

**BOERNE INDEPENDENT  
SCHOOL DISTRICT**

***ANNUAL FINANCIAL REPORT***

*FOR THE YEAR ENDED JUNE 30, 2019*

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Boerne Independent School District  
Annual Financial Report  
For The Year Ended June 30, 2019

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*Introductory Section*

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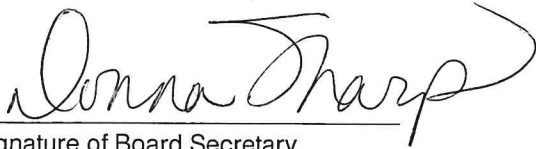
CERTIFICATE OF BOARD

Boerne Independent School District  
Name of School District

Kendall  
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 (check one)  approved  disapproved for the year ended June 30, 2019, at a meeting of the board of trustees of such school district on the 18<sup>th</sup> day of November, 2019.



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)

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*Financial Section*

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Trustees of  
Boerne Independent School District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditors' 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 auditors' 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of District contributions, identified as Required Supplementary Information on 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of required responses to selected school first indicators are presented for purposes of additional analysis and are not required parts 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory section and the schedule of required responses to selected school first indicators have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
November 18, 2019

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*Management's Discussion & Analysis (MD&A)*

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# BOERNE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. It should be read in conjunction with the District's financial statements.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2019 was \$847,072.
- For the fiscal year ended June 30, 2019, the District's general fund reported a total fund balance of \$19,360,756, of which \$306,551 was nonspendable, \$677,151 was committed, and \$18,377,054 was unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$51,718,417.

### 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 non-financial 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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

### 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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$847,072 at June 30, 2019. *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, 2019. Revenues for the District increased significantly in operating grants and contributions due to prior year negative revenues related to non-employer contributing entity (NECE) on-behalf accruals for the other postemployment benefits (OPEB) plan. Property tax revenues increased due to the increase in assessed value of properties within the District. There were significant increases in instruction and curriculum and staff development expenses due to prior year negative expenses related to the NECE on-behalf accruals for the OPEB plan and the increases in net pension/OPEB liabilities in the current year. *Table 1* indicates the overall condition of the District improved. The District's current assets decreased and capital assets increased related to the purchase of capital assets from the prior year bond issue. The District's long-term liabilities increased primarily due to the increases in the District's net pension and OPEB liabilities.

**Table 1  
Net Position**

Description	Governmental Activities		Total Change 2019-2018
	2019	2018	
Current assets	\$ 71,039,442	\$ 120,826,252	\$ (49,786,810)
Capital assets	349,430,444	301,122,126	48,308,318
<b>Total Assets</b>	<b>420,469,886</b>	<b>421,948,378</b>	<b>(1,478,492)</b>
Deferred charge on refunding	1,633,215	1,837,365	(204,150)
Deferred outflows related to pensions	11,566,933	4,700,358	6,866,575
Deferred outflows related to OPEB	4,104,592	332,506	3,772,086
<b>Total Deferred Outflows of Resources</b>	<b>17,304,740</b>	<b>6,870,229</b>	<b>10,434,511</b>
Current liabilities	22,202,721	21,576,280	626,441
Long-term liabilities	404,495,288	397,974,110	6,521,178
<b>Total Liabilities</b>	<b>426,698,009</b>	<b>419,550,390</b>	<b>7,147,619</b>
Deferred inflows related to pensions	1,206,254	1,928,261	(722,007)
Deferred inflows related to OPEB	9,023,291	9,813,302	(790,011)
<b>Total Deferred Inflows of Resources</b>	<b>10,229,545</b>	<b>11,741,563</b>	<b>(1,512,018)</b>
<b>Net Position:</b>			
Net investment in capital assets	21,018,070	18,437,759	2,580,311
Restricted for:			
State and federal programs	776,733	639,037	137,696
Debt service	6,035,641	6,275,417	(239,776)
Other restrictions of fund balance	1,640,884	1,406,281	234,603
Unrestricted	(28,624,256)	(29,231,840)	607,584
<b>Total Net Position</b>	<b>\$ 847,072</b>	<b>\$ (2,473,346)</b>	<b>\$ 3,320,418</b>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2019</b>	<b>2018</b>	<b>2019-2018</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,895,384	\$ 3,884,811	\$ (989,427)
Operating grants and contributions	10,362,199	(5,800,868)	16,163,067
General revenues:			
Property taxes	91,745,004	85,421,125	6,323,879
Investment earnings	2,457,470	2,022,390	435,080
Grants and contributions not restricted to specific programs	8,308,593	5,034,158	3,274,435
Miscellaneous	1,806,724	1,269,801	536,923
<b>Total Revenue</b>	<b>117,575,374</b>	<b>91,831,417</b>	<b>25,743,957</b>
<b>Expenses</b>			
Instruction	51,419,282	31,081,951	20,337,331
Instructional resources and media services	1,021,112	664,834	356,278
Curriculum and staff development	2,489,056	1,294,502	1,194,554
Instructional leadership	894,011	468,266	425,745
School leadership	5,306,579	2,659,945	2,646,634
Guidance, counseling, and evaluation services	3,753,501	1,754,474	1,999,027
Health services	966,611	461,512	505,099
Student (pupil) transportation	2,641,926	2,145,076	496,850
Food services	2,732,226	1,969,754	762,472
Cocurricular/extracurricular activities	3,700,698	3,419,309	281,389
General administration	2,720,077	1,686,850	1,033,227
Plant maintenance and operations	8,143,551	6,747,686	1,395,865
Security and monitoring	690,820	473,564	217,256
Data processing services	2,388,479	1,601,698	786,781
Community services	46,365	61,498	(15,133)
Interest on long-term debt	14,044,438	14,524,854	(480,416)
Bond issuance costs and fees	-	215,158	(215,158)
Contracted instructional services between state and others	10,554,906	9,377,461	1,177,445
Payments related to shared services arrangements	15,000	15,000	-
Other intergovernmental charges	726,318	671,313	55,005
<b>Total Expenses</b>	<b>114,254,956</b>	<b>81,294,705</b>	<b>32,960,251</b>
<b>Change in Net Position</b>	<b>3,320,418</b>	<b>10,536,712</b>	<b>(7,216,294)</b>
Beginning net position	(2,473,346)	(13,010,058)	10,536,712
<b>Ending Net Position</b>	<b>\$ 847,072</b>	<b>\$ (2,473,346)</b>	<b>\$ 3,320,418</b>

# **BOERNE INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019**

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At the close of the fiscal year ending June 30, 2019, the District's governmental funds reported a combined fund balance of \$51,718,417. This compares to a combined fund balance of 102,647,189 at June 30, 2018. Fund balance primarily declined as a result of the expenditure of bond proceeds received in 2018. The revenues increased mainly due to an increase in assessed values of properties and an increase in the State's available school fund allotments. The expenditures increased due to an increase in instruction costs, curriculum and staff development, data processing, and contracted instructional services between public schools. The debt service fund's fund balance decreased mainly due to debt service payments in excess of property tax payments.

### **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. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2019, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were no material changes between the original budget and the final amended budget. The general fund's budgeted revenues exceeded actual revenues by \$1,233,460 and the budgeted expenditures exceeded actual expenditures by \$1,315,429.

### **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, 2019, 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, 2019, the District had a total of \$349,430,444 invested in capital assets such as land, buildings, and District equipment, net of depreciation. This total includes \$55,920,050 invested during the fiscal year ended June 30, 2019.

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 \$321,787,405 in general obligation bonds and notes outstanding versus \$328,204,650 last year.

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES**

Total appraised market value of the District for the 2019-2020 fiscal year (2019 tax year) is \$10.3 billion which is an eight percent increase from the preceding year. Total taxable property values (including "frozen" values) used for the 2019-2020 budget preparation increased eight percent from the preceding year.

The Board set the tax rate for the 2019-2020 school year at the September Board meeting. The tax rates were approved with a decrease from prior year. The tax rate of debt service is \$0.314 and maintenance and operation is \$0.97 for a total tax rate of \$1.284.

The original 2019-2020 General Operating Fund budget is \$80 million, a decrease of two percent. Employees received a four percent pay increase. An additional 96 staff positions were added to the budget. 86<sup>th</sup> Legislatures' passage of House Bill 3 removed the District from the obligation of Chapter 41 recapture payments, returning the \$10.5 million obligation to the taxpayers and District.

The District's 2019-2020 estimated average membership is 9,208, an increase of 4.9 percent. The average daily attendance rate is 96 percent.

Voters approved a \$175 million bond issue in May 2016 by 73 percent. In an effort to keep the tax rate as low as possible, the District split the bond issue into two sales. In August 2016, the District sold \$87.5 million of bonds with a true interest cost rate of 3.117 percent. The second bond sale was held in August 2017 with a true interest cost rate of 3.641 percent. The District communicated to the stakeholders of Boerne and Fair Oaks community that we would need six cents on the interest and

## **BOERNE INDEPENDENT SCHOOL DISTRICT**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019*

sinking tax rate to fund the \$175 million bond. The Board upheld the commitment and passed a six cent tax rate increase over a two-year period.

The approved bond funded the construction of the sixth and seventh elementary campus and the third middle school campus. Van Raub Elementary opened in August 2018, Herff Elementary opened in August 2019, and Tyler M. Voss Middle School opened in August 2019.

The District remains aware of its dependence on local taxation to support all phases of its operations. The District 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*

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

JUNE 30, 2019

(Except for the discretely presented component unit for which the date is December 31, 2018)

Data Control Codes	1 Primary Governmental Activities	4 Component Unit Boerne Education Foundation
<b>ASSETS:</b>		
1110	\$ 2,653,020	\$ 218,393
1120	61,946,921	1,217,570
1220	2,348,672	--
1230	(399,547)	--
1240	3,140,569	--
1267	965,884	--
1290	5,733	--
1300	60,173	--
1410	318,017	--
Capital Assets:		
1510	20,184,684	--
1520	218,624,884	--
1530	7,014,548	--
1580	93,782,936	--
1590	9,823,392	--
1000	<u>420,469,886</u>	<u>1,435,963</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
1700	1,633,215	--
1705	11,566,933	--
1706	4,104,592	--
1700	<u>17,304,740</u>	<u>--</u>
<b>LIABILITIES:</b>		
2110	3,644,523	1,407
2140	5,464,304	--
2165	8,906,102	7
2177	136,239	--
2180	3,060,107	--
2300	991,446	--
Noncurrent Liabilities:		
2501	6,015,137	--
2502	347,934,855	--
2540	22,010,814	--
2545	28,534,482	--
2000	<u>426,698,009</u>	<u>1,414</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
2505	1,206,254	--
2506	9,023,291	--
2600	<u>10,229,545</u>	<u>--</u>
<b>NET POSITION:</b>		
3200	21,018,070	--
Restricted For:		
3820	776,733	--
3850	6,035,641	--
3890	1,640,884	--
3900	(28,624,256)	1,434,549
3000	<u>\$ 847,072</u>	<u>\$ 1,434,549</u>

The accompanying notes are an integral part of this statement.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

(Except for the discretely presented component unit for which the date is December 31, 2018)

Data Control Codes	Functions/Programs	1 Expenses	3 4 Program Revenues	
			Charges for Services	Operating Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
11	Instruction	\$ 51,419,282	\$ 3,986	\$ 6,616,442
12	Instructional Resources and Media Services	1,021,112	--	71,093
13	Curriculum and Staff Development	2,489,056	--	173,224
21	Instructional Leadership	894,011	--	71,472
23	School Leadership	5,306,579	--	488,060
31	Guidance, Counseling, and Evaluation Services	3,753,501	--	386,011
33	Health Services	966,611	--	83,881
34	Student Transportation	2,641,926	--	156,071
35	Food Service	2,732,226	1,603,804	1,158,937
36	Cocurricular/Extracurricular Activities	3,700,698	1,121,929	138,351
41	General Administration	2,720,077	--	173,175
51	Facilities Maintenance and Operations	8,143,551	165,665	325,274
52	Security and Monitoring Services	690,820	--	27,442
53	Data Processing Services	2,388,479	--	70,658
61	Community Services	46,365	--	6,750
72	Interest on Long-term Debt	14,044,438	--	261,714
91	Contracted Instructional Services between Schools	10,554,906	--	138,049
93	Payments Related to Shared Services Arrangements	15,000	--	15,595
99	Other Intergovernmental Charges	726,318	--	--
TG	Total Governmental Activities	<u>114,254,956</u>	<u>2,895,384</u>	<u>10,362,199</u>
TP	Total Primary Government	<u>\$ 114,254,956</u>	<u>\$ 2,895,384</u>	<u>\$ 10,362,199</u>
<b>COMPONENT UNIT:</b>				
1C	Boerne Education Foundation	<u>\$ 495,166</u>	<u>\$ --</u>	<u>\$ 481,383</u>
General Revenues:				
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
IE	Investment Earnings (Loss)			
GC	Grants and Contributions Not Restricted to Specific Programs			
MI	Miscellaneous			
TR	Total General Revenues			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Component Unit
\$ (44,798,854)	\$ --
(950,019)	--
(2,315,832)	--
(822,539)	--
(4,818,519)	--
(3,367,490)	--
(882,730)	--
(2,485,855)	--
30,515	--
(2,440,418)	--
(2,546,902)	--
(7,652,612)	--
(663,378)	--
(2,317,821)	--
(39,615)	--
(13,782,724)	--
(10,416,857)	--
595	--
(726,318)	--
<u>(100,997,373)</u>	<u>--</u>
<u>(100,997,373)</u>	<u>--</u>
<u>--</u>	<u>(13,783)</u>
70,497,008	--
21,247,996	--
2,457,470	(35,063)
8,308,593	--
1,806,724	24,199
<u>104,317,791</u>	<u>(10,864)</u>
3,320,418	(24,647)
(2,473,346)	1,459,196
<u>\$ 847,072</u>	<u>\$ 1,434,549</u>

# BOERNE INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2019

Data Control Codes	10  General Fund	50  Debt Service	
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 1,076,450	\$ 30,720
1120	Current Investments	27,396,666	5,963,047
1220	Property Taxes Receivable	1,828,945	519,727
1230	Allowance for Uncollectible Taxes	(317,821)	(81,726)
1240	Due from Other Governments	2,500,321	42,276
1260	Due from Other Funds	1,828,428	--
1260	Due from Fiduciary Fund	108	--
1290	Other Receivables	3,274	--
1300	Inventories	45,233	--
1410	Prepaid Items	261,319	--
1000	Total Assets	<u>\$ 34,622,923</u>	<u>\$ 6,474,044</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	\$ 339,557	\$ 14
2120	Short-Term Debt Payable	28,597	--
2150	Payroll Deductions and Withholdings	62,235	--
2160	Accrued Wages Payable	7,409,798	--
2170	Due to Other Funds	2,099,545	388
2170	Due to Internal Service Fund	726,342	--
2170	Due to Fiduciary Fund	--	--
2180	Due to Other Governments	3,059,576	--
2200	Accrued Expenditures	142	--
2300	Unearned Revenue	25,251	--
2000	Total Liabilities	<u>13,751,043</u>	<u>402</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2601	Unavailable Revenue - Property Taxes	1,511,124	438,001
2600	Total Deferred Inflows of Resources	<u>1,511,124</u>	<u>438,001</u>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410	Inventories	45,232	--
3430	Prepaid Items	261,319	--
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--
3470	Capital Acquisitions and Contractual Obligations	--	--
3480	Retirement of Long-Term Debt	--	6,035,641
3490	Other Restrictions of Fund Balance	--	--
Committed Fund Balances:			
3545	Other Committed Fund Balance	677,151	--
3600	Unassigned	18,377,054	--
3000	Total Fund Balances	<u>19,360,756</u>	<u>6,035,641</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,622,923</u>	<u>\$ 6,474,044</u>

EXHIBIT C-1

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 78,567	\$ 1,429,301	\$ 2,615,038
25,668,632	2,918,576	61,946,921
--	--	2,348,672
--	--	(399,547)
--	597,972	3,140,569
1,411,902	331,575	3,571,905
--	--	108
--	2,459	5,733
--	14,940	60,173
--	56,698	318,017
<u>\$ 27,159,101</u>	<u>\$ 5,351,521</u>	<u>\$ 73,607,589</u>
\$ 3,165,068	\$ 126,975	\$ 3,631,614
1,810	4,422	34,829
--	--	62,235
--	416,909	7,826,707
86,356	1,385,616	3,571,905
--	--	726,342
1,464	--	1,464
--	531	3,060,107
--	33,256	33,398
--	966,195	991,446
<u>3,254,698</u>	<u>2,933,904</u>	<u>19,940,047</u>
<u>--</u>	<u>--</u>	<u>1,949,125</u>
<u>--</u>	<u>--</u>	<u>1,949,125</u>
--	14,940	60,172
--	56,698	318,017
--	761,793	761,793
23,904,403	--	23,904,403
--	--	6,035,641
--	1,584,186	1,584,186
--	--	677,151
--	--	18,377,054
<u>23,904,403</u>	<u>2,417,617</u>	<u>51,718,417</u>
<u>\$ 27,159,101</u>	<u>\$ 5,351,521</u>	<u>\$ 73,607,589</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

Total fund balances - governmental funds balance sheet	\$ 51,718,417
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	349,430,445
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,949,125
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	633,483
Payables for bond principal which are not due in the current period are not reported in the funds.	(320,837,405)
Payables for bond interest which are not due in the current period are not reported in the funds.	(5,464,304)
Payables for notes which are not due in the current period are not reported in the funds.	(950,000)
Bond premiums are amortized in the SNP, but not in the funds.	(19,087,116)
Accreted interest on bonds is amortized in the SNP, but not in the funds.	(13,075,471)
Recognition of the deferred charge on refunding is not reported in the funds.	1,633,215
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(22,010,814)
Deferred inflows of resources related to the pension plan are not reported in the funds.	(1,206,254)
Deferred outflows of resources related to the pension plan are not reported in the funds.	11,566,933
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(28,534,482)
Deferred inflows of resources related to the OPEB plan are not reported in the funds.	(9,023,291)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	4,104,592
Rounding difference	(1)
Net position of governmental activities - Statement of Net Position	\$ <u>847,072</u>

The accompanying notes are an integral part of this statement.

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	10	50
	General Fund	Debt Service
<b>REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 72,209,031	\$ 21,359,956
5800 <i>State Program Revenues</i>	11,970,967	261,714
5900 <i>Federal Program Revenues</i>	897,589	--
5020 <b>Total Revenues</b>	<u>85,077,587</u>	<u>21,621,670</u>
<b>EXPENDITURES:</b>		
Current:		
0011 <i>Instruction</i>	41,067,865	--
0012 <i>Instructional Resources and Media Services</i>	819,038	--
0013 <i>Curriculum and Staff Development</i>	2,157,510	--
0021 <i>Instructional Leadership</i>	747,853	--
0023 <i>School Leadership</i>	4,386,638	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	2,938,977	--
0033 <i>Health Services</i>	819,337	--
0034 <i>Student Transportation</i>	2,520,528	--
0035 <i>Food Service</i>	66,460	--
0036 <i>Cocurricular/Extracurricular Activities</i>	2,306,940	--
0041 <i>General Administration</i>	2,361,830	--
0051 <i>Facilities Maintenance and Operations</i>	7,322,945	--
0052 <i>Security and Monitoring Services</i>	605,662	--
0053 <i>Data Processing Services</i>	2,157,633	--
0061 <i>Community Services</i>	34,261	--
0071 <i>Principal on Long-term Debt</i>	163,671	6,272,245
0072 <i>Interest on Long-term Debt</i>	--	15,585,094
0073 <i>Bond Issuance Costs and Fees</i>	350	4,107
0081 <i>Capital Outlay</i>	17,976	--
0091 <i>Contracted Instructional Services</i>		
0091 <i>    Between Public Schools</i>	10,554,906	--
0093 <i>Payments to Shared Services Arrangements</i>	--	--
0099 <i>Other Intergovernmental Charges</i>	726,318	--
6030 <b>Total Expenditures</b>	<u>81,776,698</u>	<u>21,861,446</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>		
1100 <b>    Expenditures</b>	<u>3,300,889</u>	<u>(239,776)</u>
Other Financing Sources and (Uses):		
7912 <i>Sale of Real or Personal Property</i>	13,855	--
7915 <i>Transfers In</i>	--	--
8911 <i>Transfers Out</i>	(750,000)	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>(736,145)</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>2,564,744</u>	<u>(239,776)</u>
0100 <b>Fund Balances - Beginning</b>	<u>16,796,012</u>	<u>6,275,417</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 19,360,756</u>	<u>\$ 6,035,641</u>

The accompanying notes are an integral part of this statement.



EXHIBIT C-2

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 1,283,530	\$ 4,018,470	\$ 98,870,987
--	145,133	12,377,814
--	3,156,856	4,054,445
<u>1,283,530</u>	<u>7,320,459</u>	<u>115,303,246</u>
--	2,810,731	43,878,596
224,968	74,996	1,119,002
--	114,697	2,272,207
--	3,000	750,853
--	74,922	4,461,560
--	236,592	3,175,569
--	1,817	821,154
197,486	6,639	2,724,653
--	2,509,327	2,575,787
--	1,063,419	3,370,359
--	1,038	2,362,868
26,148	5,443	7,354,536
--	22,718	628,380
1,738,770	--	3,896,403
--	3,759	38,020
--	--	6,435,916
--	--	15,585,094
--	--	4,457
53,472,197	4,062	53,494,235
--	--	10,554,906
--	15,000	15,000
--	--	726,318
<u>55,659,569</u>	<u>6,948,160</u>	<u>166,245,873</u>
<u>(54,376,039)</u>	<u>372,299</u>	<u>(50,942,627)</u>
--	--	13,855
750,000	734	750,734
--	(734)	(750,734)
<u>750,000</u>	<u>--</u>	<u>13,855</u>
<u>(53,626,039)</u>	<u>372,299</u>	<u>(50,928,772)</u>
77,530,442	2,045,318	102,647,189
<u>\$ 23,904,403</u>	<u>\$ 2,417,617</u>	<u>\$ 51,718,417</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019*

Net change in fund balances - total governmental funds	\$ (50,928,772)
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	55,920,050
The depreciation of capital assets used in governmental activities is not reported in the funds.	(7,539,547)
The gain or loss on the sale of capital assets is not reported in the funds.	(72,185)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	91,925
Repayment of bond principal is an expenditure in the funds, but is not an expense in the SOA.	6,272,245
Repayment of loan principal is an expenditure in the funds, but is not an expense in the SOA.	145,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	875,721
(Increase) decrease in accrued interest from beginning of period to end of period.	82,999
The net revenue (expense) of workers' compensation liability is reported with governmental activities.	195,598
Deferred charges on refunding in the funds, but not in the SOA.	(204,152)
Bond premiums are reported in the funds, but not in the SOA.	809,216
GASB 68 on-behalf revenues is reported with governmental activities.	4,174,207
The District's share of the net pension expense is reported with governmental activities.	(5,989,359)
GASB 75 on-behalf revenues is reported with governmental activities.	1,572,528
The District's share of the net OPEB expense is reported with governmental activities.	(2,084,875)
GASB 75 federal funding recognized in the SOA is reported with governmental activities.	(182)
Rounding difference	<u>1</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 3,320,418</u>

The accompanying notes are an integral part of this statement.

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

JUNE 30, 2019

Data Control Codes		Nonmajor Internal Service Fund <u>Workers' Compensation</u>
	<b>ASSETS:</b>	
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 37,983
	<i>Receivables:</i>	
1260	<i>Due from Other Funds</i>	726,342
	Total Current Assets	<u>764,325</u>
1000	Total Assets	<u>\$ 764,325</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2110	<i>Accounts Payable</i>	\$ 12,909
2123	<i>Other Liabilities</i>	117,933
	Total Current Liabilities	<u>130,842</u>
2000	Total Liabilities	<u>130,842</u>
	<b>NET POSITION:</b>	
3800	<i>Restricted</i>	633,483
3000	Total Net Position	<u>\$ 633,483</u>

The accompanying notes are an integral part of this statement.

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN FUND NET POSITION - INTERNAL SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes		Nonmajor Internal Service Fund
		Workers' Compensation
	<b>OPERATING REVENUES:</b>	
5700	<i>Local and Intermediate Sources</i>	\$ 411,203
5020	Total Revenues	<u>411,203</u>
	<b>OPERATING EXPENSES:</b>	
6100	<i>Payroll Costs</i>	215,460
6400	<i>Other Operating Costs</i>	145
6030	Total Expenses	<u>215,605</u>
1300	Change in Net Position	195,598
0100	Total Net Position - Beginning	437,885
3300	Total Net Position - Ending	<u>\$ 633,483</u>

The accompanying notes are an integral part of this statement.

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Internal Service Fund <u>Workers'</u> <u>Compensation</u>
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	\$ 411,203
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(415,694)
<i>Other Operating Cash Receipts (Payments)</i>	(145)
Net Cash Provided (Used) by Operating Activities	<u>(4,636)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,636)
Cash and Cash Equivalents at Beginning of Year	42,619
Cash and Cash Equivalents at End of Year	<u>\$ 37,983</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ 195,598
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	(250,448)
<i>Increase (Decrease) in Accounts Payable</i>	10,931
<i>Increase (Decrease) in Other Liabilities</i>	39,283
Total Adjustments	<u>(200,234)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,636)</u>

The accompanying notes are an integral part of this statement.

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2019

Data Control Codes	Agency Funds
<b>ASSETS:</b>	
1110 <i>Cash and Cash Equivalents</i>	\$ 91,575
1260 <i>Due from Other Funds</i>	1,464
1410 <i>Prepaid Items</i>	2,960
1000 Total Assets	\$ 95,999
 <b>LIABILITIES:</b>	
Current Liabilities:	
2110 <i>Accounts Payable</i>	\$ 4,058
2170 <i>Due to Other Funds</i>	108
2190 <i>Due to Student Groups</i>	91,833
2000 Total Liabilities	95,999
 <b>NET POSITION:</b>	
3000 Total Net Position	\$ --

The accompanying notes are an integral part of this statement.

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# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## I. 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. 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 of Texas 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.

The Boerne Education Foundation (the "Foundation") is a 501(c)3 nonprofit organization whose purpose is to receive and administer gifts for the District. The Foundation is legally separate from the District but benefits the District and its constituents. The Foundation is included in the District's financial statements as a discretely presented component unit. The fiscal year of the Foundation is January 1 through December 31 of each year. Separate financial statements are issued by the Foundation and can be obtained from Boerne Education Foundation, P.O. Box 8, Boerne, Texas 78006.

### 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. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided and other. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### 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 FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

The District reports the following 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 considered a major fund for reporting purposes.

## **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 funds are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the governmental-wide financial statements.

## **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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

The District has the following type of fiduciary funds:

### **Agency Funds**

The agency 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 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.

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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

## 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 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, 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 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 and improvements	20 to 50 years
Vehicles	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.



# BOERNE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

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.

### **7. Receivable and Payables Balances**

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

### **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).

# **BOERNE INDEPENDENT SCHOOL DISTRICT**

## *NOTES TO FINANCIAL STATEMENTS, Continued* *FOR THE YEAR ENDED JUNE 30, 2019*

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 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.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, which is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily or permanently restricted net position is reclassified to unrestricted net position. The Foundation's Board of Directors has established an investment account to accumulate funds to be held in perpetuity, along with any earnings from the investment account, to support the Foundation at management's discretion.

### **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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

## 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 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 Group Insurance 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. District property tax revenues are recognized when collected.

## II. 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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2019

During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. There were no material changes between the original budget and the final amended budget.

### A. Expenditures in Excess of Appropriations

For the year, expenditures exceeded appropriations at the legal level of control as follows:

General Fund	
11- Instruction	\$ 16,366
36 - Cocurricular/Extracurricular Activities	\$137,811
52 - Security and Monitoring Services	\$ 18,252
53 - Data Processing Services	\$ 46,947

### III. 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, 2019, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,744,596 and the bank balance was \$3,667,405. The District's cash deposits at June 30, 2019, and during the year ended June 30, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The Foundation's cash and cash equivalents are held in one financial institution and cash balances of up to \$250,000 are secured by the FDIC. As of December 31, 2018, the Foundation's cash balance was \$218,393 and the carrying balance was \$223,554.

##### 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.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

As of June 30, 2019, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings *</u>	<u>Weighted Average Maturity (Days)</u>
Frost Bank - Federal Agency Coupons	\$ 7,951,903	AA+	0.67
External investment pools:			
Lone Star	1,575,790	AAAm	0.11
TexPool	52,261,086	AAAm	0.09
Texas TERM	158,143	AAAm	0.10
<b>Total Value</b>	<u><u>\$ 61,946,922</u></u>		
Portfolio weighted average maturity			0.17

\* Rated by Standard and Poor's Investor Services

The Foundation's investment at December 31, 2018 is shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings *</u>	<u>Weighted Average Maturity (Days)</u>
Frost Bank - Investment Securities	\$ 1,217,571	AAA	2.90
<b>Total Value</b>	<u><u>\$ 1,217,571</u></u>		

\* Rated by Standard and Poor's Investor Services

*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, 2019, the District's investments in Lone Star, TexPool, and Texas TERM were rated 'AAAm' 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, 2019, 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.

## **BOERNE INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

### **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.

### **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.

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.

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

## B. Capital Assets

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

Governmental Activities:	Beginning Balances	Increases	(Decreases)	Ending Balances
Capital assets not being depreciated:				
Land	\$ 14,107,101	\$ 6,077,583	\$ -	\$ 20,184,684
Construction in progress	76,151,735	49,366,895	(31,735,694)	93,782,936
Total capital assets not being depreciated	<u>90,258,836</u>	<u>55,444,478</u>	<u>(31,735,694)</u>	<u>113,967,620</u>
Other capital assets:				
Buildings and improvements	236,672,637	30,891,276	(75,000)	267,488,913
Furniture and equipment	8,523,209	91,955	-	8,615,164
Vehicles	7,090,488	383,617	(501,443)	6,972,662
Infrastructure	26,085,908	844,418	-	26,930,326
Total other capital assets	<u>278,372,242</u>	<u>32,211,266</u>	<u>(576,443)</u>	<u>310,007,065</u>
Less accumulated depreciation for:				
Buildings and improvements	(43,656,154)	(5,282,875)	75,000	(48,864,029)
Furniture and equipment	(4,553,584)	(518,011)	-	(5,071,595)
Vehicles	(3,496,442)	(434,499)	429,258	(3,501,683)
Infrastructure	(15,802,772)	(1,304,162)	-	(17,106,934)
Total accumulated depreciation	<u>(67,508,952)</u>	<u>(7,539,547)</u>	<u>504,258</u>	<u>(74,544,241)</u>
Other capital assets, net	<u>210,863,290</u>	<u>24,671,719</u>	<u>(72,185)</u>	<u>235,462,824</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 301,122,126</u></u>	<u><u>\$ 80,116,197</u></u>	<u><u>\$ (31,807,879)</u></u>	<u><u>\$ 349,430,444</u></u>

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 4,329,354
12 Instructional resources/media services	83,827
13 Curriculum and staff development	227,402
21 Instructional leadership	95,810
23 School leadership	492,165
31 Guidance, counseling, and evaluation services	344,855
33 Health services	87,898
34 Student (pupil) transportation	262,905
35 Food service	11,778
36 Extracurricular activities	230,772
41 General administration	261,344
51 Plant maintenance and operations	817,902
52 Security and monitoring services	62,162
53 Data processing services	225,405
61 Community services	5,968
<b>Total Depreciation Expense</b>	<u><u>\$ 7,539,547</u></u>

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED JUNE 30, 2019

## C. 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.

	Original Issue	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>						
Bonds payable:						
Series 1999 - 4.00%-5.00%	\$ 38,597,407	\$ 6,195,280	\$ -	\$ (1,177,245)	\$ 5,018,035	\$ 1,113,582
Series 2002 - 3.50%-5.00%	7,736,757	116,757	-	-	116,757	31,555
Series 2011 - 1.69%-3.31%	8,949,994	6,625,000	-	(685,000)	5,940,000	890,000
Series 2012 - 1.60%-5.00%	61,557,620	45,827,620	-	(2,405,000)	43,422,620	1,785,000
Series 2013 - 3.00%-5.00%	98,025,000	93,750,000	-	(680,000)	93,070,000	700,000
Series 2014 - 0.60%-3.55%	8,854,992	8,364,993	-	(80,000)	8,284,993	80,000
Series 2015 - 2.69%	5,380,000	4,970,000	-	(470,000)	4,500,000	465,000
Series 2016 - 2.00%-5.00%	81,545,000	80,145,000	-	(675,000)	79,470,000	700,000
Series 2017 - 3.00%-5.00%	81,215,000	81,115,000	-	(100,000)	81,015,000	100,000
Note payable:						
Series 2015 - 0.50%-2.25%	1,500,000	1,095,000	-	(145,000)	950,000	150,000
	<u>393,361,771</u>	<u>328,204,650</u>	<u>-</u>	<u>(6,417,245)</u>	<u>321,787,405</u>	<u>\$ 6,015,137</u>
Other liabilities:						
Issuance premiums/discount	-	19,896,332	-	(809,216)	19,087,116	*
Accreted interest	-	13,951,192	-	(875,721)	13,075,471	*
Net pension liability	-	12,607,080	10,750,856	(1,347,122)	22,010,814	-
Net OPEB liability	-	23,459,856	5,468,865	(394,239)	28,534,482	-
<b>Total Governmental Activities</b>	<u>\$ 393,361,771</u>	<u>\$ 398,119,110</u>	<u>\$ 16,219,721</u>	<u>\$ (9,843,543)</u>	<u>\$ 404,495,288</u>	<u>\$ 6,015,137</u>
					<u>Long-term liabilities due in more than one year</u>	<u>\$ 398,480,151</u>
					<u>*Debt associated with capital assets</u>	<u>\$ 353,949,992</u>

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. Interest expense was \$15,603,765 for the year ended June 30, 2019.

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

Year Ended	Bonds Payable			
	June 30	Principal	Interest	Total Requirements
2020	\$ 5,865,137	\$ 15,985,557	\$ 21,850,694	
2021	6,105,634	15,873,378	21,979,012	
2022	6,327,447	15,751,477	22,078,924	
2023	6,466,237	15,591,913	22,058,150	
2024	6,420,336	15,417,472	21,837,808	
2025-2029	46,132,140	61,098,126	107,230,266	
2030-2034	56,295,474	48,127,415	104,422,889	
2035-3039	59,835,000	34,674,500	94,509,500	
2040-2044	68,450,000	20,355,100	88,805,100	
2045-2049	58,940,000	5,510,200	64,450,200	
	<u>\$ 320,837,405</u>	<u>\$ 248,385,138</u>	<u>\$ 569,222,543</u>	



**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

**Note Payable**

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2020	\$ 150,000	\$ 17,105	\$ 167,105
2021	155,000	15,110	170,110
2022	160,000	12,769	172,769
2023	165,000	10,113	175,113
2024	170,000	6,945	176,945
2025-2029	150,000	3,375	153,375
	<u>\$ 950,000</u>	<u>\$ 65,416</u>	<u>\$ 1,015,416</u>

**D. 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.

**E. Interfund Transactions**

The interfund balances and transfers at June 30, 2019 were as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 79,468
General Fund	Debt Service Fund	388
General Fund	Special Revenue Fund	1,194,052
General Fund	General Fund	64,229
General Fund	Trust and Agency Fund	490,398
Internal Service Fund	General Fund	276,894
Internal Service Fund	Trust and Agency Fund	449,448
Special Revenue Fund	General Fund	123,618
Special Revenue Fund	Special Revenue Fund	191,187
Special Revenue Fund	Trust and Agency Fund	16,769
Capital Projects Fund	General Fund	1,402,633
Capital Projects Fund	Trust and Agency Fund	9,269
Trust and Agency Fund	Trust and Agency Fund	1,464
	Total	<u>\$ 4,299,818</u>

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Capital Projects Fund	\$ 750,000	To supplement revenue
Special Revenue Fund	Special Revenue Fund	734	To supplement revenue
	Total	<u>\$ 750,734</u>	

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

## IV. 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.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by 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 <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

##### Benefits Provided

TRS 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

**BOERNE INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

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.

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. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

<u>Contribution Rates</u>	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
NECE (State)	6.8%	6.8%
Employer	6.8%	6.8%

	<u>Measurement Year (2018)</u>	<u>Fiscal Year (2019)</u>
Employer contributions	\$ 1,347,122	\$ 1,208,597
Member contributions	\$ 3,762,519	\$ 4,094,849
NECE on-behalf contributions	\$ 2,579,623	\$ 2,869,828

Contributors to TRS include members, employers, and the State of Texas (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 GAA.

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.
- 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.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

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

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

Actuarial Assumptions

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

Valuation date	August 31, 2017 rolled forward to August 31,
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Municipal bond rate	3.69%. 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)	2116
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

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

Discount Rate

The single discount rate used to measure the TPL was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from TRS members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, Continued  
 FOR THE YEAR ENDED JUNE 30, 2019

Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 are summarized below:

**Teacher Retirement System of Texas  
 Asset Allocation and Long-Term Expected Real Rate of Return  
 As of August 31, 2018**

	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns *</u>
<b>Global Equity</b>			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Returns	0.0%	0.0%	0.0%
Hedge Funds (Stable Value)	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation	0.0%		2.3%
Alpha	0.0%		-0.8%
<b>Total</b>	<u>100.0%</u>		<u>7.1%</u>

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

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability (NPL) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the NPL:

	<u>1% Decrease in Discount Rate (5.907%)</u>	<u>Discount Rate (6.907%)</u>	<u>1% Increase in Discount Rate (7.907%)</u>
District's proportionate share of the net pension liability	<u>\$ 33,219,597</u>	<u>\$ 22,010,814</u>	<u>\$ 12,936,640</u>

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED JUNE 30, 2019

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

At June 30, 2019, the District reported a liability of \$22,010,814 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	\$	22,010,814
State's proportionate share that is associated with the District		<u>42,175,066</u>
<b>Total</b>	<b>\$</b>	<b><u>64,185,880</u></b>

The NPL was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At June 30, 2019, the District's proportion of the collective NPL was 0.0399888%, which was an increase of 0.0005604% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the TPL since the prior measurement period.

- The TPL as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions, including post-retirement mortality, termination rates, and rates of retirement, were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions, including rates of salary increase for individual participants, were updated based on the same experience study.
- The discount rate changed from 8.000% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.00% to 7.25%.
- The change in the long-term assumed rate of return, combined with the change in the single discount rate, was the primary reason for the increase in the NPL.

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

For the year ended June 30, 2019, the District recognized pension expense of \$4,174,207 and revenue of \$4,174,207 for support provided by the State.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 137,197	\$ (540,058)
Changes in actuarial assumptions	7,935,959	(247,999)
Difference between projected and actual investment earnings	-	(417,640)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,285,180	(557)
Contributions paid to TRS subsequent to the measurement date	1,208,597	-
<b>Total</b>	<b>\$ 11,566,933</b>	<b>\$ (1,206,254)</b>

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:

<b>Fiscal Year Ended June 30</b>	<b>Pension Expense</b>
2020	\$ 2,470,000
2021	1,591,106
2022	1,339,943
2023	1,474,235
2024	1,387,690
Thereafter	889,108
<b>Total</b>	<b>\$ 9,152,082</b>

**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. TRS-Care is administered through a trust by the TRS Board of Trustees (the "Board"). It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

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 [www.trs.state.tx.us/about/documents/cafr.pdf#CAFR](http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Components of the net OPEB liability of TRS-Care as of August 31, 2018 are as follows:

Total OPEB liability	\$ 50,729,490,103
Less: plan fiduciary net position	798,574,633
<b>Net OPEB Liability</b>	<b>\$ 51,528,064,736</b>

Net position as a percentage of total OPEB liability 1.57%

Benefits Provided

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

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

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

The premium rates for the Optional Health Insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage:

**TRS-Care Plan Premium Rates**  
**Effective January 16 - December 31, 2017**

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

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. TRS-Care 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 of Texas (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 0.75% 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:

**Contribution Rates**

---

	<b>Fiscal Year</b>	
	<b>2018</b>	<b>2019</b>
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	<b>Measurement</b>	<b>Fiscal</b>
	<b>Year (2018)</b>	<b>Year (2019)</b>
Employer contributions	\$ 394,239	\$ 420,542
Member contributions	\$ 317,615	\$ 345,669
NECE on-behalf contributions	\$ 596,455	\$ 664,748

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



**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$182.6 million in fiscal year 2018. The 85<sup>th</sup> Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-2019 biennium to continue to support TRS-Care. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

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

- A change was made in the measurement date of the total OPEB liability for the TRS 2019 fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This was the first year the roll-forward procedures were used.
- The actuarial valuation of TRS-Care is similar to the actuarial valuations 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, salary increases, and general payroll growth, used in the OPEB valuation were identical to those used in the respective TRS pension valuation.
- 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 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.
- Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and an initial medical trend rate of 6.75% for non-Medicare retirees were used. The initial prescription drug trend rate was 11.00% for all retirees. The first-year trend rate increase for the Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2017 rolled forward to 8/31/2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	3.69%. Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 70% participation prior to age 65 and 75% participation after 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

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

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

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.5%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

### Discount Rate

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

### 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:

	<b>1% Decrease in Discount Rate (2.69%)</b>	<b>Current Single Discount Rate (3.69%)</b>	<b>1% Increase in Discount Rate (4.69%)</b>
District's proportionate share of net OPEB liability	\$ 33,965,837	\$ 28,534,482	\$ 24,237,930

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care using the assumed healthcare cost trend rate of 8.5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than or 1% higher than the assumed healthcare cost trend rate:

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
District's proportionate share of net OPEB liability	\$ 23,698,352	\$ 28,534,482	\$ 34,903,770

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

At June 30, 2019, the District reported a liability of \$28,534,482 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	\$ 28,534,482
State's proportionate share that is associated with the District	43,232,210
<b>Total</b>	<b>\$ 71,766,692</b>

The net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The 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, 2017 through August 31, 2018.

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the employer's proportion of the collective net OPEB liability was 0.0571479%, compared to 0.0539478% as of August 31, 2017.

### Changes Since the Prior Actuarial Valuation

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

- Adjustments were made for retirees that were known to have discontinued their healthcare coverage in fiscal year 2018. This change increased the total OPEB liability.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the HIF in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability by \$2.3 billion.

The following are changes in benefit terms since the prior measurement date effective September 1, 2017 by the 85<sup>th</sup> Texas Legislature:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Adventure plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed TRS-Care to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,572,528 and revenue of \$1,572,528 for support provided by the State.

At June 30, 2019, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,514,219	\$ (450,316)
Changes in actuarial assumptions	476,163	(8,572,975)
Differences between projected and actual investment earnings	4,990	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,754,361	-
Contributions paid to TRS subsequent to the measurement date	354,859	-
<b>Total</b>	<b>\$ 4,104,592</b>	<b>\$ (9,023,291)</b>

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED JUNE 30, 2019

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:

<b>Fiscal Year Ended June 30</b>	<b>OPEB Expense</b>
2020	\$ (904,807)
2021	(904,807)
2022	(904,807)
2023	(905,750)
2024	(906,290)
Thereafter	(747,097)
<b>Total</b>	<b>\$ (5,273,558)</b>

## 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, 2019, 2018, and 2017, the subsidy payments received by TRS-Care on behalf of the District were \$190,770, \$146,954, and \$143,325, respectively.

## **E. Employee Health Care Coverage**

During the year ended June 30, 2019, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$305 per month per employee, \$320 per month per employee with child, \$335 per month per employee and spouse, and \$350 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. Workers' Compensation**

During the year ended June 30, 2019, 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, 2018, the Fund carries a discount reserve of \$48,977,531 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2019, 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, 2018 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 FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2019*

## **G. Unemployment Compensation**

During the year ended June 30, 2019, 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, 2019, 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, 2018 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

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### *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**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

**EXHIBIT G-1**

Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 70,897,765	\$ 71,672,476	\$ 72,209,031	\$ 536,555
5800	State Program Revenues	11,094,151	11,666,651	11,970,967	304,316
5900	Federal Program Revenues	355,000	505,000	897,589	392,589
5020	Total Revenues	<u>82,346,916</u>	<u>83,844,127</u>	<u>85,077,587</u>	<u>1,233,460</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	40,632,611	41,051,499	41,067,865	* (16,366)
0012	Instructional Resources and Media Services	786,746	913,719	819,038	94,681
0013	Curriculum and Staff Development	2,134,250	2,342,505	2,157,510	184,995
	Total Instruction and Instr. Related Services	<u>43,553,607</u>	<u>44,307,723</u>	<u>44,044,413</u>	<u>263,310</u>
Instructional and School Leadership:					
0021	Instructional Leadership	779,593	895,533	747,853	147,680
0023	School Leadership	4,619,153	4,519,417	4,386,638	132,779
	Total Instructional and School Leadership	<u>5,398,746</u>	<u>5,414,950</u>	<u>5,134,491</u>	<u>280,459</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling, and Evaluation Services	3,356,215	3,119,409	2,938,977	180,432
0033	Health Services	824,959	828,939	819,337	9,602
0034	Student (Pupil) Transportation	2,467,466	2,567,466	2,520,528	46,938
0035	Food Services	110,537	110,537	66,460	44,077
0036	Cocurricular/Extracurricular Activities	2,165,885	2,169,129	2,306,940	* (137,811)
	Total Support Services - Student (Pupil)	<u>8,925,062</u>	<u>8,795,480</u>	<u>8,652,242</u>	<u>143,238</u>
Administrative Support Services:					
0041	General Administration	2,452,815	2,453,065	2,361,830	91,235
	Total Administrative Support Services	<u>2,452,815</u>	<u>2,453,065</u>	<u>2,361,830</u>	<u>91,235</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	7,676,317	7,480,863	7,322,945	157,918
0052	Security and Monitoring Services	583,410	587,410	605,662	* (18,252)
0053	Data Processing Services	2,115,508	2,110,686	2,157,633	* (46,947)
	Total Support Services - Nonstudent Based	<u>10,375,235</u>	<u>10,178,959</u>	<u>10,086,240</u>	<u>92,719</u>
Ancillary Services:					
0061	Community Services	56,014	56,014	34,261	21,753
	Total Ancillary Services	<u>56,014</u>	<u>56,014</u>	<u>34,261</u>	<u>21,753</u>
Debt Service:					
0071	Principal on Long-Term Debt	161,780	163,930	163,671	259
0073	Bond Issuance Costs and Fees	--	350	350	--
	Total Debt Service	<u>161,780</u>	<u>164,280</u>	<u>164,021</u>	<u>259</u>
Capital Outlay:					
0081	Capital Outlay	45,569	45,569	17,976	27,593
	Total Capital Outlay	<u>45,569</u>	<u>45,569</u>	<u>17,976</u>	<u>27,593</u>



**BOERNE INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Intergovernmental Charges:				
0091	<i>Contracted Instr. Services Between Public Schools</i>	\$ 10,454,042	\$ 10,752,042	\$ 10,554,906	\$ 197,136
0099	<i>Other Intergovernmental Charges</i>	924,045	924,045	726,318	197,727
	Total Intergovernmental Charges	<u>11,378,087</u>	<u>11,676,087</u>	<u>11,281,224</u>	<u>394,863</u>
6030	Total Expenditures	<u>82,346,915</u>	<u>83,092,127</u>	<u>81,776,698</u>	<u>1,315,429</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>1</u>	<u>752,000</u>	<u>3,300,889</u>	<u>2,548,889</u>
	Other Financing Sources (Uses):				
7912	<i>Sale of Real or Personal Property</i>	--	--	13,855	13,855
8911	<i>Transfers Out</i>	--	(750,000)	(750,000)	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>(750,000)</u>	<u>(736,145)</u>	<u>13,855</u>
1200	Net Change in Fund Balance	<u>1</u>	<u>2,000</u>	<u>2,564,744</u>	<u>2,562,744</u>
0100	Fund Balance - Beginning	16,796,012	16,796,012	16,796,012	--
3000	Fund Balance - Ending	<u>\$ 16,796,013</u>	<u>\$ 16,798,012</u>	<u>\$ 19,360,756</u>	<u>\$ 2,562,744</u>

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. \*Expenditures exceeded appropriations at the legal level of control.

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)  
 FOR THE YEAR ENDED JUNE 30, 2019*

	Measurement Year*			
	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0399888%	0.0394284%	0.0383046%	0.0395622%
District's proportionate share of the net pension liability (asset)	\$ 22,010,814	\$ 12,607,080	\$ 14,474,737	\$ 13,984,711
State's proportionate share of the net pension liability (asset) associated with the District	42,175,066	24,437,063	28,970,238	26,992,031
Total	<u>\$ 64,185,880</u>	<u>\$ 37,044,143</u>	<u>\$ 43,444,975</u>	<u>\$ 40,976,742</u>
District's covered payroll**	\$ 48,863,880	\$ 46,966,848	\$ 44,011,175	\$ 41,898,919
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.05%	26.84%	32.89%	33.38%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%

\* Only five years' worth of information currently available.

\*\* As of measurement date.

**Notes to Required Supplementary Information:**

*Changes in Assumptions*

There were changes in assumptions or other inputs that affected measurement of the total pension liability (TPL) since the prior measurement period.

The TPL, as of August 31, 2018, was developed using roll-forward method from the August 31, 2017 valuation.

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Economic assumptions including rates of salary increase for individual participants were updated on the same experience study.

The discount rate changed from 8.00% as of August 31, 2017 to 6.907% as of August 31, 2018.

The long-term assumed rate of return changed from 8.00% to 7.25%.

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

*Changes in Benefits*

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

**EXHIBIT G-2**

	<u>2014</u>
	0.0243006%
\$	6,491,027
	22,919,079
\$	<u>29,410,106</u>
\$	40,418,780
	16.06%
	83.25%

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF DISTRICT CONTRIBUTIONS*  
*TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)*  
*FOR THE YEAR ENDED JUNE 30, 2019*

	Fiscal Year*			
	2019	2018	2017	2016
Contractually required contribution	\$ 1,208,597	\$ 1,340,091	\$ 1,282,679	\$ 1,207,743
Contributions in relation to the contractually required contribution	1,208,597	1,340,091	1,282,679	1,207,743
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 53,179,855	\$ 48,863,880	\$ 46,596,786	\$ 44,011,175
Contributions as a percentage of covered payroll	2.27%	2.74%	2.75%	2.74%

\* Only five years' worth of information is currently available.

**EXHIBIT G-3**

	<u>2015</u>
\$	1,079,313
	1,079,313
\$	<u><u>--</u></u>
\$	42,065,117
	2.57%

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**BOERNE INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF THE DISTRICT'S PROPORTIONATE**SHARE OF THE NET OPEB LIABILITY**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-Care)**FOR THE YEAR ENDED JUNE 30, 2019*

	Measurement Year*	
	2018	2017
District's proportion of the collective net OPEB liability	0.0571479%	0.0539478%
District's proportionate share of the collective net OPEB liability	\$ 28,534,482	\$ 23,459,856
State proportionate share of the collective net OPEB liability associated with the District	43,232,210	37,806,439
Total	<u>\$ 71,766,692</u>	<u>\$ 61,266,295</u>
District's covered payroll**	\$ 48,863,880	\$ 46,966,848
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	58.40%	49.95%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

• Only two years' worth of information is currently available.

•• As of the measurement date.

**Notes to Required Supplementary Information:***Changes in Assumptions*

There were changes in assumptions that affected measurement of the total OPEB liability during the measurement period.

- Adjustments were made for retirees that were known to have discontinued their healthcare coverage in fiscal year 2018. This change increased the total OPEB liability.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the HIF in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability to \$2.3 billion.

*Changes in Benefits*

There were changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventative drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Adventure plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed TRS-Care to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 and through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

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**BOERNE INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF DISTRICT CONTRIBUTIONS**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-Care)**FOR THE YEAR ENDED JUNE 30, 2019*

	Fiscal Year*	
	<u>2019</u>	<u>2018</u>
Statutorily or contractually required District contribution	\$ 420,542	\$ 374,736
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	<u>420,542</u>	<u>374,736</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 53,179,855	\$ 48,863,880
Contributions as a percentage of covered payroll	0.79%	0.77%

\* Only two years' worth of information is currently available.

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*Combining Statements  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

Data Control Codes	Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 1,365,041	\$ 64,260	\$ 1,429,301
1120	Current Investments	2,918,576	--	2,918,576
1240	Due from Other Governments	597,972	--	597,972
1260	Due from Other Funds	248,835	82,740	331,575
1290	Other Receivables	2,459	--	2,459
1300	Inventories	14,940	--	14,940
1410	Prepaid Items	56,698	--	56,698
1000	Total Assets	<u>\$ 5,204,521</u>	<u>\$ 147,000</u>	<u>\$ 5,351,521</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 126,975	\$ --	\$ 126,975
2120	Short-Term Debt Payable	4,400	22	4,422
2160	Accrued Wages Payable	415,091	1,818	416,909
2170	Due to Other Funds	1,334,099	51,517	1,385,616
2180	Due to Other Governments	531	--	531
2200	Accrued Expenditures	33,256	--	33,256
2300	Unearned Revenue	966,195	--	966,195
2000	Total Liabilities	<u>2,880,547</u>	<u>53,357</u>	<u>2,933,904</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410	Inventories	14,940	--	14,940
3430	Prepaid Items	56,698	--	56,698
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	761,793	--	761,793
3490	Other Restrictions of Fund Balance	1,490,543	93,643	1,584,186
3000	Total Fund Balances	<u>2,323,974</u>	<u>93,643</u>	<u>2,417,617</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,204,521</u>	<u>\$ 147,000</u>	<u>\$ 5,351,521</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 3,932,170	\$ 86,300	\$ 4,018,470
5800 <i>State Program Revenues</i>	145,133	--	145,133
5900 <i>Federal Program Revenues</i>	3,156,856	--	3,156,856
5020 <b>Total Revenues</b>	<u>7,234,159</u>	<u>86,300</u>	<u>7,320,459</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	2,759,001	51,730	2,810,731
0012 <i>Instructional Resources and Media Services</i>	74,996	--	74,996
0013 <i>Curriculum and Staff Development</i>	114,697	--	114,697
0021 <i>Instructional Leadership</i>	3,000	--	3,000
0023 <i>School Leadership</i>	74,922	--	74,922
0031 <i>Guidance, Counseling, and Evaluation Services</i>	236,592	--	236,592
0033 <i>Health Services</i>	1,550	267	1,817
0034 <i>Student Transportation</i>	6,639	--	6,639
0035 <i>Food Service</i>	2,488,888	20,439	2,509,327
0036 <i>Cocurricular/Extracurricular Activities</i>	1,063,419	--	1,063,419
0041 <i>General Administration</i>	1,038	--	1,038
0051 <i>Facilities Maintenance and Operations</i>	5,443	--	5,443
0052 <i>Security and Monitoring Services</i>	22,718	--	22,718
0061 <i>Community Services</i>	3,759	--	3,759
0081 <i>Capital Outlay</i>	4,062	--	4,062
0093 <i>Payments to Shared Services Arrangements</i>	15,000	--	15,000
6030 <b>Total Expenditures</b>	<u>6,875,724</u>	<u>72,436</u>	<u>6,948,160</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>358,435</u>	<u>13,864</u>	<u>372,299</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	734	--	734
8911 <i>Transfers Out</i>	(734)	--	(734)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>358,435</u>	<u>13,864</u>	<u>372,299</u>
0100 <b>Fund Balances - Beginning</b>	<u>1,965,539</u>	<u>79,779</u>	<u>2,045,318</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 2,323,974</u>	<u>\$ 93,643</u>	<u>\$ 2,417,617</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	211 Title I Part A Improving Basic	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ 9,788	\$ 27,499	\$ --	\$ --
1120 Current Investments	130,418	263,777	5,755	--
1240 Due from Other Governments	134,450	326,459	6,533	88,881
1260 Due from Other Funds	2,067	82,183	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1410 Prepaid Items	--	--	--	--
1000 Total Assets	<u>\$ 276,723</u>	<u>\$ 699,918</u>	<u>\$ 12,288</u>	<u>\$ 88,881</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 486	\$ 27,745	\$ --	\$ --
2120 Short-Term Debt Payable	930	2,079	22	--
2160 Accrued Wages Payable	76,576	157,401	1,236	--
2170 Due to Other Funds	198,731	512,693	11,030	88,881
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>276,723</u>	<u>699,918</u>	<u>12,288</u>	<u>88,881</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
3430 Prepaid Items	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
3490 Other Restrictions of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 276,723</u>	<u>\$ 699,918</u>	<u>\$ 12,288</u>	<u>\$ 88,881</u>



240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 Title II Part A Supporting Effective Instruction	263 English Language Acquisition and Enhancement	288 USDD ROTC
\$ 55,351	\$ 9,703	\$ 36,708	\$ 378	\$ 752
933,228	--	--	9,091	--
7,620	8,075	10,753	7,348	--
68,933	3	6	8	51,952
2,459	--	--	--	--
14,940	--	--	--	--
--	--	--	--	--
<u>\$ 1,082,531</u>	<u>\$ 17,781</u>	<u>\$ 47,467</u>	<u>\$ 16,825</u>	<u>\$ 52,704</u>
\$ 29,826	\$ 339	\$ 2,225	\$ 6,041	\$ --
--	--	143	9	142
160,522	--	11,642	--	7,714
--	15,439	33,457	10,775	39,000
--	498	--	--	--
--	--	--	--	--
121,317	1,505	--	--	--
<u>311,665</u>	<u>17,781</u>	<u>47,467</u>	<u>16,825</u>	<u>46,856</u>
14,940	--	--	--	--
--	--	--	--	--
755,926	--	--	--	5,848
--	--	--	--	--
<u>770,866</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,848</u>
<u>\$ 1,082,531</u>	<u>\$ 17,781</u>	<u>\$ 47,467</u>	<u>\$ 16,825</u>	<u>\$ 52,704</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	289 Title IV Part A Subpart 1	385 Supplemental Visually Impaired	392 Non-Educational Community-Based Support	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 40,417	\$ 4,013	\$ 8,242
1120	Current Investments	19,487	--	--
1240	Due from Other Governments	3,043	1,190	2,220
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	--	--
1300	Inventories	--	--	--
1410	Prepaid Items	--	--	--
1000	Total Assets	<u>\$ 62,947</u>	<u>\$ 5,203</u>	<u>\$ 10,462</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 2,984	\$ 749	\$ 960
2120	Short-Term Debt Payable	--	--	2
2160	Accrued Wages Payable	--	--	--
2170	Due to Other Funds	59,963	4,454	9,500
2180	Due to Other Governments	--	--	--
2200	Accrued Expenditures	--	--	--
2300	Unearned Revenue	--	--	--
2000	Total Liabilities	<u>62,947</u>	<u>5,203</u>	<u>10,462</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410	Inventories	--	--	--
3430	Prepaid Items	--	--	--
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 62,947</u>	<u>\$ 5,203</u>	<u>\$ 10,462</u>

397 Advanced Placement Incentives	410 State Textbook	429 AP Placement and Health Services	461 Campus Activity
\$ 1,764	\$ 11,721	\$ 19	\$ 979,664
6,800	831,451	--	708,543
--	1,400	--	--
--	42,373	--	1,310
--	--	--	--
--	--	--	--
--	--	--	56,698
<u>\$ 8,564</u>	<u>\$ 886,945</u>	<u>\$ 19</u>	<u>\$ 1,746,215</u>
\$ --	\$ --	\$ --	\$ 55,115
--	--	--	1,069
--	--	--	--
--	25,000	--	263,166
--	--	--	33
--	--	--	33,256
--	835,172	--	8,201
<u>--</u>	<u>860,172</u>	<u>--</u>	<u>360,840</u>
--	--	--	--
--	--	--	56,698
--	--	19	--
<u>8,564</u>	<u>26,773</u>	<u>--</u>	<u>1,328,677</u>
<u>8,564</u>	<u>26,773</u>	<u>19</u>	<u>1,385,375</u>
<u>\$ 8,564</u>	<u>\$ 886,945</u>	<u>\$ 19</u>	<u>\$ 1,746,215</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

Data Control Codes	481 SAMs Kids	499 Other None State and Federal Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 7,254	\$ 171,768	\$ 1,365,041
1120	Current Investments	--	10,026	2,918,576
1240	Due from Other Governments	--	--	597,972
1260	Due from Other Funds	--	--	248,835
1290	Other Receivables	--	--	2,459
1300	Inventories	--	--	14,940
1410	Prepaid Items	--	--	56,698
1000	Total Assets	<u>\$ 7,254</u>	<u>\$ 181,794</u>	<u>\$ 5,204,521</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ 505	\$ 126,975
2120	Short-Term Debt Payable	4	--	4,400
2160	Accrued Wages Payable	--	--	415,091
2170	Due to Other Funds	--	62,010	1,334,099
2180	Due to Other Governments	--	--	531
2200	Accrued Expenditures	--	--	33,256
2300	Unearned Revenue	--	--	966,195
2000	Total Liabilities	<u>4</u>	<u>62,515</u>	<u>2,880,547</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410	Inventories	--	--	14,940
3430	Prepaid Items	--	--	56,698
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	761,793
3490	Other Restrictions of Fund Balance	7,250	119,279	1,490,543
3000	Total Fund Balances	<u>7,250</u>	<u>119,279</u>	<u>2,323,974</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,254</u>	<u>\$ 181,794</u>	<u>\$ 5,204,521</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	211 Title I Part A Improving Basic	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	24,000
5900 <i>Federal Program Revenues</i>	504,169	1,271,367	11,878	98,867
5020 <b>Total Revenues</b>	<u>504,169</u>	<u>1,271,367</u>	<u>11,878</u>	<u>122,867</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	498,506	1,201,968	11,878	92,228
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	8,023	--	--
0021 <i>Instructional Leadership</i>	3,000	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	46,376	--	24,000
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	6,639
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	2,663	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Services Arrangements</i>	--	15,000	--	--
6030 <b>Total Expenditures</b>	<u>504,169</u>	<u>1,271,367</u>	<u>11,878</u>	<u>122,867</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>	--	--	--	--
1100 <b>Expenditures</b>	--	--	--	--
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
8911 <i>Transfers Out</i>	--	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	--	--	--	--
1200 <b>Net Change in Fund Balances</b>	--	--	--	--
0100 <b>Fund Balances - Beginning</b>	--	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 Title II Part A Supporting Effective Instruction	263 English Language Acquisition and Enhancement	288 USDD ROTC
\$ 1,629,094	\$ --	\$ --	\$ --	\$ --
10,617	--	--	--	--
986,873	54,439	114,684	32,461	56,274
<u>2,626,584</u>	<u>54,439</u>	<u>114,684</u>	<u>32,461</u>	<u>56,274</u>
--	49,271	75,731	23,763	56,274
--	--	--	--	--
--	5,168	38,953	7,602	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,488,888	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	1,096	--
--	--	--	--	--
--	--	--	--	--
<u>2,488,888</u>	<u>54,439</u>	<u>114,684</u>	<u>32,461</u>	<u>56,274</u>
<u>137,696</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>137,696</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
633,170	--	--	--	5,848
<u>\$ 770,866</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,848</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	289 Title IV Part A Subpart 1	385 Supplemental Visually Impaired	392 Non-Educational Community-Based Support
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	4,585	12,042
5900 <i>Federal Program Revenues</i>	25,844	--	--
5020 <b>Total Revenues</b>	<u>25,844</u>	<u>4,585</u>	<u>12,042</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	3,755	1,155	12,042
0012 <i>Instructional Resources and Media Services</i>	--	--	--
0013 <i>Curriculum and Staff Development</i>	8,589	3,180	--
0021 <i>Instructional Leadership</i>	--	--	--
0023 <i>School Leadership</i>	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--
0033 <i>Health Services</i>	--	250	--
0034 <i>Student Transportation</i>	--	--	--
0035 <i>Food Service</i>	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--
0041 <i>General Administration</i>	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--
0052 <i>Security and Monitoring Services</i>	13,500	--	--
0061 <i>Community Services</i>	--	--	--
0081 <i>Capital Outlay</i>	--	--	--
0093 <i>Payments to Shared Services Arrangements</i>	--	--	--
6030 <b>Total Expenditures</b>	<u>25,844</u>	<u>4,585</u>	<u>12,042</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	--
8911 <i>Transfers Out</i>	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	--	--	--
0100 <b>Fund Balances - Beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



397 Advanced Placement Incentives	410 State Textbook	429 AP Placement and Health Services	461 Campus Activity
\$ --	\$ --	\$ --	\$ 2,106,308
6,800	87,089	--	--
--	--	--	--
<u>6,800</u>	<u>87,089</u>	<u>--</u>	<u>2,106,308</u>
--	87,089	--	462,958
--	--	--	74,996
8,928	--	--	34,254
--	--	--	--
--	--	--	74,922
--	--	--	166,216
--	--	--	1,300
--	--	--	--
--	--	--	--
--	--	--	1,063,419
--	--	--	1,038
--	--	--	5,443
--	--	--	9,218
--	--	--	--
--	--	--	--
<u>8,928</u>	<u>87,089</u>	<u>--</u>	<u>1,893,764</u>
<u>(2,128)</u>	<u>--</u>	<u>--</u>	<u>212,544</u>
--	--	--	--
--	--	--	(734)
--	--	--	(734)
<u>(2,128)</u>	<u>--</u>	<u>--</u>	<u>211,810</u>
10,692	26,773	19	1,173,565
<u>\$ 8,564</u>	<u>\$ 26,773</u>	<u>\$ 19</u>	<u>\$ 1,385,375</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019*

Data Control Codes	481 SAMs Kids	499 Other Non State and Federal Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 9,856	\$ 186,912	\$ 3,932,170
5800 <i>State Program Revenues</i>	--	--	145,133
5900 <i>Federal Program Revenues</i>	--	--	3,156,856
5020 <b>Total Revenues</b>	<u>9,856</u>	<u>186,912</u>	<u>7,234,159</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	3,355	179,028	2,759,001
0012 <i>Instructional Resources and Media Services</i>	--	--	74,996
0013 <i>Curriculum and Staff Development</i>	--	--	114,697
0021 <i>Instructional Leadership</i>	--	--	3,000
0023 <i>School Leadership</i>	--	--	74,922
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	236,592
0033 <i>Health Services</i>	--	--	1,550
0034 <i>Student Transportation</i>	--	--	6,639
0035 <i>Food Service</i>	--	--	2,488,888
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	1,063,419
0041 <i>General Administration</i>	--	--	1,038
0051 <i>Facilities Maintenance and Operations</i>	--	--	5,443
0052 <i>Security and Monitoring Services</i>	--	--	22,718
0061 <i>Community Services</i>	--	--	3,759
0081 <i>Capital Outlay</i>	--	4,062	4,062
0093 <i>Payments to Shared Services Arrangements</i>	--	--	15,000
6030 <b>Total Expenditures</b>	<u>3,355</u>	<u>183,090</u>	<u>6,875,724</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>6,501</u>	<u>3,822</u>	<u>358,435</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	734	734
8911 <i>Transfers Out</i>	--	--	(734)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>734</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>6,501</u>	<u>4,556</u>	<u>358,435</u>
0100 <b>Fund Balances - Beginning</b>	<u>749</u>	<u>114,723</u>	<u>1,965,539</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 7,250</u>	<u>\$ 119,279</u>	<u>\$ 2,323,974</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2019

Data Control Codes	865 Student Activity	867 District 14-Aaaa	868 District 29-Aaaa	Total Agency Funds (See Exhibit E-1)
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 85,521	\$ 1,764	\$ 4,290	\$ 91,575
1260 <i>Due from Other Funds</i>	1,464	--	--	1,464
1410 <i>Prepaid Items</i>	2,960	--	--	2,960
1000 Total Assets	<u>\$ 89,945</u>	<u>\$ 1,764</u>	<u>\$ 4,290</u>	<u>\$ 95,999</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 4,058	\$ --	\$ --	\$ 4,058
2170 <i>Due to Other Funds</i>	47	61	--	108
2190 <i>Due to Student Groups</i>	85,840	1,703	4,290	91,833
2000 Total Liabilities	<u>89,945</u>	<u>1,764</u>	<u>4,290</u>	<u>95,999</u>
<b>NET POSITION:</b>				
3000 Total Net Position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2019*

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2010 and Prior Years	Various	Various	Various
2011	\$ 1.04	\$ .274	\$ 3,889,917,950
2012	\$ 1.04	\$ .274	\$ 3,897,926,376
2013	\$ 1.04	\$ .254	\$ 4,017,398,421
2014	\$ 1.04	\$ .254	\$ 4,171,416,708
2015	\$ 1.04	\$ .254	\$ 4,406,465,030
2016	\$ 1.04	\$ .254	\$ 5,599,270,443
2017	\$ 1.04	\$ .276	\$ 5,989,593,782
2018	\$ 1.04	\$ .314	\$ 6,263,391,229
2019 (School Year Under Audit)	\$ 1.04	\$ .314	\$ 6,688,345,157

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code



10 Beginning Balance 7/1/18	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/19
\$ 102,201	\$ --	\$ 10,584	\$ 2,717	\$ (1,671)	\$ 87,229
45,584	--	1,892	499	--	43,193
55,941	--	2,382	628	--	52,931
90,515	--	9,706	2,371	--	78,438
118,810	--	126,517	30,899	137,014	98,408
150,524	--	132,542	32,371	141,643	127,254
186,578	--	157,728	38,522	151,332	141,660
319,280	--	206,136	54,705	140,449	198,887
1,132,873	--	708,381	213,877	61,943	272,558
--	90,560,193	68,600,120	20,711,959	--	1,248,114
<u>\$ 2,202,306</u>	<u>\$ 90,560,193</u>	<u>\$ 69,955,989</u>	<u>\$ 21,088,548</u>	<u>\$ 630,710</u>	<u>\$ 2,348,672</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --



**BOERNE INDEPENDENT SCHOOL DISTRICT**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT J-2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 1,991,217	\$ 2,011,067	\$ 1,629,094	\$ (381,973)
5800	State Program Revenues	8,000	8,000	10,617	2,617
5900	Federal Program Revenues	864,000	964,000	986,873	22,873
5020	Total Revenues	<u>2,863,217</u>	<u>2,983,067</u>	<u>2,626,584</u>	<u>(356,483)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	2,863,217	2,983,067	2,488,888	494,179
	Total Support Services - Student (Pupil)	<u>2,863,217</u>	<u>2,983,067</u>	<u>2,488,888</u>	<u>494,179</u>
6030	Total Expenditures	<u>2,863,217</u>	<u>2,983,067</u>	<u>2,488,888</u>	<u>494,179</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	137,696	137,696
1200	Net Change in Fund Balance	--	--	137,696	137,696
0100	Fund Balance - Beginning	633,170	633,170	633,170	--
3000	Fund Balance - Ending	<u>\$ 633,170</u>	<u>\$ 633,170</u>	<u>\$ 770,866</u>	<u>\$ 137,696</u>



**BOERNE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)	
	Budgeted Amounts				
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 21,581,863	\$ 21,581,863	\$ 21,359,956	\$ (221,907)
5800	State Program Revenues	281,479	281,479	261,714	(19,765)
5020	Total Revenues	<u>21,863,342</u>	<u>21,863,342</u>	<u>21,621,670</u>	<u>(241,672)</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	21,863,342	6,274,141	6,272,245	1,896
0072	Interest on Long-Term Debt	--	15,585,094	15,585,094	--
0073	Bond Issuance Costs and Fees	--	4,107	4,107	--
	Total Debt Service	<u>21,863,342</u>	<u>21,863,342</u>	<u>21,861,446</u>	<u>1,896</u>
6030	Total Expenditures	<u>21,863,342</u>	<u>21,863,342</u>	<u>21,861,446</u>	<u>1,896</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	(239,776)	(239,776)
1200	Net Change in Fund Balance	--	--	(239,776)	(239,776)
0100	Fund Balance - Beginning	6,275,417	6,275,417	6,275,417	--
3000	Fund Balance - Ending	<u>\$ 6,275,417</u>	<u>\$ 6,275,417</u>	<u>\$ 6,035,641</u>	<u>\$ (239,776)</u>



***FEDERAL AWARDS AND  
OTHER COMPLIANCE SECTION***







**INDEPENDENT AUDITORS' 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**

November 18, 2019

To the Board of Trustees of  
Boerne Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

November 18, 2019

To the 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, 2019. The District's major federal programs are identified in the summary of auditors' 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.

**Auditors' 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2019

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Part A - Improving Basic Programs
84.367	Title II Part A - Supporting Effective Instructions

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

Auditee qualified as low-risk auditee?  Yes  No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None to report.		

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	806780706	\$ 107,313
National School Lunch Program	10.555	806780706	732,065
Total Passed Through State Department of Education			<u>839,378</u>
Total U. S. Department of Agriculture			<u>839,378</u>
Total Child Nutrition Cluster			<u>839,378</u>
<b>FOOD DISTRIBUTION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Summer Food Service Program (Non-cash)	10.565	806780706	147,495
Total Passed Through State Department of Education			<u>147,495</u>
Total U. S. Department of Agriculture			<u>147,495</u>
Total Food Distribution Cluster			<u>147,495</u>
<b>MEDICAID CLUSTER:</b>			
<u>U. S. Department of Health and Human Services</u>			
Passed Through State Department of Education:			
Medicaid Administrative Claiming Program - MAC	93.778	130-901	8,597
Total Passed Through State Department of Education			<u>8,597</u>
Total U. S. Department of Health and Human Services			<u>8,597</u>
Total Medicaid Cluster			<u>8,597</u>
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
IDEA-B Formula	84.027	186600011309016600	226,844
IDEA-B Formula	84.027	1966000113090166000	1,044,523
IDEA-B Discretionary	84.027	19660077130901	98,867
Total CFDA Number 84.027			<u>1,370,234</u>
IDEA-B Preschool	84.173	196610011309016610	11,878
Total CFDA Number 84.173			<u>11,878</u>
Total Passed Through State Department of Education			<u>1,382,112</u>
Total U. S. Department of Education			<u>1,382,112</u>
Total Special Education (IDEA) Cluster			<u>1,382,112</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
<b>OTHER PROGRAMS:</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>USDD ROTC</i>	12.000	130-901	\$ 56,274
<i>Title I Part A - Improving Basic Programs</i>	84.010	19610101130901	504,169
<i>Career and Technical - Basic Grant</i>	84.048	19420006130901	54,439
<i>Title III Part A - English Language Acquisition</i>	84.365	19671001130901	32,461
<i>Title IV Part A Subpart 1</i>	84.367	19680101130901	22,089
<i>Title II Part A - Supporting Effective Instruction</i>	84.424	19694501130901	114,684
<i>LEP Summer School</i>	84.369	69551802	3,755
Total Passed Through State Department of Education			<u>787,871</u>
Total U. S. Department of Education			<u>787,871</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 3,165,453</u></u>

The accompanying notes are an integral part of this schedule.

Reconciliation of Federal Revenue:	
Federal Revenue per SEFA	\$ 3,165,453
SHARs Reimbursement -	
General Fund	818,161
Indirect Costs - General Fund	70,831
Total Federal Revenue per Exhibit C-2	<u><u>\$ 4,054,445</u></u>

The accompanying notes are an integral part of this schedule.

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*FOR THE YEAR ENDED JUNE 30, 2019*

Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These 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. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2019

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the District make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the District <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year end?	\$ 13,075,471
SF11	Net Pension Asset (object 1920) at fiscal year end.	\$ --
SF12	Net Pension Liability (object 2540) at fiscal year end.	\$ 22,010,814

