

BOERNE INDEPENDENT  
SCHOOL DISTRICT

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED JUNE 30, 2020*

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Boerne Independent School District  
Annual Financial Report  
For The Year Ended June 30, 2020

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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, 2020, at a meeting of the board of trustees of such school district on the 16th day of NOVEMBER, 2020.

*Rich Sena*

\_\_\_\_\_  
Signature of Board Secretary

*Maritza Gonzalez-Cooper*

\_\_\_\_\_  
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, 2020, 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, 2020, 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 supplementary 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 October 28, 2020 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  
October 28, 2020

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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, 2020

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, 2020. It should be read in conjunction with the District's financial statements.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2020 was negative \$770,802.
- For the fiscal year ended June 30, 2020, the District's general fund reported a total fund balance of \$19,746,632, of which all 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 \$34,873,580.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

# BOERNE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2020

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was negative \$770,802 at June 30, 2020. *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, 2020. Revenues for the District decreased significantly in grants and contributions, not restricted to specific programs due to a decrease in state foundation revenue due to COVID-19 pandemic. Property tax revenues increased due to the increase in assessed value of properties within the District. Deferred outflows of resources decreased for the pension plan due to changes in actuarial assumptions, while increasing for the other postemployment benefits (OPEB) plan due to changes in actuarial assumptions, changes in proportion and difference between the District's contributions, and the proportionate share of contributions. There were significant increases in instruction, food service, and general administration expenses due to the increase in staff needed due to 3 new campuses. *Table 1* indicates the overall condition of the District decreased. 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 decreased primarily due to the District's new refunding bond.

**Table 1**  
**Net Position**

Description	Governmental Activities		Total Change 2020-2019
	2020	2019	
Current assets	\$ 49,956,113	\$ 71,039,442	\$ (21,083,329)
Capital assets	358,791,030	349,430,444	9,360,586
<b>Total Assets</b>	<b>408,747,143</b>	<b>420,469,886</b>	<b>(11,722,743)</b>
Deferred charge on refunding	-	1,633,215	(1,633,215)
Deferred outflows related to pensions	10,366,143	11,566,933	(1,200,790)
Deferred outflows related to OPEB	6,428,016	4,104,592	2,323,424
<b>Total Deferred Outflows of Resources</b>	<b>16,794,159</b>	<b>17,304,740</b>	<b>(510,581)</b>
Current liabilities	18,010,902	22,202,721	(4,191,819)
Long-term liabilities	391,871,316	404,495,288	(12,623,972)
<b>Total Liabilities</b>	<b>409,882,218</b>	<b>426,698,009</b>	<b>(16,815,791)</b>
Deferred charge on refunding	666,829	-	666,829
Deferred inflows related to pensions	3,505,595	1,206,254	2,299,341
Deferred inflows related to OPEB	12,257,462	9,023,291	3,234,171
<b>Total Deferred Inflows of Resources</b>	<b>16,429,886</b>	<b>10,229,545</b>	<b>6,200,341</b>
<b>Net Position:</b>			
Net investment in capital assets	21,437,714	21,018,070	419,644
Restricted for:			
State and federal programs	297,585	776,733	(479,148)
Debt service	7,545,123	6,035,641	1,509,482
Other restrictions of fund balance	2,622,056	1,640,884	981,172
Unrestricted	(32,673,280)	(28,624,256)	(4,049,024)
<b>Total Net Position</b>	<b>\$ (770,802)</b>	<b>\$ 847,072</b>	<b>\$ (1,617,874)</b>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED JUNE 30, 2020*

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

	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,233,620	\$ 2,895,384	\$ (661,764)
Operating grants and contributions	13,065,238	10,362,199	2,703,039
General revenues:			
Property taxes	93,848,195	91,745,004	2,103,191
Investment earnings	1,005,812	2,457,470	(1,451,658)
Grants and contributions not restricted to specific programs	3,284,820	8,308,593	(5,023,773)
Miscellaneous	1,815,344	1,806,724	8,620
<b>Total Revenue</b>	<b>115,253,029</b>	<b>117,575,374</b>	<b>(2,322,345)</b>
<b>Expenses</b>			
Instruction	59,505,033	51,419,282	8,085,751
Instructional resources and media services	1,227,420	1,021,112	206,308
Curriculum and staff development	2,410,842	2,489,056	(78,214)
Instructional leadership	1,587,071	894,011	693,060
School leadership	5,848,539	5,306,579	541,960
Guidance, counseling, and evaluation services	3,971,152	3,753,501	217,651
Health services	1,500,031	966,611	533,420
Student (pupil) transportation	3,061,686	2,641,926	419,760
Food services	3,841,689	2,732,226	1,109,463
Cocurricular/extracurricular activities	3,392,270	3,700,698	(308,428)
General administration	4,374,559	2,720,077	1,654,482
Plant maintenance and operations	8,807,461	8,143,551	663,910
Security and monitoring	1,290,174	690,820	599,354
Data processing services	2,382,878	2,388,479	(5,601)
Community services	41,401	46,365	(4,964)
Interest on long-term debt	12,736,542	14,044,438	(1,307,896)
Contracted instructional services between state and others	-	10,554,906	(10,554,906)
Payments related to shared services arrangements	18,500	15,000	3,500
Other intergovernmental charges	873,655	726,318	147,337
<b>Total Expenses</b>	<b>116,870,903</b>	<b>114,254,956</b>	<b>2,615,947</b>
<b>Change in Net Position</b>	<b>(1,617,874)</b>	<b>3,320,418</b>	<b>(4,938,292)</b>
Beginning net position	847,072	(2,473,346)	3,320,418
<b>Ending Net Position</b>	<b>\$ (770,802)</b>	<b>\$ 847,072</b>	<b>\$ (1,617,874)</b>

# **BOERNE INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020**

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

At the close of the fiscal year ending June 30, 2020, the District's governmental funds reported a combined fund balance of \$34,873,580. This compares to a combined fund balance of \$51,718,417 at June 30, 2019. Fund balance declined primarily as a result of the expenditure of bond proceeds received in 2018. The revenues decreased mainly due to a decrease in the State's available school fund allotments. The expenditures increased due to an increase in instruction costs, school leadership, student transportation, and facilities and maintenance with the addition of 3 new campuses and bond payments. The general fund's fund balance increased slightly due to a reimbursement of funds from the capital projects fund. The debt service fund's fund balance decreased mainly due to debt service payments with the issuance of a refunding bond.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

During the period ended June 30, 2020, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were material changes between the original budget and the final amended budget, including an increase in expenses of approximately \$5 million. The general fund's budgeted revenues exceeded actual revenues by \$3,329,884 and the budgeted expenditures exceeded actual expenditures by \$4,510,423.

### **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, 2020, 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, 2020, the District had a total of \$358,791,030 invested in capital assets such as land, buildings, and District equipment, net of depreciation. This total includes \$17,930,980 invested during the fiscal year ended June 30, 2020.

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 \$310,064,647 in general obligation bonds and notes outstanding versus \$321,787,405 last year.

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

### **COVID-19**

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While changes to operations caused a significant hardship, the overall impact to the financial operations for the 2019-2020 school year as a percentage of the overall budget was nominal. Areas impacted the most were teaching and learning, technology, and facilities. The District received \$1.3 million in additional allocations but elected to use those funds for anticipated additional costs in the 2020-21 school year.

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

Total appraised market value of the District for the 2020-2021 (2020 Tax Year) is \$9.9 billion which is an eight percent increase from the preceding year. Total taxable property values (including "frozen" values) used for the 2020-2021 budget preparation increased eight percent from the preceding year.

The Board set the tax rate for the 2020-2021 school year at the September Board meeting. The tax rates were approved with a decrease from prior year. Debt service tax rate is \$0.314, and maintenance and operation rate is \$0.9379 for a total tax rate of \$1.2519 per \$100 valuation.

## **BOERNE INDEPENDENT SCHOOL DISTRICT**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020*

House Bill 3 passage by the 86<sup>th</sup> Legislative Session resulted in a large budget amendment in October 2019 increasing the general operating fund budget to \$83.7 million. The original 2020-2021 general operating fund budget is \$89.2 million, an increase of 10.6 percent from the 2019-2020 adopted budget and 6.7 percent increase from the October amended budget. Pay increases were approved for all positions for the 2020-2021 fiscal year. Non-exempt employees received two and a half percent of mid-point and exempt employees received one and a half percent of mid-point. New positions were budgeted to accommodate growth and programs. There was no estimated excess revenue due to the State. The District provided budget contingencies due to the unknown impact of the COVID-19 pandemic.

The District's 2020-2021 estimated average membership is projected at 10,137 with estimated average daily attendance at 9,731. Attendance has been historically 96 percent.

COVID-19 brought financial challenges to the general operating fund and child nutrition fund. The District built contingencies in the 2020-2021 budget as a financial plan in case enrollment did not materialize. Student enrollment for the first six-week period showed significant drop from estimates. To preserve the financial stability, the District executed the contingency plan and began setting aside funds from the approved budget. Due to the decrease in enrollment and increase in property values, the District is challenged with excess revenue of \$3.2 million which would be due back to the State. The estimate of excess revenue is expected to decrease as the school year continues and the District overcomes the challenges of COVID-19.

Proactive strategies aided in the success of implementing E-Learning platforms. The District used \$1.6 million in local funds identified for capital furniture replacement and reallocated those funds for technology devices. In addition, the district participated in Operation Connectivity and allocated Coronavirus Aid, Relief, and Economic Security (CARES) Act funds for more devices and connectivity for our students and staff. The Administrative Team and Curriculum Team developed learning platforms to meet students' needs and learning preferences. The District opened student learning with 75 percent in person and 25 percent e-learning.

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

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

*Basic Financial Statements*

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

JUNE 30, 2020

(Except for the discretely presented component unit for which the date is December 31, 2019)

Data Control Codes	1 Primary Governmental Activities	4 Component Unit Boerne Education Foundation	
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 1,115,416	\$ 1,327
1120	Current Investments	44,816,149	1,409,338
1220	Property Taxes Receivable	2,559,415	--
1230	Allowance for Uncollectible Taxes	(406,246)	--
1240	Due from Other Governments	1,693,732	--
1267	Due from Fiduciary	1,283	--
1290	Other Receivables (Net)	132,953	--
1300	Inventories	43,411	--
1410	Prepaid Items	--	17,210
Capital Assets:			
1510	Land	20,189,684	--
1520	Buildings and Improvements, Net	306,199,091	--
1530	Furniture and Equipment, Net	5,015,344	--
1540	Vehicles, Net	3,532,887	--
1580	Construction in Progress	12,618,811	--
1590	Infrastructure, Net	11,235,213	--
1000	Total Assets	<u>408,747,143</u>	<u>1,427,875</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
1705	Deferred Outflows Related to Pensions	10,366,143	--
1706	Deferred Outflows Related to OPEB	6,428,016	--
1700	Total Deferred Outflows of Resources	<u>16,794,159</u>	<u>--</u>
<b>LIABILITIES:</b>			
2110	Accounts Payable	1,265,852	--
2120	Short-Term Debt Payable	155,000	--
2140	Interest Payable	5,756,615	--
2165	Accrued Liabilities	8,903,590	38,563
2177	Due to Fiduciary	39,657	--
2180	Due to Other Governments	1,031,245	--
2300	Unearned Revenue	858,943	--
Noncurrent Liabilities:			
2501	Due Within One Year	7,185,634	--
2502	Due in More Than One Year	334,838,114	--
2540	Net Pension Liability	21,514,139	--
2545	Net OPEB Liability	28,333,429	--
2000	Total Liabilities	<u>409,882,218</u>	<u>38,563</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2500	Deferred Charge on Refunding	666,829	--
2505	Deferred Inflows Related to Pensions	3,505,595	--
2506	Deferred Inflows Related to OPEB	12,257,462	--
2600	Total Deferred Inflows of Resources	<u>16,429,886</u>	<u>--</u>
<b>NET POSITION:</b>			
3200	Net Investment in Capital Assets	21,437,714	--
Restricted For:			
3820	Federal and State Programs	297,585	--
3850	Debt Service	7,545,123	--
3890	Other Restrictions on Net Position	2,622,056	--
3900	Unrestricted	(32,673,280)	1,389,312
3000	Total Net Position	<u>\$ (770,802)</u>	<u>\$ 1,389,312</u>

The accompanying notes are an integral part of this statement.

# BOERNE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

(Except for the discretely presented component unit for which the date is December 31, 2019)

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
	<b>PRIMARY GOVERNMENT:</b>			
	Governmental Activities:			
11	<i>Instruction</i>	\$ 59,505,033	\$ --	\$ 8,868,097
12	<i>Instructional Resources and Media Services</i>	1,227,420	--	84,131
13	<i>Curriculum and Staff Development</i>	2,410,842	--	357,921
21	<i>Instructional Leadership</i>	1,587,071	--	85,994
23	<i>School Leadership</i>	5,848,539	--	587,364
31	<i>Guidance, Counseling, and Evaluation Services</i>	3,971,152	--	487,184
33	<i>Health Services</i>	1,500,031	--	91,548
34	<i>Student Transportation</i>	3,061,686	--	141,431
35	<i>Food Service</i>	3,841,689	1,262,253	1,017,318
36	<i>Cocurricular/Extracurricular Activities</i>	3,392,270	879,527	187,837
41	<i>General Administration</i>	4,374,559	--	223,713
51	<i>Facilities Maintenance and Operations</i>	8,807,461	91,840	469,622
52	<i>Security and Monitoring Services</i>	1,290,174	--	41,206
53	<i>Data Processing Services</i>	2,382,878	--	142,400
61	<i>Community Services</i>	41,401	--	4,093
72	<i>Interest on Long-term Debt</i>	12,736,542	--	256,860
93	<i>Payments Related to Shared Services Arrangements</i>	18,500	--	18,519
99	<i>Other Intergovernmental Charges</i>	873,655	--	--
TG	Total Governmental Activities	<u>116,870,903</u>	<u>2,233,620</u>	<u>13,065,238</u>
TP	Total Primary Government	<u>\$ 116,870,903</u>	<u>\$ 2,233,620</u>	<u>\$ 13,065,238</u>
	<b>COMPONENT UNIT:</b>			
1C	Boerne Education Foundation	<u>\$ 673,320</u>	<u>\$ --</u>	<u>\$ 419,689</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
IE	<i>Investment Earnings</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
MI	<i>Miscellaneous</i>			
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
\$ (50,636,936)	\$ --
(1,143,289)	--
(2,052,921)	--
(1,501,077)	--
(5,261,175)	--
(3,483,968)	--
(1,408,483)	--
(2,920,255)	--
(1,562,118)	--
(2,324,906)	--
(4,150,846)	--
(8,245,999)	--
(1,248,968)	--
(2,240,478)	--
(37,308)	--
(12,479,682)	--
19	--
(873,655)	--
(101,572,045)	--
(101,572,045)	--
--	(253,631)
70,912,342	--
22,935,853	--
1,005,812	201,418
3,284,820	--
1,815,344	6,976
99,954,171	208,394
(1,617,874)	(45,237)
847,072	1,434,549
\$ (770,802)	\$ 1,389,312

**BOERNE INDEPENDENT SCHOOL DISTRICT**

*BALANCE SHEET - GOVERNMENTAL FUNDS*

*JUNE 30, 2020*

Data Control Codes	10  General Fund	50  Debt Service
<b>ASSETS:</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 474,525	\$ 28,107
1120 <i>Current Investments</i>	29,298,375	7,468,069
1220 <i>Property Taxes Receivable</i>	1,966,373	593,042
1230 <i>Allowance for Uncollectible Taxes</i>	(322,337)	(83,909)
1240 <i>Due from Other Governments</i>	1,356,884	48,964
1260 <i>Due from Other Funds</i>	109,643	--
1290 <i>Other Receivables</i>	4,340	--
1300 <i>Inventories</i>	--	--
1000 Total Assets	<u>\$ 32,887,803</u>	<u>\$ 8,054,273</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 406,376	\$ 17
2160 <i>Accrued Wages Payable</i>	8,351,809	--
2170 <i>Due to Other Funds</i>	1,058,571	--
2180 <i>Due to Other Governments</i>	1,031,245	--
2300 <i>Unearned Revenue</i>	649,135	--
2000 Total Liabilities	<u>11,497,136</u>	<u>17</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
2601 <i>Unavailable Revenue - Property Taxes</i>	1,644,035	509,133
2600 Total Deferred Inflows of Resources	<u>1,644,035</u>	<u>509,133</u>
<b>FUND BALANCES:</b>		
Nonspendable Fund Balances:		
3410 <i>Inventories</i>	--	--
Restricted Fund Balances:		
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--
3470 <i>Capital Acquisitions and Contractual Obligations</i>	--	--
3480 <i>Retirement of Long-Term Debt</i>	--	7,545,123
3490 <i>Other Restrictions of Fund Balance</i>	--	--
3600 Unassigned	19,746,632	--
3000 Total Fund Balances	<u>19,746,632</u>	<u>7,545,123</u>
4000 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,887,803</u>	<u>\$ 8,054,273</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

60	Other Governmental Funds	98 Total Governmental Funds
<u>Capital Projects</u>	<u></u>	<u></u>
\$ 53,243	\$ 532,049	\$ 1,087,924
5,173,914	2,290,658	44,231,016
--	--	2,559,415
--	--	(406,246)
--	287,884	1,693,732
657,455	1,736,146	2,503,244
--	128,613	132,953
--	43,411	43,411
<u>\$ 5,884,612</u>	<u>\$ 5,018,761</u>	<u>\$ 51,845,449</u>
\$ 388,540	\$ 467,001	\$ 1,261,934
--	405,186	8,756,995
3,810	1,847,203	2,909,584
--	--	1,031,245
--	209,808	858,943
<u>392,350</u>	<u>2,929,198</u>	<u>14,818,701</u>
--	--	2,153,168
<u>--</u>	<u>--</u>	<u>2,153,168</u>
--	43,411	43,411
--	254,174	254,174
5,492,262	--	5,492,262
--	--	7,545,123
--	1,791,978	1,791,978
--	--	19,746,632
<u>5,492,262</u>	<u>2,089,563</u>	<u>34,873,580</u>
<u>\$ 5,884,612</u>	<u>\$ 5,018,761</u>	<u>\$ 51,845,449</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020*

Total fund balances - governmental funds balance sheet	\$ 34,873,580
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.	358,791,030
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,153,168
The assets and liabilities of the internal service fund are included in governmental activities in the SNP.	830,078
Payables for bond principal which are not due in the current period are not reported in the funds.	(309,264,647)
Payables for bond interest which are not due in the current period are not reported in the funds.	(5,756,615)
Payables for notes which are not due in the current period are not reported in the funds.	(800,000)
Bond premiums are amortized in the SNP, but not in the funds.	(20,627,937)
Accreted interest on bonds is amortized in the SNP, but not in the funds.	(11,486,164)
Recognition of the deferred charge on refunding is not reported in the funds.	(666,829)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(21,514,139)
Deferred inflows of resources related to the pension plan are not reported in the funds.	(3,505,595)
Deferred outflows of resources related to the pension plan are not reported in the funds.	10,366,143
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(28,333,429)
Deferred inflows of resources related to the OPEB plan are not reported in the funds.	(12,257,462)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	<u>6,428,016</u>
Net position of governmental activities - Statement of Net Position	\$ <u>(770,802)</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, 2020**

Data Control Codes	10	50
	General Fund	Debt Service
<b>REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 72,151,293	\$ 23,000,598
5800 <i>State Program Revenues</i>	7,952,535	256,860
5900 <i>Federal Program Revenues</i>	530,041	--
5020 <b>Total Revenues</b>	<u>80,633,869</u>	<u>23,257,458</u>
<b>EXPENDITURES:</b>		
Current:		
0011 <i>Instruction</i>	46,695,542	--
0012 <i>Instructional Resources and Media Services</i>	1,000,105	--
0013 <i>Curriculum and Staff Development</i>	1,951,629	--
0021 <i>Instructional Leadership</i>	1,150,472	--
0023 <i>School Leadership</i>	5,040,977	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	3,314,069	--
0033 <i>Health Services</i>	1,022,813	--
0034 <i>Student Transportation</i>	2,633,015	--
0035 <i>Food Service</i>	109,528	--
0036 <i>Cocurricular/Extracurricular Activities</i>	2,495,782	--
0041 <i>General Administration</i>	3,252,531	--
0051 <i>Facilities Maintenance and Operations</i>	8,615,234	--
0052 <i>Security and Monitoring Services</i>	843,188	--
0053 <i>Data Processing Services</i>	2,295,404	--
0061 <i>Community Services</i>	38,271	--
0071 <i>Principal on Long-term Debt</i>	150,000	52,552,758
0072 <i>Interest on Long-term Debt</i>	17,105	15,382,626
0073 <i>Bond Issuance Costs and Fees</i>	350	2,697,052
0081 <i>Capital Outlay</i>	2,608	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--
0099 <i>Other Intergovernmental Charges</i>	873,655	--
6030 <b>Total Expenditures</b>	<u>81,502,278</u>	<u>70,632,436</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>		
1100 <b>Expenditures</b>	<u>(868,409)</u>	<u>(47,374,978)</u>
Other Financing Sources and (Uses):		
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	40,980,000
7912 <i>Sale of Real or Personal Property</i>	3,346	--
7915 <i>Transfers In</i>	1,258,764	--
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	7,736,082
7917 <i>Prepaid Interest</i>	--	168,378
8911 <i>Transfers Out</i>	(7,825)	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>1,254,285</u>	<u>48,884,460</u>
1200 <b>Net Change in Fund Balances</b>	<u>385,876</u>	<u>1,509,482</u>
0100 <b>Fund Balances - Beginning</b>	<u>19,360,756</u>	<u>6,035,641</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 19,746,632</u>	<u>\$ 7,545,123</u>

The accompanying notes are an integral part of this statement.



EXHIBIT C-2

60	Other Governmental Funds	98 Total Governmental Funds
<u>Capital Projects</u>	<u></u>	<u></u>
\$ 305,370	\$ 3,238,323	\$ 98,695,584
--	1,434,867	9,644,262
--	2,977,930	3,507,971
<u>305,370</u>	<u>7,651,120</u>	<u>111,847,817</u>
--	3,979,244	50,674,786
497,262	62,608	1,559,975
--	251,000	2,202,629
--	2,000	1,152,472
--	69,104	5,110,081
--	190,042	3,504,111
--	299	1,023,112
386,792	--	3,019,807
--	2,549,273	2,658,801
--	738,368	3,234,150
--	4,199	3,256,730
14,378	7,191	8,636,803
--	37,750	880,938
1,047,846	--	3,343,250
--	2,455	40,726
--	--	52,702,758
--	--	15,399,731
--	--	2,697,402
15,520,294	67,141	15,590,043
--	18,500	18,500
--	--	873,655
<u>17,466,572</u>	<u>7,979,174</u>	<u>177,580,460</u>
<u>(17,161,202)</u>	<u>(328,054)</u>	<u>(65,732,643)</u>
--	--	40,980,000
--	--	3,346
7,825	7,246	1,273,835
--	--	7,736,082
--	--	168,378
<u>(1,258,764)</u>	<u>(7,246)</u>	<u>(1,273,835)</u>
<u>(1,250,939)</u>	<u>--</u>	<u>48,887,806</u>
<u>(18,412,141)</u>	<u>(328,054)</u>	<u>(16,844,837)</u>
23,904,403	2,417,617	51,718,417
<u>\$ 5,492,262</u>	<u>\$ 2,089,563</u>	<u>\$ 34,873,580</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, 2020*

Net change in fund balances - total governmental funds	\$ (16,844,837)
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	17,930,980
The depreciation of capital assets used in governmental activities is not reported in the funds.	(8,570,394)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	204,043
Reversal of fiscal year on-behalf revenues are reported in the funds but not in the SOA.	(4,360,461)
Reversal of fiscal year on-behalf expenditures are reported in the funds but not in the SOA.	4,360,461
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	52,552,758
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	150,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	1,589,307
(Increase) decrease in accrued interest from beginning of period to end of period.	(292,311)
The net revenue (expense) of the workers' compensation liability is reported with governmental activities.	196,595
Deferred charges on refunding in the funds but not in the SOA.	2,312,392
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(40,980,000)
Bond premiums are reported in the funds but not in the SOA.	(6,195,261)
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	42,004
GASB 68 on-behalf revenues are reported with governmental activities.	6,563,933
The District's share of the net pension expense is reported with governmental activities.	(9,567,389)
GASB 75 on-behalf revenues are reported with governmental activities.	992,267
The District's share of the net OPEB expense is reported with governmental activities.	(1,704,045)
GASB 75 federal funding recognized in the SOA is reported with governmental activities.	<u>2,084</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (1,617,874)</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, 2020

Data Control Codes		Nonmajor Internal Service Fund <u>Workers' Compensation</u>
<b>ASSETS:</b>		
Current Assets:		
1110	<i>Cash and Cash Equivalents</i>	\$ 27,492
1120	<i>Investments</i>	585,133
<i>Receivables:</i>		
1260	<i>Due from Other Funds</i>	367,966
	Total Current Assets	<u>980,591</u>
1000	Total Assets	<u>980,591</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110	<i>Accounts Payable</i>	3,918
2123	<i>Other Liabilities</i>	146,595
	Total Current Liabilities	<u>150,513</u>
2000	Total Liabilities	<u>150,513</u>
<b>NET POSITION:</b>		
3800	<i>Restricted</i>	830,078
3000	Total Net Position	<u>\$ 830,078</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, 2020

Data Control Codes		Nonmajor Internal Service Fund <u>Workers'</u> <u>Compensation</u>
	<b>OPERATING REVENUES:</b>	
5700	<i>Local and Intermediate Sources</i>	\$ 493,335
5020	Total Revenues	<u>493,335</u>
	<b>OPERATING EXPENSES:</b>	
6100	<i>Payroll Costs</i>	296,727
6400	<i>Other Operating Costs</i>	13
6030	Total Expenses	<u>296,740</u>
1300	Change in Net Position	196,595
0100	Total Net Position - Beginning	633,483
3300	Total Net Position - Ending	<u>\$ 830,078</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, 2020

	Nonmajor Internal Service Fund Workers' Compensation
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	\$ 490,094
<i>Cash Payments to Other Suppliers for Goods and Services</i>	81,320
<i>Other Operating Cash Receipts (Payments)</i>	3,228
Net Cash Provided (Used) by Operating Activities	<u>574,642</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Change in Investments</i>	(585,133)
Net Cash Provided (Used) for Investing Activities	<u>(585,133)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,491)
Cash and Cash Equivalents at Beginning of Year	37,983
Cash and Cash Equivalents at End of Year	<u>\$ 27,492</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ 196,595
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	358,376
<i>Increase (Decrease) in Accounts Payable</i>	(8,991)
<i>Increase (Decrease) in Other Liabilities</i>	28,662
Total Adjustments	<u>378,047</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 574,642</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, 2020

Data Control Codes	Agency Funds
<b>ASSETS:</b>	
1110 <i>Cash and Cash Equivalents</i>	\$ 97,297
1260 <i>Due from Other Funds</i>	39,657
1000 Total Assets	<u>136,954</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
2110 <i>Accounts Payable</i>	989
2170 <i>Due to Other Funds</i>	1,283
2180 <i>Due to Other Governments</i>	40,622
2190 <i>Due to Student Groups</i>	94,060
2000 Total Liabilities	<u>136,954</u>
<b>NET POSITION:</b>	
3000 Total Net Position	<u>\$ --</u>

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, 2020

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

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

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, 2020

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 fund 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, 2020

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, 2020

## 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, 2020

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, 2020*

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, 2020

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

## G. Revenues and Expenditures/Expenses

### 1. Program Revenues

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

### 2. Property Taxes

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

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. 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, 2020*

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 material changes between the original budget and the final amended budget, including an increase in expenses of approximately \$5 million.

### **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, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,212,713 and the bank balance was \$1,635,462. The District's cash deposits at June 30, 2020, and during the year ended June 30, 2020, 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, 2019, the Foundation's cash balance was \$1,327 and the carrying balance was \$1,327.

##### **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, 2020

As of June 30, 2020, 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	\$ 11,230,632	AA+	0.12
External investment pools:			
Lone Star	31,822,467	AAAm	0.12
TexPool	1,602,515	AAAm	0.23
Texas TERM	160,535	AAAm	0.00
<b>Total Value</b>	<b>\$ 44,816,149</b>		
Portfolio weighted average maturity			0.13
* Rated by Standard and Poor's Investor Services			

The Foundation's investment at December 31, 2019 is shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings *</u>	<u>Weighted Average Maturity (Days)</u>
Frost Bank - Investment Securities	\$ 1,409,338	AAA	0.12
<b>Total Value</b>	<b>\$ 1,409,338</b>		

\* 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, 2020, 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, 2020, 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, 2020*

### **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, 2020

## 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	\$ 20,184,684	\$ 5,000	\$ -	\$ 20,189,684
Construction in progress	93,782,936	16,404,018	(97,568,143)	12,618,811
Total capital assets not being depreciated	<u>113,967,620</u>	<u>16,409,018</u>	<u>(97,568,143)</u>	<u>32,808,495</u>
Other capital assets:				
Buildings and improvements	267,488,913	93,907,259	-	361,396,172
Furniture and equipment	8,615,164	2,044,514	-	10,659,678
Vehicles	6,972,662	474,632	(69,914)	7,377,380
Infrastructure	26,930,326	2,663,700	-	29,594,026
Total other capital assets	<u>310,007,065</u>	<u>99,090,105</u>	<u>(69,914)</u>	<u>409,027,256</u>
Less accumulated depreciation for:				
Buildings and improvements	(48,864,029)	(6,333,052)	-	(55,197,081)
Furniture and equipment	(5,071,595)	(572,739)	-	(5,644,334)
Vehicles	(3,501,683)	(412,724)	69,914	(3,844,493)
Infrastructure	(17,106,934)	(1,251,879)	-	(18,358,813)
Total accumulated depreciation	<u>(74,544,241)</u>	<u>(8,570,394)</u>	<u>69,914</u>	<u>(83,044,721)</u>
Other capital assets, net	235,462,824	90,519,711	-	325,982,535
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 349,430,444</u>	<u>\$ 106,928,729</u>	<u>\$ (97,568,143)</u>	<u>\$ 358,791,030</u>

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 4,436,831
12 Instructional resources/media services	\$105,992
13 Curriculum and staff development	\$77,328
23 School leadership	\$371,998
31 Guidance, counseling, and evaluation services	\$232,499
33 Health services	\$92,999
34 Student (pupil) transportation	\$416,190
35 Food service	\$368,158
36 Extracurricular activities	\$933,022
41 General administration	\$65,629
51 Plant maintenance and operations	\$995,882
52 Security and monitoring services	\$80,001
53 Data processing services	\$393,865
<b>Total Depreciation Expense</b>	<u>\$ 8,570,394</u>

# BOERNE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED JUNE 30, 2020

## 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	\$ 5,018,035	\$ -	\$ (1,113,583)	\$ 3,904,452	\$ 1,059,051
Series 2002 - 3.50%-5.00%	7,736,757	116,757	-	(31,555)	85,202	26,583
Series 2011 - 1.69%-3.31%	8,949,994	5,940,000	-	(5,940,000)	-	-
Series 2012 - 1.60%-5.00%	61,557,620	43,422,620	-	(43,422,620)	-	-
Series 2013 - 3.00%-5.00%	98,025,000	93,070,000	-	(700,000)	92,370,000	770,000
Series 2014 - 0.60%-3.55%	8,854,992	8,284,993	-	(80,000)	8,204,993	85,000
Series 2015 - 2.69%	5,380,000	4,500,000	-	(465,000)	4,035,000	475,000
Series 2016 - 2.00%-5.00%	81,545,000	79,470,000	-	(700,000)	78,770,000	725,000
Series 2017 - 3.00%-5.00%	81,215,000	81,015,000	-	(100,000)	80,915,000	180,000
Series 2019 - 5.00%	40,980,000	-	40,980,000	-	40,980,000	3,865,000
Note payable:						
Series 2015 - 0.50%-2.25%	1,500,000	950,000	-	(150,000)	800,000	155,000
	<u>434,341,771</u>	<u>321,787,405</u>	<u>40,980,000</u>	<u>(52,702,758)</u>	<u>310,064,647</u> *	<u>\$ 7,340,634</u>
Other liabilities:						
Issuance premiums/discount	-	19,087,116	7,736,082	(6,195,261)	20,627,937 *	-
Accrued interest	-	13,075,471	-	(1,589,307)	11,486,164 *	-
Net pension liability	-	22,010,814	-	(496,675)	21,514,139	-
Net OPEB liability	-	28,534,482	-	(201,053)	28,333,429	-
<b>Total Governmental Activities</b>	<u>\$ 434,341,771</u>	<u>\$ 404,495,288</u>	<u>\$ 48,716,082</u>	<u>\$ (61,185,054)</u>	<u>\$ 392,026,316</u>	<u>\$ 7,340,634</u>
					<u>Long-term liabilities due in more than one year</u>	<u>\$ 384,685,682</u>
					<u>*Debt associated with capital assets</u>	<u>\$ 342,178,748</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 \$15,399,730 for the year ended June 30, 2020.

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

### Bonds Payable

Year Ended June 30	Principal	Interest	Total Requirements
2021	\$ 7,185,634	\$ 16,033,520	\$ 23,219,154
2022	8,187,447	15,836,693	24,024,140
2023	4,756,237	15,564,045	20,320,282
2024	4,130,336	15,455,799	19,586,135
2025	8,155,000	12,377,338	20,532,338
2026-2030	43,404,993	57,236,149	100,641,142
2031-2035	58,650,000	45,115,312	103,765,312
2036-2040	60,035,000	31,976,200	92,011,200
2041-2045	71,090,000	17,304,800	88,394,800
2046-2048	43,670,000	3,257,600	46,927,600
	<u>\$ 309,264,647</u>	<u>\$ 230,157,456</u>	<u>\$ 539,422,103</u>



**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

**Note Payable**

Year Ended June 30	Principal	Interest	Total Requirements
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	150,000	3,375	153,375
	<u>\$ 800,000</u>	<u>\$ 48,312</u>	<u>\$ 848,312</u>

Current Refunding of Debt

The District issued \$40,980,000 of unlimited tax refunding bonds, Series 2019 to provide resources to defease a portion of the Unlimited Tax Refunding Bonds, Series 2011 and Unlimited Tax Refunding Bonds, Series 2012 on the call date of February 1, 2020.

<u>Bond Issue</u>	<u>Amount</u>
Unlimited Tax Refunding Bonds, Series 2011	\$ 5,050,000
Unlimited Tax Refunding Bonds, Series 2012	42,950,158
Total	<u>\$ 48,000,158</u>

As a result, the refunded portion of the bonds is considered to be defeased and the pro-rata portion of the liability has been removed from the applicable governmental columns in the Statement of Net Position. The current refunding resulted in an economic gain of \$6,956,008 and a reduction of \$7,949,742 in future debt payments. At June 30, 2020, \$48,000,158 was considered defeased relating to the 2019 refunding.

**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, 2020 were as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 106,847
General Fund	Trust and Agency Fund	787
Internal Service Fund	General Fund	361,735
Internal Service Fund	Capital Projects Fund	1,810
Internal Service Fund	Special Revenue Fund	4,421
Special Revenue Fund	General Fund	39,381
Special Revenue Fund	Special Revenue Fund	1,696,268
Special Revenue Fund	Trust and Agency Fund	495
Capital Projects Fund	General Fund	643,041
Capital Projects Fund	Trust and Agency Fund	14,415
Trust and Agency Fund	Capital Projects Fund	2,000
Trust and Agency Fund	Special Revenue Fund	39,667
	Total	<u>\$ 2,910,867</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 7,825	To supplement revenue
Special Revenue Fund	Special Revenue Fund	7,246	To supplement revenue
Capital Projects Fund	General Fund	1,258,764	To supplement revenue
	Total	<u>\$ 1,273,835</u>	

**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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by TRS.

## **BOERNE INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2020*

### Pension Plan Fiduciary Net Position

Detailed information about TRS's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS, then Publications, then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

### Benefits Provided

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

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

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

### Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

	<b>Contribution Rates</b>	
	<b>2019</b>	<b>2020</b>
Member	7.7%	7.7%
NECE (State)	6.8%	6.8%
Employers	6.8%	6.8%

  

	<b>Measurement Year (2019)</b>	<b>Fiscal Year (2020)</b>
	Employer contributions	\$ 1,448,587
Member contributions	\$ 4,094,849	\$ 4,574,690
NECE on-behalf contributions	\$ 2,813,385	\$ 3,591,947

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

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

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- 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, 2020

- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to TRS beginning in fiscal year 2020. This contribution rate, called the Public Education Employer Contribution (PEEC), will replace the Non-Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program surcharge that was in effect in fiscal year 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 OASDI Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced by the PEEC explained above.

Actuarial Assumptions

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

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate	2.63%. 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	2.30%
Salary increases including inflation	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2018. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 9, 2018.

Discount Rate

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

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

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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

Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2019 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2019**

<b>Asset Class</b>	<b>Fiscal Year 2019 Target Allocation (1)</b>	<b>New Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return (3)</b>
<b>Global Equity</b>			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries (4)	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	-	-	-
<b>Real Return</b>			
Global Inflation-Linked Bonds (4)	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources, and Infrastructure	5.0%	6.0%	7.3%
Commodities	-	-	-
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8% / 6.5% (5)
<b>Leverage</b>			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
<b>Expected Return</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7.2%</b>

(1) Target allocations are based on the Strategic Asset Allocation as of fiscal year 2019.

(2) New allocations are based on the Strategic Asset Allocation to be implemented fiscal year 2020.

(3) Ten-year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

(4) New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.

(5) 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, Continued  
 FOR THE YEAR ENDED JUNE 30, 2020

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 (7.25%) in measuring the NPL:

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
District's proportionate share of the NPL	\$ 33,070,358	\$ 21,514,139	\$ 12,151,372

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

At June 30, 2020, the District reported a liability of \$21,514,139 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	\$ 21,514,139
State's proportionate share that is associated with the District	41,785,626
<b>Total</b>	<u>\$ 63,299,765</u>

The NPL was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2018 through August 31, 2019.

At June 30, 2020, the District's proportion of the collective NPL was 0.0413868%, which was an increase of 0.0013980% from its proportion measured as of August 31, 2019.

**Changes Since the Prior Actuarial Valuation**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of Senate Bill 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.
- The Texas legislature approved funding for a thirteenth check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended June 30, 2020, the District recognized pension expense of \$6,563,933 and revenue of \$6,563,933 for support provided by the State.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 90,379	\$ (747,005)
Changes in actuarial assumptions	6,674,743	(2,758,319)
Difference between projected and actual investment earnings	216,027	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,018,684	(271)
Contributions paid to TRS subsequent to the measurement date	1,366,310	-
<b>Total</b>	<u>\$ 10,366,143</u>	<u>\$ (3,505,595)</u>

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:

<u>Fiscal Year Ended June 30</u>	<u>Pension Expense</u>
2021	\$ 1,438,123
2022	1,180,175
2023	1,338,089
2024	1,250,012
2025	455,839
Thereafter	(168,000)
<b>Total</b>	<u>\$ 5,494,238</u>

**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 [https://www.trs.texas.gov/Pages/about\\_archive\\_cafcr.aspx](https://www.trs.texas.gov/Pages/about_archive_cafcr.aspx); 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, 2019 are as follows:

Total OPEB liability	\$ 48,583,247,239
Less: plan fiduciary net position	<u>1,292,022,349</u>
<b>Net OPEB Liability</b>	<u>\$ 47,291,224,890</u>

Net position as a percentage of total OPEB liability 2.66%



**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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.

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:

<b>TRS-Care Monthly Premium Rates</b>				
	<u>Medicare</u>		<u>Non-Medicare</u>	
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, 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:

	<b>Contribution Rates</b>		
	<u>Fiscal Year</u>		
	<u>2019</u>	<u>2020</u>	
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%	

  

	<u>Measurement</u>	<u>Fiscal</u>
	<u>Year (2019)</u>	<u>Year (2020)</u>
Employer contributions	\$ 425,214	\$ 466,914
Member contributions	\$ 175,359	\$ 193,088
NECE on-behalf contributions	\$ 564,980	\$ 742,644

# BOERNE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued FOR THE YEAR ENDED JUNE 30, 2020

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.

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$73.6 million in fiscal year 2019.

### Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019.

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

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

- |                                  |                            |
|----------------------------------|----------------------------|
| 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 |                            |

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

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2018 rolled forward to 8/31/2019
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.63% as of August 31, 2019
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 75% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases*	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

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 2.3%.
- 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.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% 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 (1.63%)</b>	<b>Current Single Discount Rate (2.63%)</b>	<b>1% Increase in Discount Rate (3.63%)</b>
District’s proportionate share of net OPEB liability	\$ 34,207,539	\$ 28,333,429	\$ 23,738,106

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	\$ 23,113,417	\$ 28,333,429	\$ 35,325,846

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

At June 30, 2020, the District reported a liability of \$28,333,429 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	\$ 28,333,429
State's proportionate share that is associated with the District	37,648,788
<b>Total</b>	<b>\$ 65,982,217</b>

The net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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, 2018 through August 31, 2019.

At June 30, 2020, the employer’s proportion of the collective net OPEB liability was 0.0599127%, compared to 0.0571479% as of August 31, 2019.

**BOERNE INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED JUNE 30, 2020

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:

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
- The healthcare trend rates were reset to better reflect TRS-Care's anticipated experience. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70% to 60%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$992,267 and revenue of \$992,267 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,389,995	\$ (4,636,465)
Changes in actuarial assumptions	1,573,701	(7,620,997)
Differences between projected and actual investment earnings	3,056	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,065,833	-
Contributions paid to TRS subsequent to the measurement date	395,431	-
<b>Total</b>	<u>\$ 6,428,016</u>	<u>\$ (12,257,462)</u>

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>
2021	\$ (1,154,682)
2022	(1,154,682)
2023	(1,155,672)
2024	(1,156,237)
2025	(1,156,082)
Thereafter	(447,522)
<b>Total</b>	<u>\$ (6,224,877)</u>

# BOERNE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2020, 2019, and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$288,314, \$190,770, and \$146,954, respectively.

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

During the year ended June 30, 2020, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$316 per month per employee, \$341 per month per employee with child, \$366 per month per employee and spouse, and \$391 per month per employee and family to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2019 and terms of coverage and premiums costs are included in the contractual provisions.

### **F. Workers' Compensation**

During the year ended June 30, 2020, 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, 2019, the Fund carries a discount reserve of \$45,439,534 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2020, 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, 2019 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

### **G. Unemployment Compensation**

During the year ended June 30, 2020, 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, 2020, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

## **BOERNE INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED JUNE 30, 2020*

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, 2019 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

### **H. Subsequent Event**

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While the initial event occurred prior to year end, the District was, subsequent to year end, continuing to modify its operations to prevent the spread to protect students, staff, and the community as a whole, while balancing the educational needs of students. In August 2020, the District resumed its 2020-2021 school year starting on the regularly scheduled date with in-classroom learning but providing parents and guardians the option for virtual learning on a semester-by-semester basis. Approximately 22% of students elected virtual learning. The District has made numerous changes to its operations, including provisions for students and staff to wear masks, more frequent cleanings, and numerous other changes. While such changes cause a significant hardship and have increased expenses, such increases are nominal in comparison to the overall budget. The District is continuing to monitor exposure levels with students, staff and the community as a whole, but to date the overall exposure threat level has been sufficiently low to continue with in-class learning, but the District is ready to modify its plans if necessary. The District will continue to seek out additional funding to cover the increased costs in responding to the pandemic.

### *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, 2020

**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	\$ 72,525,274	\$ 72,542,674	\$ 72,151,293	\$ (391,381)
5800	State Program Revenues	7,742,222	10,876,079	7,952,535	(2,923,544)
5900	Federal Program Revenues	455,000	545,000	530,041	(14,959)
5020	Total Revenues	<u>80,722,496</u>	<u>83,963,753</u>	<u>80,633,869</u>	<u>(3,329,884)</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	46,507,350	47,421,232	46,695,542	725,690
0012	Instructional Resources and Media Services	996,843	1,023,141	1,000,105	23,036
0013	Curriculum and Staff Development	2,239,868	2,137,897	1,951,629	186,268
	Total Instruction & Instr. Related Services	<u>49,744,061</u>	<u>50,582,270</u>	<u>49,647,276</u>	<u>934,994</u>
Instructional and School Leadership:					
0021	Instructional Leadership	862,637	1,213,070	1,150,472	62,598
0023	School Leadership	5,108,479	5,066,127	5,040,977	25,150
	Total Instructional & School Leadership	<u>5,971,116</u>	<u>6,279,197</u>	<u>6,191,449</u>	<u>87,748</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling, and Evaluation Services	3,109,156	3,406,618	3,314,069	92,549
0033	Health Services	968,181	1,049,809	1,022,813	26,996
0034	Student (Pupil) Transportation	2,385,513	3,273,968	2,633,015	640,953
0035	Food Services	130,738	174,965	109,528	65,437
0036	Cocurricular/Extracurricular Activities	2,519,458	2,906,681	2,495,782	410,899
	Total Support Services - Student (Pupil)	<u>9,113,046</u>	<u>10,812,041</u>	<u>9,575,207</u>	<u>1,236,834</u>
Administrative Support Services:					
0041	General Administration	3,034,186	3,375,329	3,252,531	122,798
	Total Administrative Support Services	<u>3,034,186</u>	<u>3,375,329</u>	<u>3,252,531</u>	<u>122,798</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	8,668,417	8,895,850	8,615,234	280,616
0052	Security and Monitoring Services	930,170	966,731	843,188	123,543
0053	Data Processing Services	2,126,500	3,946,613	2,295,404	1,651,209
	Total Support Services - Nonstudent Based	<u>11,725,087</u>	<u>13,809,194</u>	<u>11,753,826</u>	<u>2,055,368</u>
Ancillary Services:					
0061	Community Services	17,419	38,299	38,271	28
	Total Ancillary Services	<u>17,419</u>	<u>38,299</u>	<u>38,271</u>	<u>28</u>
Debt Service:					
0071	Principal on Long-Term Debt	149,650	150,650	150,000	650
0072	Interest on Long-Term Debt	17,105	17,105	17,105	--
0073	Bond Issuance Costs and Fees	350	350	350	--
	Total Debt Service	<u>167,105</u>	<u>168,105</u>	<u>167,455</u>	<u>650</u>
Capital Outlay:					
0081	Capital Outlay	--	8,605	2,608	5,997
	Total Capital Outlay	<u>--</u>	<u>8,605</u>	<u>2,608</u>	<u>5,997</u>



**BOERNE INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2020

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
0099	<i>Other Intergovernmental Charges</i>	\$ 950,476	\$ 939,661	\$ 873,655	\$ 66,006
	Total Intergovernmental Charges	<u>950,476</u>	<u>939,661</u>	<u>873,655</u>	<u>66,006</u>
6030	Total Expenditures	<u>80,722,496</u>	<u>86,012,701</u>	<u>81,502,278</u>	<u>4,510,423</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>(2,048,948)</u>	<u>(868,409)</u>	<u>1,180,539</u>
	Other Financing Sources (Uses):				
7912	<i>Sale of Real or Personal Property</i>	--	--	3,346	3,346
7915	<i>Transfers In</i>	--	1,258,764	1,258,764	--
8911	<i>Transfers Out</i>	--	(16,000)	(7,825)	8,175
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>1,242,764</u>	<u>1,254,285</u>	<u>11,521</u>
1200	Net Change in Fund Balance	<u>--</u>	<u>(806,184)</u>	<u>385,876</u>	<u>1,192,060</u>
0100	Fund Balance - Beginning	19,360,756	19,360,756	19,360,756	--
3000	Fund Balance - Ending	<u>\$ 19,360,756</u>	<u>\$ 18,554,572</u>	<u>\$ 19,746,632</u>	<u>\$ 1,192,060</u>

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**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, 2020**

	Measurement Year*			
	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0413868%	0.0399888%	0.0394284%	0.0383046%
District's proportionate share of the net pension liability (asset)	\$ 21,514,139	\$ 22,010,814	\$ 12,607,080	\$ 14,474,737
State's proportionate share of the net pension liability (asset) associated with the District	41,785,626	42,175,066	24,437,063	28,970,238
Total	\$ <u>63,299,765</u>	\$ <u>64,185,880</u>	\$ <u>37,044,143</u>	\$ <u>43,444,975</u>
District's covered payroll**	\$ 53,179,855	\$ 48,863,880	\$ 46,966,848	\$ 44,011,175
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.46%	45.05%	26.84%	32.89%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%

\* Only six 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, 2019, was developed using roll-forward method from the August 31, 2018 valuation.

With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

The discount rate changed from 6.97% as of August 31, 2018 to 7.25% as of August 31, 2019.

*Changes in Benefits*

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

**EXHIBIT G-2**

Measurement Year*	
<u>2015</u>	<u>2014</u>
0.0395622%	0.0243006%
\$ 13,984,711	\$ 6,491,027
26,992,031	22,919,079
<u>\$ 40,976,742</u>	<u>\$ 29,410,106</u>
\$ 41,898,919	\$ 40,418,780
33.38%	16.06%
78.43%	83.25%

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF DISTRICT CONTRIBUTIONS*  
*TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)*  
*FOR THE YEAR ENDED JUNE 30, 2020*

	Fiscal Year*			
	2020	2019	2018	2017
Contractually required contribution	\$ 1,599,407	\$ 1,208,597	\$ 1,340,091	\$ 1,282,679
Contributions in relation to the contractually required contribution	1,599,407	1,208,597	1,340,091	1,282,679
Contribution deficiency (excess)	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>
District's covered payroll	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880	\$ 46,596,786
Contributions as a percentage of covered payroll	2.69%	2.27%	2.74%	2.75%

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

**EXHIBIT G-3**

Fiscal Year*	
2016	2015
\$ 1,207,743	\$ 1,079,313
1,207,743	1,079,313
\$ --	\$ --
\$ 44,011,175	\$ 42,065,117
2.74%	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, 2020*

	Measurement Year*		
	2019	2018	2017
District's proportion of the collective net OPEB liability (asset)	0.0599127%	0.0571479%	0.0539478%
District's proportionate share of the collective net OPEB liability (asset)	\$ 28,333,429	\$ 28,534,482	\$ 23,459,856
State proportionate share of the collective net OPEB liability associated with the District	37,648,788	43,232,210	37,806,439
Total	<u>\$ 65,982,217</u>	<u>\$ 71,766,692</u>	<u>\$ 61,266,295</u>
District's covered payroll**	\$ 53,956,622	\$ 48,863,880	\$ 46,966,848
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	52.51%	58.40%	49.95%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

• Only three 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 since the prior measurement period.

The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.

The trend rates were reset to better reflect TRS's anticipated experience. This change increased the total OPEB liability.

The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.

*Changes in Benefits*

There were no changes of benefit terms since the prior measurement period.

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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, 2020*

	Fiscal Year*		
	2020	2019	2018
Statutorily or contractually required District contribution	\$ 466,914	\$ 420,542	\$ 374,736
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	466,914	420,542	374,736
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll**	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880
Contributions as a percentage of covered payroll	0.79%	0.79%	0.77%

\* Only three 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, 2020

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	\$ 532,049	\$ --	\$ 532,049
1120	Current Investments	2,290,658	--	2,290,658
1240	Due from Other Governments	287,884	--	287,884
1260	Due from Other Funds	1,574,263	161,883	1,736,146
1290	Other Receivables	128,613	--	128,613
1300	Inventories	43,411	--	43,411
1000	Total Assets	<u>\$ 4,856,878</u>	<u>\$ 161,883</u>	<u>\$ 5,018,761</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 467,001	\$ --	\$ 467,001
2160	Accrued Wages Payable	403,873	1,313	405,186
2170	Due to Other Funds	1,795,447	51,756	1,847,203
2300	Unearned Revenue	209,808	--	209,808
2000	Total Liabilities	<u>2,876,129</u>	<u>53,069</u>	<u>2,929,198</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410	Inventories	43,411	--	43,411
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	254,174	--	254,174
3490	Other Restrictions of Fund Balance	1,683,164	108,814	1,791,978
3000	Total Fund Balances	<u>1,980,749</u>	<u>108,814</u>	<u>2,089,563</u>
4000	Total Liabilities and Fund Balances	<u>\$ 4,856,878</u>	<u>\$ 161,883</u>	<u>\$ 5,018,761</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, 2020**

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>	\$ 3,144,502	\$ 93,821	\$ 3,238,323
5800 <i>State Program Revenues</i>	1,434,867	--	1,434,867
5900 <i>Federal Program Revenues</i>	2,977,930	--	2,977,930
5020 <b>Total Revenues</b>	<u>7,557,299</u>	<u>93,821</u>	<u>7,651,120</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	3,924,199	55,045	3,979,244
0012 <i>Instructional Resources and Media Services</i>	62,608	--	62,608
0013 <i>Curriculum and Staff Development</i>	251,000	--	251,000
0021 <i>Instructional Leadership</i>	2,000	--	2,000
0023 <i>School Leadership</i>	69,104	--	69,104
0031 <i>Guidance, Counseling, and Evaluation Services</i>	190,042	--	190,042
0033 <i>Health Services</i>	--	299	299
0035 <i>Food Service</i>	2,525,967	23,306	2,549,273
0036 <i>Cocurricular/Extracurricular Activities</i>	738,368	--	738,368
0041 <i>General Administration</i>	4,199	--	4,199
0051 <i>Facilities Maintenance and Operations</i>	7,191	--	7,191
0052 <i>Security and Monitoring Services</i>	37,750	--	37,750
0061 <i>Community Services</i>	2,455	--	2,455
0081 <i>Capital Outlay</i>	67,141	--	67,141
0093 <i>Payments to Shared Service Arrangements</i>	18,500	--	18,500
6030 <b>Total Expenditures</b>	<u>7,900,524</u>	<u>78,650</u>	<u>7,979,174</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(343,225)</u>	<u>15,171</u>	<u>(328,054)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	7,246	--	7,246
8911 <i>Transfers Out</i>	<u>(7,246)</u>	--	<u>(7,246)</u>
7080 Total Other Financing Sources and (Uses)	--	--	--
1200 Net Change in Fund Balances	<u>(343,225)</u>	<u>15,171</u>	<u>(328,054)</u>
0100 Fund Balances - Beginning	2,323,974	93,643	2,417,617
3000 Fund Balances - Ending	<u>\$ 1,980,749</u>	<u>\$ 108,814</u>	<u>\$ 2,089,563</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

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	\$ --	\$ --	\$ 5,018	\$ --
1120	Current Investments	68,268	423,955	1,995	--
1240	Due from Other Governments	72,582	122,020	1,207	72,961
1260	Due from Other Funds	2,075	95,925	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 142,925</u>	<u>\$ 641,900</u>	<u>\$ 8,220</u>	<u>\$ 72,961</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 15,249	\$ --	\$ --
2160	Accrued Wages Payable	66,413	155,423	1,146	--
2170	Due to Other Funds	76,512	471,228	7,074	72,961
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>142,925</u>	<u>641,900</u>	<u>8,220</u>	<u>72,961</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
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>\$ 142,925</u>	<u>\$ 641,900</u>	<u>\$ 8,220</u>	<u>\$ 72,961</u>



240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant	255 Title II Part A Supporting Effective Instruction	263 English Language Acquisition and Enhancement
\$ 46,296	\$ --	\$ --	\$ --	\$ --
562,777	--	23,414	68,728	14,191
5,023	--	2,930	822	175
17,888	--	1,274	24	28
7,221	--	--	--	--
43,411	--	--	--	--
<u>\$ 682,616</u>	<u>\$ --</u>	<u>\$ 27,618</u>	<u>\$ 69,574</u>	<u>\$ 14,394</u>
\$ 2,359	\$ --	\$ 350	\$ 160	\$ --
178,567	--	--	--	--
164	--	27,268	69,414	14,394
209,808	--	--	--	--
<u>390,898</u>	<u>--</u>	<u>27,618</u>	<u>69,574</u>	<u>14,394</u>
43,411	--	--	--	--
248,307	--	--	--	--
--	--	--	--	--
<u>291,718</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 682,616</u>	<u>\$ --</u>	<u>\$ 27,618</u>	<u>\$ 69,574</u>	<u>\$ 14,394</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**

*COMBINING BALANCE SHEET*

*NONMAJOR SPECIAL REVENUE FUNDS*

*JUNE 30, 2020*

Data Control Codes	288 USDD ROTC	289 Title IV Part A Subpart 1	385 Supplemental Visually Impaired	392 Non-Educational Community-Based Support
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 3,395	\$ --	\$ --
1120 <i>Current Investments</i>	--	669	--	--
1240 <i>Due from Other Governments</i>	--	346	297	2,779
1260 <i>Due from Other Funds</i>	25,074	51	570	9,455
1290 <i>Other Receivables</i>	--	--	--	--
1300 <i>Inventories</i>	--	--	--	--
1000 <b>Total Assets</b>	<u>\$ 25,074</u>	<u>\$ 4,461</u>	<u>\$ 867</u>	<u>\$ 12,234</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ 300
2160 <i>Accrued Wages Payable</i>	2,324	--	--	--
2170 <i>Due to Other Funds</i>	16,902	4,461	867	11,934
2300 <i>Unearned Revenue</i>	--	--	--	--
2000 <b>Total Liabilities</b>	<u>19,226</u>	<u>4,461</u>	<u>867</u>	<u>12,234</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 <i>Inventories</i>	--	--	--	--
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	5,848	--	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--	--
3000 <b>Total Fund Balances</b>	<u>5,848</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 25,074</u>	<u>\$ 4,461</u>	<u>\$ 867</u>	<u>\$ 12,234</u>

397 Advanced Placement Incentives	410 State Textbook	428 SPED Fiscal Support	429 School Safety and Security Grant	461 Campus Activity
\$ 1,619	\$ --	\$ --	\$ 19	\$ 470,226
16,533	297,188	--	--	812,940
--	6,742	--	--	--
--	188,733	20,000	--	908,057
--	--	--	--	121,392
--	--	--	--	--
<u>\$ 18,152</u>	<u>\$ 492,663</u>	<u>\$ 20,000</u>	<u>\$ 19</u>	<u>\$ 2,312,615</u>
\$ --	\$ 448,368	\$ --	\$ --	\$ 215
--	--	--	--	--
--	17,522	--	--	811,047
--	--	--	--	--
<u>--</u>	<u>465,890</u>	<u>--</u>	<u>--</u>	<u>811,262</u>
--	--	--	--	--
--	--	--	19	--
18,152	26,773	20,000	--	1,501,353
<u>18,152</u>	<u>26,773</u>	<u>20,000</u>	<u>19</u>	<u>1,501,353</u>
<u>\$ 18,152</u>	<u>\$ 492,663</u>	<u>\$ 20,000</u>	<u>\$ 19</u>	<u>\$ 2,312,615</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020

**EXHIBIT H-3**

Page 3 of 3

Data Control Codes	481 SAMS Kids	499 Other Non-State and Federal	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ --	\$ 5,476	\$ 532,049
1120 Current Investments	--	--	2,290,658
1240 Due from Other Governments	--	--	287,884
1260 Due from Other Funds	15,471	289,638	1,574,263
1290 Other Receivables	--	--	128,613
1300 Inventories	--	--	43,411
1000 Total Assets	<u>\$ 15,471</u>	<u>\$ 295,114</u>	<u>\$ 4,856,878</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ --	\$ --	\$ 467,001
2160 Accrued Wages Payable	--	--	403,873
2170 Due to Other Funds	4	193,695	1,795,447
2300 Unearned Revenue	--	--	209,808
2000 Total Liabilities	<u>4</u>	<u>193,695</u>	<u>2,876,129</u>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410 Inventories	--	--	43,411
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	--	--	254,174
3490 Other Restrictions of Fund Balance	15,467	101,419	1,683,164
3000 Total Fund Balances	<u>15,467</u>	<u>101,419</u>	<u>1,980,749</u>
4000 Total Liabilities and Fund Balances	<u>\$ 15,471</u>	<u>\$ 295,114</u>	<u>\$ 4,856,878</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, 2020**

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>	--	--	--	--
5900 <i>Federal Program Revenues</i>	518,974	1,330,457	7,537	72,961
5020 <b>Total Revenues</b>	<u>518,974</u>	<u>1,330,457</u>	<u>7,537</u>	<u>72,961</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	503,942	1,270,854	7,537	72,961
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	11,178	2,200	--	--
0021 <i>Instructional Leadership</i>	2,000	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	38,903	--	--
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>	1,854	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	18,500	--	--
6030 <b>Total Expenditures</b>	<u>518,974</u>	<u>1,330,457</u>	<u>7,537</u>	<u>72,961</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>--</u>	<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>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant	255 Title II Part A Supporting Effective Instruction	263 English Language Acquisition and Enhancement
\$ 1,277,190	\$ --	\$ --	\$ --	\$ --
11,396	--	--	--	--
744,810	13,423	57,784	98,987	36,765
<u>2,033,396</u>	<u>13,423</u>	<u>57,784</u>	<u>98,987</u>	<u>36,765</u>
--	--	51,007	--	5,273
--	--	6,777	98,987	30,891
--	--	--	--	--
--	--	--	--	--
2,512,544	13,423	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	601
--	--	--	--	--
<u>2,512,544</u>	<u>13,423</u>	<u>57,784</u>	<u>98,987</u>	<u>36,765</u>
<u>(479,148)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>(479,148)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
770,866	--	--	--	--
<u>\$ 291,718</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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, 2020**

Data Control Codes	288 USDD ROTC	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>	--	--	2,152	15,068
5900 <i>Federal Program Revenues</i>	58,444	37,788	--	--
5020 <b>Total Revenues</b>	<u>58,444</u>	<u>37,788</u>	<u>2,152</u>	<u>15,068</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	58,444	12,736	1,592	15,068
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	13,992	560	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</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>	--	11,060	--	--
0061 <i>Community Services</i>	--	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 <b>Total Expenditures</b>	<u>58,444</u>	<u>37,788</u>	<u>2,152</u>	<u>15,068</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>--</u>	<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>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	<u>5,848</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 5,848</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



397 Advanced Placement Incentives	410 State Textbook	428 SPED Fiscal Support	429 School Safety and Security Grant	461 Campus Activity
\$ --	\$ --	\$ --	\$ --	\$ 1,689,955
12,533	1,353,718	40,000	--	--
--	--	--	--	--
<u>12,533</u>	<u>1,353,718</u>	<u>40,000</u>	<u>--</u>	<u>1,689,955</u>
--	1,353,718	--	--	393,097
--	--	--	--	62,608
2,945	--	--	--	83,470
--	--	--	--	--
--	--	--	--	69,104
--	--	20,000	--	131,139
--	--	--	--	--
--	--	--	--	738,368
--	--	--	--	4,199
--	--	--	--	7,191
--	--	--	--	26,690
--	--	--	--	--
--	--	--	--	60,111
--	--	--	--	--
<u>2,945</u>	<u>1,353,718</u>	<u>20,000</u>	<u>--</u>	<u>1,575,977</u>
<u>9,588</u>	<u>--</u>	<u>20,000</u>	<u>--</u>	<u>113,978</u>
--	--	--	--	7,246
--	--	--	--	(5,246)
--	--	--	--	2,000
<u>9,588</u>	<u>--</u>	<u>20,000</u>	<u>--</u>	<u>115,978</u>
8,564	26,773	--	19	1,385,375
<u>\$ 18,152</u>	<u>\$ 26,773</u>	<u>\$ 20,000</u>	<u>\$ 19</u>	<u>\$ 1,501,353</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, 2020**

Data Control Codes	481 SAMs Kids	499 Other Non-State and Federal	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 10,756	\$ 166,601	\$ 3,144,502
5800 <i>State Program Revenues</i>	--	--	1,434,867
5900 <i>Federal Program Revenues</i>	--	--	2,977,930
5020 <b>Total Revenues</b>	<u>10,756</u>	<u>166,601</u>	<u>7,557,299</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	2,539	175,431	3,924,199
0012 <i>Instructional Resources and Media Services</i>	--	--	62,608
0013 <i>Curriculum and Staff Development</i>	--	--	251,000
0021 <i>Instructional Leadership</i>	--	--	2,000
0023 <i>School Leadership</i>	--	--	69,104
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	190,042
0035 <i>Food Service</i>	--	--	2,525,967
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	738,368
0041 <i>General Administration</i>	--	--	4,199
0051 <i>Facilities Maintenance and Operations</i>	--	--	7,191
0052 <i>Security and Monitoring Services</i>	--	--	37,750
0061 <i>Community Services</i>	--	--	2,455
0081 <i>Capital Outlay</i>	--	7,030	67,141
0093 <i>Payments to Shared Service Arrangements</i>	--	--	18,500
6030 <b>Total Expenditures</b>	<u>2,539</u>	<u>182,461</u>	<u>7,900,524</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>8,217</u>	<u>(15,860)</u>	<u>(343,225)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	7,246
8911 <i>Transfers Out</i>	--	(2,000)	(7,246)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>(2,000)</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>8,217</u>	<u>(17,860)</u>	<u>(343,225)</u>
0100 <b>Fund Balances - Beginning</b>	<u>7,250</u>	<u>119,279</u>	<u>2,323,974</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 15,467</u>	<u>\$ 101,419</u>	<u>\$ 1,980,749</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

JUNE 30, 2020

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>	\$ 95,533	\$ 1,764	\$ --	\$ 97,297
1260 <i>Due from Other Funds</i>	738	--	38,919	39,657
1000 Total Assets	<u>96,271</u>	<u>1,764</u>	<u>38,919</u>	<u>136,954</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 <i>Accounts Payable</i>	989	--	--	989
2170 <i>Due to Other Funds</i>	1,222	61	--	1,283
2180 <i>Due to Other Governments</i>	--	1,703	38,919	40,622
2190 <i>Due to Student Groups</i>	94,060	--	--	94,060
2000 Total Liabilities	<u>96,271</u>	<u>1,764</u>	<u>38,919</u>	<u>136,954</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, 2020*

Year Ended June 30	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1	2	
	Maintenance	Debt Service	
2011 and Prior Years	\$ Various	\$ Various	\$ Various
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	\$ 1.04	\$ .314	\$ 6,688,345,157
2020 (School Year Under Audit)	\$ .97	\$ .314	\$ 7,450,239,262

1000 Totals

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



10 Beginning Balance 7/1/19	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/20
\$ 130,422	\$ --	\$ 22,730	\$ 5,865	\$ (11,976)	\$ 89,851
52,932	--	9,302	2,451	(47)	41,132
78,438	--	10,170	2,484	(46)	65,738
98,407	--	13,554	3,310	(5)	81,537
127,254	--	36,125	8,823	11,228	93,534
141,659	--	40,865	9,980	17,420	108,234
198,887	--	67,543	17,925	20,432	133,851
272,559	--	91,963	27,766	24,321	177,151
1,248,114	--	615,475	185,826	(123,455)	323,358
--	95,661,072	69,396,391	22,464,399	(2,355,254)	1,445,029
<u>\$ 2,348,672</u>	<u>\$ 95,661,072</u>	<u>\$ 70,304,118</u>	<u>\$ 22,728,829</u>	<u>\$ (2,417,382)</u>	<u>\$ 2,559,415</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

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**BOERNE INDEPENDENT SCHOOL DISTRICT**  
*NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED JUNE 30, 2020*

**EXHIBIT J-2**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	<i>Local and Intermediate Sources</i>	\$ 2,281,718	\$ 2,281,718	\$ 1,277,190	\$ (1,004,528)
5800	<i>State Program Revenues</i>	8,000	8,000	11,396	3,396
5900	<i>Federal Program Revenues</i>	876,323	876,323	743,653	(132,670)
5020	Total Revenues	<u>3,166,041</u>	<u>3,166,041</u>	<u>2,032,239</u>	<u>(1,133,802)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	<i>Food Services</i>	3,166,041	3,205,126	2,525,967	679,159
	Total Support Services - Student (Pupil)	<u>3,166,041</u>	<u>3,205,126</u>	<u>2,525,967</u>	<u>679,159</u>
6030	Total Expenditures	<u>3,166,041</u>	<u>3,205,126</u>	<u>2,525,967</u>	<u>679,159</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(39,085)	(493,728)	(454,643)
1200	Net Change in Fund Balance	--	(39,085)	(493,728)	(454,643)
0100	Fund Balance - Beginning	770,866	770,866	770,866	--
3000	Fund Balance - Ending	<u>\$ 770,866</u>	<u>\$ 731,781</u>	<u>\$ 277,138</u>	<u>\$ (454,643)</u>

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**BOERNE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 21,606,692	\$ 21,606,692	\$ 23,000,598	\$ 1,393,906
5800	State Program Revenues	250,000	250,000	256,860	6,860
5020	Total Revenues	<u>21,856,692</u>	<u>21,856,692</u>	<u>23,257,458</u>	<u>1,400,766</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	21,856,692	53,262,274	52,552,758	709,516
0072	Interest on Long-Term Debt	--	15,382,626	15,382,626	--
0073	Bond Issuance Costs and Fees	--	2,697,052	2,697,052	--
	Total Debt Service	<u>21,856,692</u>	<u>71,341,952</u>	<u>70,632,436</u>	<u>709,516</u>
6030	Total Expenditures	<u>21,856,692</u>	<u>71,341,952</u>	<u>70,632,436</u>	<u>709,516</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(49,485,260)	(47,374,978)	691,250
Other Financing Sources (Uses):					
7911	Capital-Related Debt Issued (Regular Bonds)	--	513,973	40,980,000	40,466,027
7916	Premium or Discount on Issuance of Bonds	--	--	7,736,082	7,736,082
7917	Prepaid Interest	--	--	168,378	168,378
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>513,973</u>	<u>48,884,460</u>	<u>48,370,487</u>
1200	Net Change in Fund Balance	--	(48,971,287)	1,509,482	49,061,737
0100	Fund Balance - Beginning	6,035,641	6,035,641	6,035,641	--
3000	Fund Balance - Ending	<u>\$ 6,035,641</u>	<u>\$ (42,935,646)</u>	<u>\$ 7,545,123</u>	<u>\$ 49,061,737</u>

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

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**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**

October 28, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 28, 2020.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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**

October 28, 2020

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, 2020. 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, 2020.

### **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, 2020*

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 2020

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>
10.553 and 10.555	Child Nutrition Cluster
10.565	Commodities

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, 2020*

<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, 2020**

**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	074600578	\$ 85,548
National School Lunch Program	10.555	074600578	559,914
Summer Food Service Program for Children	10.559	074600578	13,423
Total Passed Through State Department of Education			<u>658,885</u>
Total U. S. Department of Agriculture			<u>658,885</u>
Total Child Nutrition Cluster			<u>658,885</u>
<b>FOOD DISTRIBUTION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Commodity Supplemental Food Program (Non-cash)	10.565	074600578	99,348
Total U. S. Department of Agriculture			<u>99,348</u>
Total Food Distribution Cluster			<u>99,348</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	13,953
Total U. S. Department of Health and Human Services			<u>13,953</u>
Total Medicaid Cluster			<u>13,953</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	41,968
IDEA-B Formula	84.027	196600011309016600	3,968
IDEA-B Formula	84.027	206600011309016600	1,331,978
IDEA-B Discretionary	84.027	66001906	72,961
Total CFDA Number 84.027			<u>1,450,875</u>
IDEA-B Preschool	84.173	206610011309016610	7,796
Total Passed Through State Department of Education			<u>1,458,671</u>
Total U. S. Department of Education			<u>1,458,671</u>
Total Special Education (IDEA) Cluster			<u>1,458,671</u>
<b>OTHER PROGRAMS:</b>			
<u>U. S. Department of Defense</u>			
Passed Through State Department of Education:			
Junior Reserve Office Training Corp.	12.000	130-901	58,444
Total Passed Through State Department of Education			<u>58,444</u>
Total U. S. Department of Defense			<u>58,444</u>

**BOERNE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**EXHIBIT K-1**

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal CFDA Number	(2A) Pass- Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Justice</b>			
Passed Through State Department of Education:			
<i>Justice Assistance Grant Program</i>	16.738	2017-DJ-BX-0053	\$ 11,060
Total Passed Through State Department of Education			<u>11,060</u>
Total U. S. Department of Justice			<u>11,060</u>
<b>U. S. Department of Education</b>			
Passed Through State Department of Education:			
<i>Title I Part A - Improving Basic Programs</i>	84.010	19610101130901	206
<i>Title I Part A - Improving Basic Programs</i>	84.010	20610101130901	537,145
Total CFDA Number 84.010			<u>537,351</u>
<i>Career and Technical - Basic Grant</i>	84.048	19420006130901	1,505
<i>Career and Technical - Basic Grant</i>	84.048	20420006130901	58,708
Total CFDA Number 84.048			<u>60,213</u>
<i>Title III Part A - English Language Acquisition</i>	84.365	19671001130901	343
<i>Title III Part A - English Language Acquisition</i>	84.365	20671001130901	37,162
Total CFDA Number 84.365			<u>37,505</u>
<i>Title II Part A - Supporting Effective Instruction</i>	84.367	20694501130901	103,007
<i>LEP Summer School</i>	84.369	69551902	4,007
<i>Title IV Part A Subpart 1</i>	84.424	19680101130901	8,391
<i>Title IV Part A Subpart 1</i>	84.424	20680101130901	14,785
Total CFDA Number 84.424			<u>23,176</u>
Total Passed Through State Department of Education			<u>765,259</u>
Total U. S. Department of Education			<u>765,259</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,065,620</u>
Reconciliation of Federal Revenue:			
			Federal Revenue per SEFA \$ 3,065,620
			SHARs Reimbursement -
			General Fund 442,351
Total Federal Revenue per Exhibit C-2			<u>\$ 3,507,971</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, 2020*

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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 Schedule 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 Schedule, 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, 2020*

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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
SF3	Did the District make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the District was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the District is considered <b>to not have made</b> timely payments.)  Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the District issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the District is considered to have been issued a warrant hold.	No
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 post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end	\$ 11,486,164

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