1.04	0.25	1.38	\$4,406,465,030	\$93,534		\$13,379	\$3,268	\$1,478	\$78,365		
2016	1.04	0.25	1.38	\$5,599,270,443	\$108,234		\$22,101	\$5,398	\$285	\$81,020		
2017	1.04	0.28	1.38	\$5,989,593,782	\$133,851		\$26,904	\$7,140	\$4,314	\$104,121		
2018	1.04	0.31	1.38	\$6,263,391,229	\$177,151		\$63,834	\$19,273	\$27,735	\$121,779		
2019	1.04	0.31	1.38	\$6,688,345,157	\$323,358		\$102,578	\$30,971	\$13,610	\$203,419		
2020	0.97	0.31	1.38	\$7,550,239,262	\$1,445,029	-	\$791,921	\$256,354	-\$72,563	\$324,191		
2021	0.94	0.31	1.25	\$8,046,678,089	-	\$100,736,363	\$72,458,870	\$24,258,967	-\$2,688,878	\$1,329,648		
							\$2,559,414	\$100,736,363	\$73,500,219	\$24,586,699	-\$2,714,309	\$2,494,550

**Reflects net tax levy as of June 30th for the year then ended.

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
REVENUES					
5700	Local and Intermediate Sources	\$ 22,946,155	\$ 23,846,155	\$ 24,817,105	\$ 970,950
5800	State Sources	<u>280,000</u>	<u>280,000</u>	<u>239,809</u>	<u>(40,191)</u>
5000	Total Revenues	<u>23,226,155</u>	<u>24,126,155</u>	<u>25,056,914</u>	<u>930,759</u>
EXPENDITURES					
0070	Debt Service				
0071	Debt Service - Principal on Long-Term Debt	7,185,634	7,185,634	7,185,634	-
0072	Debt Service - Interest	16,033,521	14,120,585	14,120,585	-
0073	Debt Service - Cost of Issuance and Fiscal Charges	<u>7,000</u>	<u>2,419,936</u>	<u>2,409,020</u>	<u>10,916</u>
	Total Debt Service	<u>23,226,155</u>	<u>23,726,155</u>	<u>23,715,239</u>	<u>10,916</u>
6030	Total Expenditures	<u>23,226,155</u>	<u>23,726,155</u>	<u>23,715,239</u>	<u>10,916</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>400,000</u>	<u>1,341,675</u>	<u>941,675</u>
Other Financing Sources (Uses):					
7911	Issuance of Debt - Refunding Bonds	-	90,699,896	90,699,896	-
7916	Premium on Issuance of Bonds	-	5,481,842	5,481,842	-
8949	Payment to Refunded Bond Escrow Agent	<u>-</u>	<u>(95,685,423)</u>	<u>(95,685,423)</u>	<u>-</u>
	Total Other Financing Sources (Uses)	<u>-</u>	<u>496,315</u>	<u>496,315</u>	<u>-</u>
1200	Net Change in Fund Balance	-	896,315	1,837,990	941,675
0100	FUND BALANCES, July 1, 2020 (as restated)	<u>7,685,449</u>	<u>7,685,449</u>	<u>7,685,449</u>	<u>-</u>
3000	FUND BALANCES, June 30, 2021	<u>\$ 7,685,449</u>	<u>\$ 8,581,764</u>	<u>\$ 9,523,439</u>	<u>\$ 941,675</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CHILD NUTRITION FUND
 YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
REVENUES					
5700	Local and Intermediate Sources	\$ 2,088,754	\$ 2,088,754	\$ 1,424,447	\$ (664,307)
5800	State Sources	8,000	8,000	36,224	28,224
5900	Federal Sources	1,178,841	1,178,841	807,617	(371,224)
5000	Total Revenues	3,275,595	3,275,595	2,268,288	(1,007,307)
EXPENDITURES					
Current:					
0030	Support Services - Student:				
0035	Child Nutrition Services	3,579,573	3,579,573	2,900,019	679,554
	Total Support Services - Student	3,579,573	3,579,573	2,900,019	679,554
6030	Total Expenditures	3,579,573	3,579,573	2,900,019	679,554
1100	Excess (Deficiency) of Revenues Over Expenditures	(303,978)	(303,978)	(631,731)	(327,753)
Other Financing Sources (Uses):					
7915	Transfers In	-	450,000	450,000	-
	Total Other Financing Sources (Uses)	-	450,000	450,000	-
1200	Net Change in Fund Balance	(303,978)	146,022	(181,731)	(327,753)
0100	FUND BALANCES, July 1, 2020 (as restated)	14,001,729	14,001,729	291,718	(13,710,011)
3000	FUND BALANCES, June 30, 2021	\$ 13,697,751	\$ 14,147,751	\$ 109,987	\$ (14,037,764)

BOERNE INDEPENDENT SCHOOL DISTRICT
Use of Funds Report - Select State Allotment Programs
For the Year Ended June 30, 2021

<u>Data Codes</u>	<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>	
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year? If no, please disregard the remaining questions in Section A and go to Section B. Yes
AP2	Does the district have written policies and procedures for its state compensatory education program? Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year. \$ 2,497,665
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. \$ 1,487,204
<u>Section B: Bilingual Education Programs</u>	
Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year? If no, please disregard the remaining questions in Section B. Yes
AP6	Does the district have written policies and procedures for its bilingual education program? Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year. \$ 415,359
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. \$ 411,227

STATISTICAL SECTION

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

BOERNE INDEPENDENT SCHOOL DISTRICT

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Governmental Activities						
Year	Net Investment in Capital Assets	Restricted For:			Unrestricted	Total
		State and Federal Programs	Debt Service	Other		
2021	\$ 32,545,511	131,294	5,204,383	1,425,897	(43,351,942)	\$ (4,044,857)
2020	\$ 18,413,989	297,585	7,545,123	2,622,056	(31,771,067)	\$ (2,892,314)
2019	\$ 21,018,070	776,733	6,035,641	1,640,884	(28,624,256)	\$ 847,072
2018	\$ 18,437,759	639,037	6,275,417	1,406,281	(29,231,840)	\$ (2,473,346)
2017	\$ 14,472,005	514,086	5,598,304	1,326,420	(34,920,873)	\$ (13,010,058)
2016	\$ 16,035,572	337,326	2,434,950	1,135,358	7,791,469	\$ 27,734,675
2015	\$ 14,668,000	245,000	3,704,000	918,000	7,114,000	\$ 26,649,000
2014	\$ 13,437,650	167,290	3,278,998	1,073,030	18,199,302	\$ 36,156,270
2013	\$ 10,769,670	245,016	3,467,002	971,494	15,360,877	\$ 30,814,059
2012	\$ 8,682,458	195,842	2,997,748	938,533	12,781,361	\$ 25,595,942

BOERNE INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities:										
Instruction	\$ 61,304,730	\$ 59,505,033	\$ 51,419,282	\$ 31,081,951	\$ 45,430,069	\$ 41,783,452	\$ 36,457,956	\$ 35,423,046	\$ 33,313,483	\$ 34,282,807
Instructional Resources and Media Services	1,252,214	1,227,420	1,021,112	664,834	832,818	804,378	831,340	766,589	722,528	753,814
Curriculum and Staff Development	2,817,859	2,410,842	2,489,056	1,294,502	1,498,147	1,364,514	1,386,100	1,087,437	948,833	938,213
Instructional Leadership	1,347,941	1,587,071	894,011	468,266	565,542	523,465	535,661	499,522	436,610	447,201
School Leadership	6,259,304	5,848,539	5,306,579	2,659,945	3,934,241	3,332,457	3,117,781	2,873,622	2,833,913	2,770,339
Guidance, Counseling, and Evaluation Services	4,382,545	3,971,152	3,753,501	1,754,474	3,103,861	2,973,970	2,743,376	2,413,093	2,284,288	2,291,746
Health Services	1,335,471	1,500,031	966,611	461,512	769,862	682,220	767,621	619,641	608,586	605,334
Student (pupil) Transportation	3,156,341	3,061,686	2,641,926	2,145,076	2,603,637	2,529,115	2,650,255	2,343,520	2,295,905	2,251,244
Food Services	3,592,139	3,841,689	2,732,226	1,969,754	2,595,812	2,381,336	2,450,990	2,306,785	2,245,586	2,267,193
Co-curricular/Extracurricular Activities	4,425,202	3,392,270	3,700,698	3,419,309	3,841,479	3,315,729	3,491,645	3,119,078	3,311,599	3,152,340
General Administration	3,809,047	4,374,559	2,720,077	1,686,850	2,176,813	1,962,739	1,628,831	1,392,295	1,400,883	1,557,278
Plant Maintenance and Operations	10,706,826	8,807,461	8,143,551	6,747,686	7,165,622	6,965,016	6,547,224	6,441,414	6,206,500	6,214,924
Security and Monitoring Services	1,190,892	1,290,174	690,820	473,564	371,430	335,898	342,086	310,830	309,027	309,461
Data Processing Services	5,509,873	2,382,878	2,388,479	1,601,698	1,618,754	1,416,803	1,382,079	1,162,710	1,177,037	1,263,534
Community Services	54,329	41,401	46,365	61,498	84,854	163,855	153,915	145,984	72,912	42,652
Interest on Long-term Debt	8,411,431	12,736,542	14,044,438	14,524,854	11,197,778	8,770,095	9,359,832	5,159,270	5,460,592	5,909,383
Bond Issuance Costs and Fees	2,409,195	-	-	215,158	535,917	164,487	314,083	497,546	774,170	164,299
Capital Outlay	-	-	-	-	12,212	658,007	27,179	108,621	28,405	369,980
Contracted instructional services between state and others	2,176,662	-	10,554,906	9,377,461	7,670,790	6,377,347	8,050,500	7,220,447	7,836,164	10,573,492
Payments related to shared services arrangements	-	18,500	15,000	15,000	5,000	15,443	-	-	-	-
Other Intergovernmental Charges	760,023	873,655	726,318	671,313	726,660	688,564	700,734	625,274	604,362	589,907
Total Primary Government Expenses	124,902,024	116,870,903	114,254,956	81,294,705	96,741,298	87,208,890	82,939,188	74,516,724	72,871,383	76,755,141
Program Revenues										
Governmental Activities:										
Charges for services	2,901,070	2,233,620	2,895,384	3,884,811	4,395,138	4,316,399	4,197,739	3,855,180	3,968,108	2,191,255
Operating Grants and Contributions	15,286,557	13,065,238	10,362,199	(5,800,868)	6,889,173	5,078,871	4,393,884	3,451,904	3,730,642	12,406,960
Total Primary Government Revenues	18,187,627	15,298,858	13,257,583	(1,916,057)	11,284,311	9,395,270	8,591,623	7,307,084	7,698,750	14,598,215
Total Primary Government Net Expense	\$ (106,714,397)	\$ (101,572,045)	\$ (100,997,373)	\$ (83,210,762)	\$ (85,456,987)	\$ (77,813,620)	\$ (74,347,565)	\$ (67,209,640)	\$ (65,172,633)	\$ (62,156,926)
General Revenues and Other Changes in Net Position										
General Revenues:										
Property taxes	\$ 98,366,506	\$ 93,848,195	\$ 91,745,004	\$ 85,421,125	\$ 77,680,838	\$ 71,720,652	\$ 67,545,444	\$ 63,845,740	\$ 61,060,307	\$ 59,146,879
Investment Earnings	144,254	1,005,812	2,457,470	2,022,390	865,349	214,003	116,710	77,939	36,527	32,324
Grants and Contributions Not Restricted to Specific Programs	6,140,939	3,284,820	8,308,593	5,034,158	5,078,736	6,817,882	6,566,586	8,345,513	9,073,082	4,317,601
Insurance proceeds	534,172	-	-	-	-	-	-	-	-	-
Miscellaneous	375,983	1,815,344	1,806,724	1,269,801	3,771,156	147,230	848,079	282,660	220,834	1,633,194
Total Primary Government General Revenues	105,561,854	99,954,171	104,317,791	93,747,474	87,396,079	78,899,767	75,076,819	72,551,852	70,390,750	65,129,998
Change in Net Position - Total Primary Government	\$ (1,152,543)	\$ (1,617,874)	\$ 3,320,418	\$ 10,536,712	\$ 1,939,092	\$ 1,086,147	\$ 729,254	\$ 5,342,212	\$ 5,218,117	\$ 2,973,072

BOERNE INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 3

	General Fund					All Other Governmental Funds			
	<u>Non-Spendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>	<u>Non-Spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Total</u>
2021	\$ 40,323	-	-	19,482,127	\$ 19,522,450	\$ 66,694	14,093,465	-	\$ 14,160,159
2020	\$ -	-	-	19,746,632	\$ 19,746,632	\$ 43,411	15,083,537	-	\$ 15,126,948
2019	\$ 306,551	677,151	-	18,377,054	\$ 19,360,756	\$ 71,638	32,286,023	1,481,507	\$ 33,839,168
2018	\$ 261,988	677,151	-	15,856,873	\$ 16,796,012	\$ 15,226	85,835,951	-	\$ 85,851,177
2017	\$ 291,646	-	-	15,266,876	\$ 15,558,522	\$ 24,199	61,018,861	-	\$ 61,043,060
2016	\$ 314,901	-	-	12,743,781	\$ 13,058,682	\$ 11,643	1,471,298	-	\$ 1,482,941
2015	\$ 342,370	-	-	14,275,412	\$ 14,617,782	\$ 34,228	46,003,472	-	\$ 46,037,700
2014	\$ 323,888	-	1,445,000	12,357,149	\$ 14,126,037	\$ 61,646	90,465,267	-	\$ 90,526,913
2013	\$ 253,068	-	1,445,000	10,266,814	\$ 11,964,882	\$ 22,313	5,766,884	155,061	\$ 5,944,258
2012	\$ 252,467	-	1,508,474	7,222,420	\$ 8,983,361	\$ 32,999	4,711,394	167,357	\$ 4,911,750

NOTE - The increases/decreases in fund balances are explained in the governmental funds section of the Management's Discussion and Analysis.

BOERNE INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES				
Local and Intermediate Sources	\$ 102,860,319	\$ 98,695,584	\$ 98,870,987	\$ 92,051,189
State Sources	11,726,940	9,644,262	12,377,814	9,609,250
Federal Sources	<u>5,115,326</u>	<u>3,507,971</u>	<u>4,054,445</u>	<u>3,517,160</u>
Total Revenues	<u>119,702,585</u>	<u>111,847,817</u>	<u>115,303,246</u>	<u>105,177,599</u>
EXPENDITURES				
Current:				
Instruction	51,544,091	50,674,786	43,878,596	41,188,738
Instructional Resources and Media Services	1,021,229	1,559,975	1,119,002	836,447
Curriculum and Instructional Staff Development	2,634,764	2,202,629	2,272,207	1,547,192
Instructional Leadership	1,265,696	1,152,472	750,853	685,609
School Leadership	5,395,057	5,110,081	4,461,560	4,119,787
Guidance and Counseling Services	3,834,268	3,504,111	3,175,569	2,729,988
Health Services	1,142,920	1,023,112	821,154	718,574
Pupil Transportation	3,315,584	3,019,807	2,724,653	2,975,682
Child Nutrition Services	3,069,365	2,658,801	2,575,787	2,386,535
Co-Curricular Activities	3,363,270	3,234,150	3,370,359	3,090,816
General Administration	3,497,488	3,256,730	2,362,868	2,230,089
Plant Maintenance and Operations	9,517,114	8,636,803	7,354,536	7,288,316
Security & Monitoring Services	1,087,207	880,938	628,380	499,686
Data Processing Services	5,007,763	3,343,250	3,896,403	4,993,009
Community Services	53,137	40,726	38,020	68,279
Debt Service: (2)				
Principal on Long-term Debt	7,340,634	5,865,138	6,435,916	6,123,694
Interest	14,135,869	15,399,731	15,585,094	14,018,547
Cost of Issuance and Fiscal Charges	2,409,195	2,697,402	4,457	710,748
Capital Outlay:				
Facilities Acquisition and Construction	725,491	15,590,043	53,494,235	61,590,990
Intergovernmental:				
Contracted Instructional Services Between Schools	2,176,662	-	10,554,906	9,377,461
Payments to Shared Services Arrangements	-	18,500	15,000	15,000
Other Intergovernmental Charges	760,023	873,655	726,318	671,313
Total Expenditures	<u>123,296,827</u>	<u>130,742,840</u>	<u>166,245,873</u>	<u>167,866,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,594,242)</u>	<u>(18,895,023)</u>	<u>(50,942,627)</u>	<u>(62,688,901)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt - Capital-Related Bonds	-	-	-	81,215,000
Issuance of Debt - Refunding Bonds	90,699,896	40,980,000	-	-
Premium on Issuance of Bonds	5,481,842	7,736,082	-	7,519,508
Sale of Real and Personal Property	-	3,346	13,855	-
Insurance Recovery	534,172	-	-	-
Transfers In	450,000	1,273,835	750,734	1,058,034
Transfers Out	(555,229)	(1,273,835)	(750,734)	(1,058,034)
Payment to Refunded Bond Escrow Agent	(95,685,423)	(46,669,242)	-	-
Total Other Financing Sources (Uses)	<u>925,258</u>	<u>2,050,186</u>	<u>13,855</u>	<u>88,734,508</u>
Net Change in Fund Balances	<u>\$ (2,668,984)</u>	<u>\$ (16,844,837)</u>	<u>\$ (50,928,772)</u>	<u>\$ 26,045,607</u>

Debt Service as a Percentage of Noncapital Expenditures (1)	17.52%	18.47%	19.53%	18.95%
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(1) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.

Table 4

	2017	2016	2015	2014	2013	2012
\$	83,747,139	\$ 76,100,028	\$ 72,953,780	\$ 67,965,433	\$ 65,332,140	\$ 63,495,729
	8,889,146	7,895,676	7,705,972	8,966,642	9,663,194	12,454,188
	2,878,765	2,929,019	3,068,634	2,714,638	2,989,873	4,014,458
	<u>95,515,050</u>	<u>86,924,723</u>	<u>83,728,386</u>	<u>79,646,713</u>	<u>77,985,207</u>	<u>79,964,375</u>
	39,026,550	36,873,668	33,998,134	32,590,102	30,528,487	31,518,406
	729,428	747,735	774,639	699,192	655,427	686,403
	1,390,643	1,327,614	1,347,874	1,050,198	911,758	900,966
	515,390	513,726	525,924	489,696	426,827	437,373
	3,617,399	3,146,872	3,112,022	2,826,295	2,786,793	2,723,002
	2,874,723	2,838,860	2,761,551	2,402,678	2,273,918	2,281,328
	714,670	678,785	764,186	616,253	605,212	601,944
	2,739,024	2,190,213	4,056,686	2,089,044	1,994,957	1,948,911
	2,339,274	2,283,038	2,321,453	2,167,833	2,107,242	2,128,211
	3,002,632	2,684,245	2,755,776	2,609,397	2,737,272	2,575,370
	2,058,582	2,108,670	1,673,312	1,508,752	1,510,474	1,546,398
	6,860,830	6,821,681	7,124,516	6,716,150	6,078,921	6,052,317
	360,229	331,638	336,636	306,645	304,860	305,275
	5,445,379	1,882,098	2,824,786	10,560,507	1,136,198	1,222,507
	78,238	160,156	152,321	145,804	72,733	42,472
	5,163,422	6,316,144	5,750,010	4,928,698	5,926,421	2,058,141
	11,366,885	9,478,303	7,359,920	5,751,421	5,382,475	7,296,540
	713,406	3,875	153,470	375,863	-	260,400
	36,010,427	31,236,865	42,853,099	7,076,761	90,677	399,680
	7,670,790	6,377,347	8,050,500	7,220,447	7,836,164	10,573,492
	5,000	15,443	-	-	-	-
	726,660	688,564	700,734	625,274	604,362	589,907
	<u>133,409,581</u>	<u>118,705,540</u>	<u>129,397,549</u>	<u>92,757,010</u>	<u>73,971,178</u>	<u>76,149,043</u>
	<u>(37,894,531)</u>	<u>(31,780,817)</u>	<u>(45,669,163)</u>	<u>(13,110,297)</u>	<u>4,014,029</u>	<u>3,815,332</u>
	81,545,000	-	-	98,025,000	-	-
	-	-	15,734,992	-	-	70,507,615
	6,862,082	-	808,087	1,829,107	-	6,843,428
	-	-	-	-	-	-
	-	-	-	-	-	-
	374,639	178,429	377,840	78,038	87,484	100,410
	(374,639)	(178,429)	(144,864)	(78,038)	(87,484)	(100,410)
	-	-	(15,104,360)	-	-	(79,889,137)
	<u>88,407,082</u>	<u>-</u>	<u>1,671,695</u>	<u>99,854,107</u>	<u>-</u>	<u>(2,538,094)</u>
\$	<u>50,512,551</u>	<u>(31,780,817)</u>	<u>(43,997,468)</u>	<u>86,743,810</u>	<u>4,014,029</u>	<u>1,277,238</u>
	16.97%	18.06%	15.15%	12.47%	15.31%	12.35%

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

BOERNE INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 5

Fiscal Year Ended 6/30:	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
2021	\$ 10,700,247,098	\$ 392,311,171	\$ (2,676,673,493)	\$ 8,415,884,776	\$ 1.2519
2020	9,919,189,061	355,771,631	(2,510,178,584)	7,764,782,108	1.2840
2019	9,183,403,666	321,393,483	(2,323,871,405)	7,180,925,744	1.3540
2018	8,776,888,189	300,414,275	(2,303,156,164)	6,774,146,300	1.3540
2017	7,915,658,190	317,843,205	(2,034,746,484)	6,198,754,911	1.3160
2016	7,688,120,537	306,614,687	(2,139,890,787)	5,854,844,437	1.2940
2015	7,150,236,460	269,730,514	(1,890,060,811)	5,529,906,163	1.2940
2014	6,810,416,398	258,605,127	(1,863,281,007)	5,205,740,518	1.2940
2013	6,606,516,945	232,443,937	(1,874,266,450)	4,964,694,432	1.2940
2012	6,468,961,566	206,947,521	(1,900,750,879)	4,775,158,208	1.3140

(1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.

(2) Tax Rates are per \$100 of assessed value.

Source: Kendall County (Texas) Appraisal District annually provides the District's with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable value. Taxable value times the tax rate set by the District's Board of Trustees each fall equal the tax levy. The term "assessed value" means taxable value.

BOERNE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$100 OF ASSESSED VALUE)

Table 6

Taxing Authority	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Overlapping Rates:</u>										
City of Boerne	\$ 0.4270	\$ 0.4270	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4520
City of Fair Oaks Ranch	0.3735	0.3735	0.3668	0.3295	0.3234	0.3073	0.2663	0.2663	0.2663	0.2461
Bexar County	0.3011	0.3011	0.3011	0.3041	0.3090	0.3145	0.3145	0.3269	0.3269	0.3269
Kendall County	0.4127	0.4127	0.4127	0.4127	0.4127	0.3867	0.3940	0.3940	0.3950	0.3700
Comal County	0.3585	0.3585	0.3779	0.3579	0.3579	0.3429	0.3429	0.3429	0.3504	0.3504
Kendall County MUD #1 - Cordillera MUD (1)	0.6500	0.6500	0.6500	0.6500	0.6500					
Miralomas MUD (1)	1.0000	1.0000	1.0000	1.0000						
Kendall County WCID #2A - Esperanza MUD (1)	0.9500	0.9500	0.9500	0.9500	0.9500					
Cow Creek Groundwater Cons. Dist.	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Total Other Entities	\$ <u>4.4778</u>	\$ <u>4.4778</u>	\$ <u>4.5355</u>	\$ <u>4.4812</u>	\$ <u>3.4800</u>	\$ <u>1.8284</u>	\$ <u>1.7947</u>	\$ <u>1.8071</u>	\$ <u>1.8156</u>	\$ <u>1.7504</u>
<u>District Direct Rates (1):</u>										
Maintenance & Operations	\$ 0.9379	\$ 0.9700	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3140	0.3140	0.3140	0.3140	0.2760	0.2540	0.2540	0.2540	0.2540	0.2740
Total District Direct Rates	\$ <u>1.2519</u>	\$ <u>1.2840</u>	\$ <u>1.3540</u>	\$ <u>1.3540</u>	\$ <u>1.3160</u>	\$ <u>1.2940</u>	\$ <u>1.2940</u>	\$ <u>1.2940</u>	\$ <u>1.2940</u>	\$ <u>1.3140</u>

(1) - entity began taxing within the last ten fiscal years, rates shown from initial year of taxation

Source: Tax rates verified through various sources such as Kendall, Bexar, Comal County websites as well as the Texas Comptroller website.

Taxpayer	Property Type	2021			2012		
		Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Mission Pharmacal	Pharmacy	20,601,609	1	0.23%	28,891,780	1	0.45%
Albany Engineered Composites	Industrial Manufacturing	16,667,231	2	0.18%	14,897,400	2	1.04%
Zylstra Holdings @ Boerne LLC	Apartments	15,703,900	3	0.17%	-		0.68%
VBM Acquisition LLC	Car Dealership	13,262,120	4	0.15%	7,085,360	10	
LCRA Transmission Svcs Corp	Electric Utility/Power Plant	13,182,310	5	0.15%	8,584,340	7	
Boerne Hotel LTD	Hotel/Motel	12,362,670	6	0.14%	-		0.46%
HEB Grocery Company LP	Grocery Store	11,005,880	7	0.12%	11,327,720	4	
Cavendar Boerne Properties LTD	Car Dealership	9,864,680	8	0.11%	10,149,960	6	1.16%
MBP Carrington LLC	Apartments	9,705,380	9	0.11%	-		
Guadalupe Valley Tel Co-Op	Telephone Utility	9,672,210	10	0.11%	11,579,260	3	
Wal-Mart Real Est. Biz Tr.	Commercial Land	-		-	10,165,830	5	0.82%
Cambridge-Boerne Partners LP	Commercial Land	-		-	8,333,780	8	0.46%
Wal-Mart Stores Texas LP	Retail Store	-		-	7,568,130	9	0.31%
TOTALS		\$ 132,027,990		1.57%	\$ 118,583,560		2.48%

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value equals:

\$ 8,415,884,776

(3) Total assessed value equals:

\$ 4,775,158,208

Source: Kendall County Appraisal District.

Fiscal Year Ended 6/30:	Net Tax Levy For The Fiscal Year (1)	Discount Realized Within the Fiscal Year of the Levy (2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections to Net Tax Levy
2021	\$ 100,736,363	\$ 2,688,878	\$ 96,717,837	98.64%	\$ -	\$ 96,717,837	98.64%
2020	95,661,072	2,355,251	91,860,790	98.45%	1,120,840	92,981,630	99.65%
2019	92,625,159	2,064,966	89,312,079	98.62%	1,044,695	90,356,774	99.78%
2018	87,005,340	2,197,160	83,675,307	98.66%	1,011,094	84,686,401	99.86%
2017	78,823,054	1,869,174	75,830,548	98.54%	1,019,211	76,849,759	99.86%
2016	72,454,560	1,701,559	69,572,631	98.33%	1,099,350	70,671,981	99.89%
2015	68,341,339	1,659,097	65,898,071	98.82%	705,806	66,603,877	99.88%
2014	64,563,282	1,383,383	61,934,763	98.03%	1,169,479	63,104,242	99.88%
2013	61,469,521	1,306,917	59,088,961	98.22%	1,014,380	60,103,341	99.90%
2012	59,793,185	1,328,612	57,434,942	98.24%	994,141	58,429,083	99.94%

(1) Appraised value less exemptions equals taxable value. The beginning taxable value net of adjustments times the tax rate set each fall by the District's Board of Trustees equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

(2) The District provides discounts for payments made in the taxable year as follows: 3% for payments made in October, 2% for payments made in November, 1% for payments made in December.

Source: Kendall County (Texas) Appraisal District provides the District with appraised values for properties within the District's taxing authority.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

BOERNE INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

<u>Fiscal Year Ended 6/30:</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Ratio of Debt to Assessed Value (2)</u>	<u>Debt Per Student (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Notes Payable (1)</u>			
2021	\$ 302,078,910	\$ 645,000	\$ 302,723,910	3.60%	\$ 32,540
2020	309,264,647	800,000	310,064,647	3.99%	34,069
2019	320,837,405	950,000	321,787,405	4.48%	37,030
2018	327,109,650	1,095,000	328,204,650	4.84%	39,662
2017	251,878,344	1,235,000	253,113,344	4.08%	31,898
2016	189,806,072	1,370,000	191,176,072	3.27%	25,181
2015	196,283,304	1,500,000	197,783,304	3.58%	27,523
2014	201,381,971	115,000	201,496,971	3.87%	29,211
2013	108,323,790	225,000	108,548,790	2.19%	16,041
2012	113,968,413	335,000	114,303,413	2.39%	17,588

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and premiums.
- (2) See Table 5 for assessed value data.
- (3) See Table 16 for student enrollment data.

BOERNE INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ended 6/30:	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt Per Student (3)
2021	\$ 302,078,910	\$ 9,523,439	\$ 292,555,471	3.48%	\$31,447
2020	309,264,647	7,545,123	301,719,524	3.89%	33,152
2019	320,837,405	6,035,641	314,801,764	4.38%	36,226
2018	327,109,650	6,275,417	320,834,233	4.74%	38,772
2017	251,878,344	5,598,304	246,280,040	3.97%	31,037
2016	189,806,072	5,173,030	184,633,042	3.15%	24,319
2015	196,283,304	6,595,717	189,687,587	3.43%	26,397
2014	201,381,971	6,475,022	194,906,949	3.74%	28,256
2013	108,323,790	4,550,374	103,773,416	2.09%	15,335
2012	113,968,413	3,744,376	110,224,037	2.31%	16,960

(1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and premiums.

(2) See Table 5 for assessed value data.

(3) See Table 16 for student enrollment data.

(4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

BOERNE INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
 AS OF JUNE 30, 2021

Table 11

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Overlap Applicable to School District</u>
<u>Overlapping:</u>			
Alamo CCD	\$ 590,510,000	1.56%	\$ 9,211,956
Bexar Co	1,897,440,000	1.56%	29,600,064
Bexar Co Hosp Dist	902,130,000	1.56%	14,073,228
Boerne, City of	67,490,000	100.00%	67,490,000
Comal Co	130,300,000	0.67%	873,010
Fair Oaks Ranch, City of	6,865,000	95.20%	6,535,480
Kendall Co	21,135,000	85.12%	17,990,112
Kendall Co WC&ID #2A	17,025,000	100.00%	17,025,000
San Antonio, City of	2,056,995,000	0.09%	1,851,296
Total Overlapping Debt			<u>164,650,146</u>
<u>Direct:</u>			
Boerne Independent School District	302,723,910	100.0%	<u>302,723,910</u>
TOTAL OVERLAPPING AND DIRECT DEBT			\$ <u>467,374,056</u>
Ratio of Total Overlapping Debt and Direct Debt to Assessed Value			5.55%
Direct and Overlapping Debt per Capita			\$ 8,645

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: Municipal Advisory Council (MAC) of Texas

BOERNE INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION (1)
LAST TEN FISCAL YEARS

Table 12

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 841,588,478	\$ 776,478,211	\$ 718,092,574	\$ 677,414,630	\$ 619,875,491	\$ 585,484,444	\$ 552,990,616	\$ 520,574,052	\$ 496,469,443	\$ 477,515,821
Total Net Debt Applicable to Limit	<u>292,555,471</u>	<u>301,719,524</u>	<u>314,801,764</u>	<u>320,834,233</u>	<u>246,280,040</u>	<u>184,633,042</u>	<u>189,687,587</u>	<u>194,906,949</u>	<u>103,773,416</u>	<u>110,224,037</u>
Legal Debt Margin	\$ <u>549,033,007</u>	\$ <u>474,758,687</u>	\$ <u>403,290,810</u>	\$ <u>356,580,397</u>	\$ <u>373,595,451</u>	\$ <u>400,851,402</u>	\$ <u>363,303,029</u>	\$ <u>325,667,103</u>	\$ <u>392,696,027</u>	\$ <u>367,291,784</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	34.76%	38.86%	43.84%	47.36%	39.73%	31.54%	34.30%	37.44%	20.90%	23.08%

- (1) The District voted its maintenance tax under former Article 2784e-1, which provided that the net bonded indebtedness of the District shall not exceed 10% of all assessed real and personal property in the District.
- (2) See Table 5.
- (3) See Restricted for long-term debt at the fund level.

DEMOGRAPHIC AND ECONOMIC CAPACITY

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

BOERNE INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

Fiscal Year Ended 6/30:	Residential Units (1)	Total Market Value of Residential Units (1)	Average Market Value per Residential Unit	Average Household Income (4)	Unemployment Rate (3)
2021	17,525	\$ 7,075,024,751	\$ 403,710	\$ 125,923	5.0%
2020	16,738	6,312,064,945	377,110	(6)	5.0%
2019	15,740	5,822,279,409	369,903	(6)	2.7%
2018	15,394	5,567,651,138	361,677	(6)	2.9%
2017	14,717	5,099,232,738	346,486	(6)	3.1%
2016	13,949	4,641,951,658	332,780	(6)	3.2%
2015	13,218	4,201,213,175	317,840	(6)	3.3%
2014	12,942	3,974,568,190	307,106	(6)	4.1%
2013	12,477	3,810,884,915	305,433	(6)	5.1%
2012	12,199	3,653,863,072	299,522	(6)	5.4%

- (1) Source: Kendall County (Texas) Appraisal District.
- (2) Source: Texas Education Agency Summary of Finances Report.
- (3) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Kendall County.
- (4) Source: Kendall County Economic Development Corporation
- (5) Current year amount not currently available, assumed prior year.
- (6) Information not available as of the date of this report.

BOERNE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	Business	2021 (1)		2012	
		Employees	Rank	Employees	Rank
Boerne ISD	Public School	1,236	1	968	1
H-E-B Super Store	Grocery Store	385	2	240	4
Mission Pharmacal	Manufacturing	362	3	310	3
Wal-Mart	Discount Store	293	4	330	2
Kendall County	Public Entity	225	5	202	5
Albany Engineered Composites	Manufacturing	223	6	197	6
City of Boerne	Public Entity	220	7	193	7
Mercedes Benz of Boerne	Automobile Sales	147	8	87	10
Toyota of Boerne	Automobile Sales	145	9	-	-
Cibolo Creek Health and Rehab	Healthcare	115	10	-	-
Home Depot	Retail Store	-	-	120	8
Town & Country Manor	Nursing Home	-	-	100	9

Per the Texas Workforce Commission:

Total Employment for 2020 (latest available)	21,007
Total Employment for 2012	16,498

(1) Excepting Boerne ISD, most recent data available is from 2016

Sources: Municipal Advisory Council (MAC) of Texas

OPERATING CAPACITY

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

BOERNE INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS

Table 15

POSITION:						
	<u>Teacher</u>	<u>Professional Support</u>	<u>Administration</u>	<u>Educational Aide</u>	<u>Auxiliary Staff</u>	Total
2021	631.25	126.60	46.59	106.97	286.72	1,198.13
2020	609.23	122.51	41.00	112.79	270.43	1,155.96
2019	566.36	112.98	35.90	100.20	258.52	1,073.96
2018	535.65	85.44	42.86	87.06	244.05	995.06
2017	519.17	77.21	50.07	85.19	222.90	954.54
2016	500.56	70.62	37.79	84.38	262.00	955.35
2015	472.50	68.65	34.46	79.60	259.75	914.96
2014	452.11	67.08	32.36	79.46	261.71	892.72
2013	440.93	61.75	32.18	80.42	260.56	875.84
2012	436.73	66.00	34.13	77.42	259.71	873.99

BOERNE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 16

<u>Fiscal Year Ended 6/30:</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Government Wide Expenses</u>	<u>Cost Per Student (2)</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
2021	9,303	\$ 94,512,096	\$ 10,159	3.60%	\$ 124,902,024	\$ 13,426	4.55%	631	14.74	18.11%
2020	(2) 9,101	89,244,248	9,806	9.27%	116,870,903	12,842	-2.33%	609	14.94	17.69%
2019	8,690	77,983,893	8,974	3.46%	114,254,956	13,148	33.83%	566	15.35	18.24%
2018	8,275	71,776,890	8,674	1.86%	81,294,705	9,824	-19.42%	536	15.44	17.32%
2017	7,935	67,572,407	8,516	0.27%	96,741,298	12,192	6.14%	519	15.29	16.81%
2016	7,592	64,478,251	8,493	-0.23%	87,208,890	11,487	-0.48%	501	15.15	14.74%
2015	7,186	61,172,428	8,513	2.20%	82,939,188	11,542	6.84%	473	15.19	14.83%
2014	6,898	57,455,259	8,329	2.98%	74,516,724	10,803	0.32%	452	15.26	15.88%
2013	6,767	54,735,441	8,089	-5.39%	72,871,383	10,769	-8.82%	441	15.34	16.32%
2012	6,499	55,560,790	8,549	(3)	76,755,141	11,810	(3)	437	14.87	(3)

(1) Operating expenditures are total expenditures less debt service, capital outlay (to the extent capitalized for the government-wide statement of net position), expenditures for capitalized assets included within the functional expenditures categories and recapture.

(2) Due to the outbreak of the COVID worldwide outbreak, ADA is only calculated through March of 2020.

(3) Information not available as of the date of this report.

Source: Non-financial data is from Texas Education Agency Summary of Finances Report and District records.

BOERNE INDEPENDENT SCHOOL DISTRICT*TEACHER BASE SALARIES**LAST TEN FISCAL YEARS***Table 17**

Fiscal Year Ended 6/30:	District Average Base Salary (2)	Region Average Salary (2)	Statewide Average Salary (2)
2021	\$ 56,594	\$ 57,073	\$ 57,641
2020	56,289	57,386	57,091
2019	54,229	55,011	54,122
2018	53,259	54,547	53,334
2017	52,699	53,918	52,525
2016	52,561	54,101	51,892
2015	52,422	52,066	50,715
2014	51,956	51,282	49,692
2013	49,861	50,167	48,821
2012	50,482	49,764	48,375

(1) Source: District records.

(2) Source: Texas Education Agency website.

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS

Table 18

Building:	2021	2020	2019	2018	2017	2016
HIGH SCHOOLS						
Boerne High School						
Square Footage	265,954	265,954	265,954	265,954	265,954	265,954
Enrollment	1,228	1,168	1,136	1,098	1,115	1,087
Samuel V. Champion High School						
Square Footage	332,877	332,877	332,877	332,877	332,877	332,877
Enrollment	1,884	1,770	1,739	1,659	1,591	1,532
MIDDLE SCHOOLS						
Boerne Middle School North						
Square Footage	124,296	124,296	124,296	124,296	124,296	124,296
Enrollment	813	802	871	851	788	729
Boerne Middle School South						
Square Footage	205,723	205,723	205,723	205,723	205,723	205,723
Enrollment	829	885	1,277	1,225	1,195	1,125
Capt. Mark T. Voss Middle School						
Square Footage	199,567	199,567	-	-	-	-
Enrollment	706	559	-	-	-	-
ELEMENTARY SCHOOLS						
Curington Elementary School						
Square Footage	97,980	97,980	97,980	97,980	97,980	97,980
Enrollment	589	643	702	650	662	633
Fabra Elementary School						
Square Footage	98,674	98,674	98,674	98,674	98,674	98,674
Enrollment	573	549	580	618	583	585
Fair Oaks Elementary School						
Square Footage	83,763	83,763	83,763	83,763	83,763	83,763
Enrollment	649	689	609	1,003	916	843
Kendall Elementary School						
Square Footage	88,241	88,241	88,241	88,241	88,241	88,241
Enrollment	710	752	719	762	694	658
Cibolo Creek Elementary School						
Square Footage	88,713	88,713	88,713	88,713	88,713	88,713
Enrollment	427	478	769	821	756	710
Van Raub Elementary School						
Square Footage	101,610	101,610	101,610	-	-	-
Enrollment	739	827	768	-	-	-
Herff Elementary School						
Square Footage	102,651	102,651	-	-	-	-
Enrollment	470	457	-	-	-	-
OTHER FACILITIES						
Administration Center/Alternative Campus (Formerly Fabra ES)						
Square Footage	76,930	76,930	76,930	-	-	-
Maintenance						
Square Footage	14,736	14,736	14,736	14,736	14,736	14,736
Transportation						
Square Footage	17,176	17,176	17,176	17,176	17,176	17,176
Former Central Office Facility						
Square Footage	16,582	16,582	16,582	16,582	16,582	16,582
Former Alternative Campus Facility						
Square Footage	9,779	9,779	9,779	9,779	9,779	9,779

Source: District records

**FEDERAL AWARDS
SECTION**



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

Board of Trustees of
Boerne Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boerne Independent School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 1, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Board of Trustees of
Boerne Independent School District

Page 2

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
November 1, 2021



**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 of
Boerne Independent School District

Report on Compliance for Each Major Federal Program

We have audited Boerne Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. 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, Boerne Independent School 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, 2021.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

San Antonio, Texas
November 1, 2021

Boerne Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

I. Summary of the Auditor's Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? Yes No
 - Significant deficiency(s) identified? Yes None reported
- c. Noncompliance material to financial statements noted? Yes No

Federal Awards

- d. Internal control over major programs
- Material weakness(es) identified? Yes No
 - Significant deficiency(s) identified? Yes None reported
- e. An unmodified opinion was issued on compliance for major programs
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? Yes No
- g. Identification of major programs:
- | | |
|------------------|----------------------------------|
| 84.027A, 84.173A | Special Education Cluster (IDEA) |
| 84.425D | ESSER Grant |
- h. The dollar threshold used to distinguish between Type A and Type B programs \$750,000
- i. Auditee qualified as a low-risk auditee. Yes No

Boerne Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

II. Findings relating to the Financial Statements, which are required to be reported in Accordance with Generally Accepted Government Auditing Standards

Finding 2021-001: Significant Deficiency in Internal Control over Financial Reporting—Accrual and Amortization of Certain Non-cash Items

Criteria: Preparation and maintenance of accurate records, calculations, and schedules supporting non-cash journal entries and account balances is an integral aspect of internal control over financial reporting.

Condition: The District's management has recorded a restatement of June 30, 2020 fund balances and net position resulting from errors identified in the financial statements as of and for the year ended June 30, 2020.

Context: In the process of preparing the District's financial statements for the year ended June 30, 2021, the District's management was unable to locate records, calculations, and schedules to support certain non-cash balances on the June 30, 2020 financial statements, including premiums and accreted interest related to bonds payable. After re-creating these records to support these items at June 30, 2021, the District's management identified errors in the amounts recognized at June 30, 2020. Additionally, management identified errors in the preparation of records, calculations, and schedules supporting other non-cash balance sheet adjustments, including unavailable property tax revenue, due to state, and retainage payable, resulting in a restatement of fund balances in the general, debt service, and capital projects fund, and additional restatement of the governmental activities net position at June 30, 2020.

Effect or Potential Effect: Upon the implementation of controls, creating the records, calculations, and schedules related to these transactions during the year ended June 30, 2021, management determined that restatement of June 30, 2020 fund balances and net position was necessary

Cause: Management previously relied upon a third-party to prepare these closing adjustments, and did not retain records of the calculations or schedules, or evidence of its review of these calculations or schedules.

Recommendation: The District's management should prepare and maintain accurate records, calculations, and schedules supporting these non-cash journal entries and account balances as a part of its process to prepare and review the annual financial statements. We note that management identified and remediated this significant deficiency, and informed us of its intention to record the restatement of the June 30, 2020 balances.

Views of Responsible Officials and Planned Corrective Actions: In its dedication to continued transparency and improvement in financial reporting, the District's management identified this significant deficiency, and the resulting necessary restatement of June 30, 2020 fund balances and net position, and communicated it to the District's auditors. The District's management believes that the identified deficiency has been remediated as of June 30, 2021.

III. Federal Awards Findings:

None

IV. Prior Year Findings and Questioned Costs:

None

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Grantor's Number	Provided to Subrecipient	(3) Federal Expenditures
United States Department of Education:				
Passed Through State Department of Education:				
Special Education Cluster (IDEA):				
IDEA-B Formula	84.027A	206600011309016000	\$	201,472
IDEA-B Formula	84.027A	216600011309016000	-	1,267,604
			-	1,469,076
IDEA-B Preschool Formula	84.173A	206610011309016000		5,500
IDEA-B Preschool Formula	84.173A	216610011309016000	-	13,754
			-	19,254
High Cost Funds	84.027A	66002106		61,259
Total Special Education Cluster (IDEA)			-	1,549,588
ESEA Title I, Part A	84.010A	20610101130901		23,573
ESEA Title I, Part A	84.010A	21610101130901	-	518,497
			-	542,070
Carl Perkins Basic Grant for Career & Technical Education	84.048A	20420006130901		475
Carl Perkins Basic Grant for Career & Technical Education	84.048A	21420006130901	-	52,370
			-	52,845
ESSA Title II, Part A - Teacher/Principal Training	84.367A	20694501130901		48,061
ESSA Title II, Part A - Teacher/Principal Training	84.367A	21694501130901	-	95,101
			-	143,162
Title III, English Language Acquisition- LEP	84.365A	20671001130901	-	18,959
Title III, English Language Acquisition- LEP	84.365A	21671001130901	-	44,212
Title III, English Language Acquisition-Immigrant	84.365A	21671003130901	-	13,007
			-	76,178
Title IV, Part A - Student Support and Academic Enrichment	84.424A	20680101130901	-	22,275
Title IV, Part A - Student Support and Academic Enrichment	84.424A	21680101130901	-	18,057
			-	40,333
Prior Purchase Reimbursement Program - CRF	84.425D	52102035		508,500
ESSER	84.425D	20521001130901		388,301
				896,801
Total Passed Through State Department of Education			-	3,300,977
Total United States Department of Education			-	3,300,977
United States Department of Defense:				
Direct Program:				
ROTC	12.000		-	58,985
Total United States Department of Defense			-	58,985
United States Department of Agriculture				
Direct Program:				
Child Nutrition Cluster				
School Breakfast Program	10.553		-	79,734
National School Lunch Program	10.555		-	589,281
USDA Donated Commodities	10.555		-	138,601
Total Child Nutrition Cluster			-	807,617
Total United States Department of Agriculture			-	807,617
Total Expenditures of Federal Awards			\$ -	\$ 4,167,578

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northside Independent School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such 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.

There may be situations where federal expenditures presented in the schedule of expenditures of federal awards also include expenditures subject to pre-Uniform Guidance requirements. The US Department of Education (USDE) has clarified under 34 CFR 76.10, carryover funds are subject to the regulations in effect during the carryover period which is the last 12 months of the 27-month of availability. Therefore, all funds that became carryover on October 1, 2015, must follow the new EDGAR regulations regardless of the original start date of the Notice of Grant Award.

Federal regulations applicable to state administered grants are subject to the requirements of Part 76 of the Uniform Guidance. As of October 1, 2015, these multi-year grants are to be governed by the new Uniform Guidance rather than the OMB Circulars that were in effect when each grant was initially awarded.

Such expenditures are recognized in the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

The USDE has given TEA authority to issue indirect cost rates for ISD's. To recover any indirect costs, the District must request and receive new indirect cost rates for every school year allowed by the *Uniform Guidance Part 200.57*.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 4. BASIS OF FUNDING

Federal funding for Food Services under child nutrition programs is primarily based upon the number and type of meals served and in user charges as reported to the US Department of Agriculture. Federal funding received related to various grant programs is based upon periodic reports detailing reimbursable expenditures made in compliance with the program guidelines to the grantor agencies. The programs are governed by various rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's management, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the basic financial statements for such contingences.