



2023

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**BOERNE INDEPENDENT SCHOOL DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Prepared by:
BISD Office of Business
& Finance

BOERNE INDEPENDENT SCHOOL DISTRICT

Boerne, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023

BOARD OF SCHOOL TRUSTEES

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Garrett Wilson	Vice-President
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Jessica Davila	Trustee
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Prepared by the Office of
Business & Finance

Wesley Scott
Chief Financial Officer

Boerne Independent School District
Boerne, Texas
Annual Comprehensive Financial Report
June 30, 2023

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Boerne ISD Administration Center



Introductory Section



November 13, 2023

Carlin Friar, President
Members of the Board of School Trustees
Boerne Independent School District
Boerne, Texas

Dear President Friar and Board Members:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency (“TEA”) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Boerne Independent School District (“District”, “Boerne”, or “BISD”) for the year ended June 30, 2023.

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

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, has audited the District’s financial statements. The goal of the independent audit was to provide reasonable assurance that the District’s financial statements for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors’ report is presented as the first component of the financial section of this report.

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

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the Independent Auditor’s Report.

PROFILE OF THE DISTRICT

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

Boerne enrollment is 10,786 students for 2022-23. Student demographics for 2022-23 are: 33.10% Hispanic, 60.09% White, 1.20% African American, 2.50% Asian/Pacific Islander, 0.25% Native American, and 2.86% of two or more races. Just under 20 percent of students are considered economically disadvantaged.

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

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

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

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

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

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

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

District Accomplishments

- Boerne students consistently score above the state average on the State's standardized tests in English Language Arts, Mathematics, Science and Social Studies. In the Spring of 2012, the Texas Assessment of Knowledge and Skills was replaced by the State of Texas Assessments of Academic Readiness (STAAR). In addition, beginning in 2018-2019, schools in Texas were rated under the new A-F accountability system. In 2022, Boerne ISD earned their third consecutive 'A' rating with an overall score of 94. In addition, a total of 21 Distinction Designations in the areas of English Language Arts, Mathematics, Science, Social Studies, Academic Growth, Closing the Gaps, and Post-Secondary Readiness were awarded to multiple campuses.
- Over 800 students received diplomas in 2 commencement ceremonies held during the 2022-2023 school year. A total of 200 students in the Class of 2022 earned college credit for at least 3 hours in ELA or Mathematics or 9 hours in any subject. A total of 312 students scored a 3 or higher on an AP exam earning them college credit. Eighty-six percent (86%) of the class of 2022 graduated with at least one measure to indicate College, Career, and Military Readiness. For the Class of 2022, the most recent data available, the graduation rate was 99.3 percent.
- Boerne ISD was named a 2022 Innovative District (1 of 8 across the nation) from the International Center for Leadership in Education for their systemwide focus on instruction and organization structures to increase student growth. Innovative districts are selected annually based on rigorous criteria, Innovative Districts have evidence of growth year over year; aligned vision and structures; and are intentional about instructional decisions.
- Boerne ISD has won numerous statewide awards, including the 2020 Best Small School District in Texas by the H-E-B Excellence in Education Awards, as well as a 2020 Top Workplace by the San Antonio Express-News, among other honors.
- In addition, The Boerne ISD Board of Trustees was named the 2019 Texas Education Service Center Region 20 School Board of the Year, and Superintendent Dr. Thomas Price received the 2020 Texas Education Service Center Region 20 Superintendent of the Year.
- Boerne ISD schools are consistently rated as some of the best in the state, as eight schools were ranked in the 2022 Top 25 Schools Rankings by Niche, while 10 campuses were ranked in 2023. Fair Oaks Ranch, Herff, and Curington Elementary Schools were named Capturing Kids Hearts National Showcase Schools.

Innovative Initiatives

- Advancement Via Individual Determination (AVID) - College Preparatory strategies embedded into Middle School curriculum
- Project Lead the Way (PLTW) curriculum and teacher training for the development of the Engineering Planning & Development CTE pathway and in Elementary Technology Applications classes
- Implementation of Pathways to Technology Early College HS (P-TECH) in Cybersecurity opened in the Fall of 2022.
- Implementation of Pathways to Technology Early College HS (P-TECH) in Health Science to open the fall of 2024

Community Support

- Since 2004, voters have approved almost \$462 million in bonds to build new schools and make improvements to existing schools. In May 2022, Boerne voters approved a \$165 million bond election.
- The Boerne Education Foundation (Foundation) was created in 1997. The mission of the Foundation is to foster community involvement in innovative educational programs by generating and disbursing funds and other resources to provide enrichment for students of the Boerne Independent School District. The Foundation has distributed over \$3 million to Boerne ISD schools.

Financial Stewardship

- The District has one of the lowest interest and sinking (dedicated to bond debt) tax rates among similar fast growth ISDs in Texas. Under House Bill 3, which passed in the 2019 legislative session, the M&O rate for the District has decreased over thirty five cents through the 2023-24 fiscal year.

OUR MISSION AND VISION

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

OUR BELIEFS

- All students have talents and gifts and deserve the highest quality education
- All students should have opportunities to achieve high levels of success
- Children matter to the community and should experience a sense of belonging
- Children grow best with family and community nurturing
- All students must be post-high school ready to enter the workforce and/or higher education
- In educating the whole child by addressing not only academics but social/emotional needs
- Education is a partnership involving students, families, community, and the district
- In fostering an atmosphere of open communication
- In a culture of collaboration and respect of all stakeholders
- In the importance of community partnerships
- Our staff is student-centered and dedicated to excellence
- Continuous development of staff is essential to student success
- In attracting and retaining the highest quality staff

FACTORS AFFECTING FINANCIAL CONDITION

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

Introduction

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

Population

There are an estimated 55,353 (as of 2023) people residing in the District and almost 20,000 households. Enrollment in the District has been steadily growing over the past 15 years with a 4-6% increase each year and recent trends show a stable enrollment around 10,910.

Local Economy

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

Access

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

THE REPORTING ENTITY

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

Internal and Budgetary Controls

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

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

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

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

General Educational Functions

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

Cash Management

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

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

Risk Management

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

The objectives of risk management are to:

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

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

Worker's Compensation Program

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

Property and Casualty Coverage

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

Safety Program

The District provides regular training to various campus personnel and employee groups throughout the District. Specific or targeted training is provided on the basis of need and at periodic intervals throughout the year. In addition, the use of inspections has allowed the District to identify unsafe acts or conditions, make necessary changes and prevent loss situations from occurring to others.

Employee Benefits

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

Health Insurance Program

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

Supplemental Employee Benefits

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

Fiscal Strategic Planning

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

Awards and Acknowledgments

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

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

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

For fourteen years in a row, the District earned a "Superior Achievement" rating from the TEA. This is the highest possible rating under the Schools FIRST accountability system. Beginning in 2014-15, the TEA modified the ratings to a point system with a maximum of 100 points and a "Superior" rating for achieving a

minimum of 90 points. In the latest FIRST report presented to the public in October 2022 for 2020-21, the District earned a “Superior” rating with a score of 94 points.

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

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

Thomas Price, Ed.D.
Superintendent of Schools

Wesley Scott
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Boerne Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CERTIFICATE OF BOARD

Boerne Independent School District
Name of School District

Kendall County
County

130-901
Co.-Dist. Number

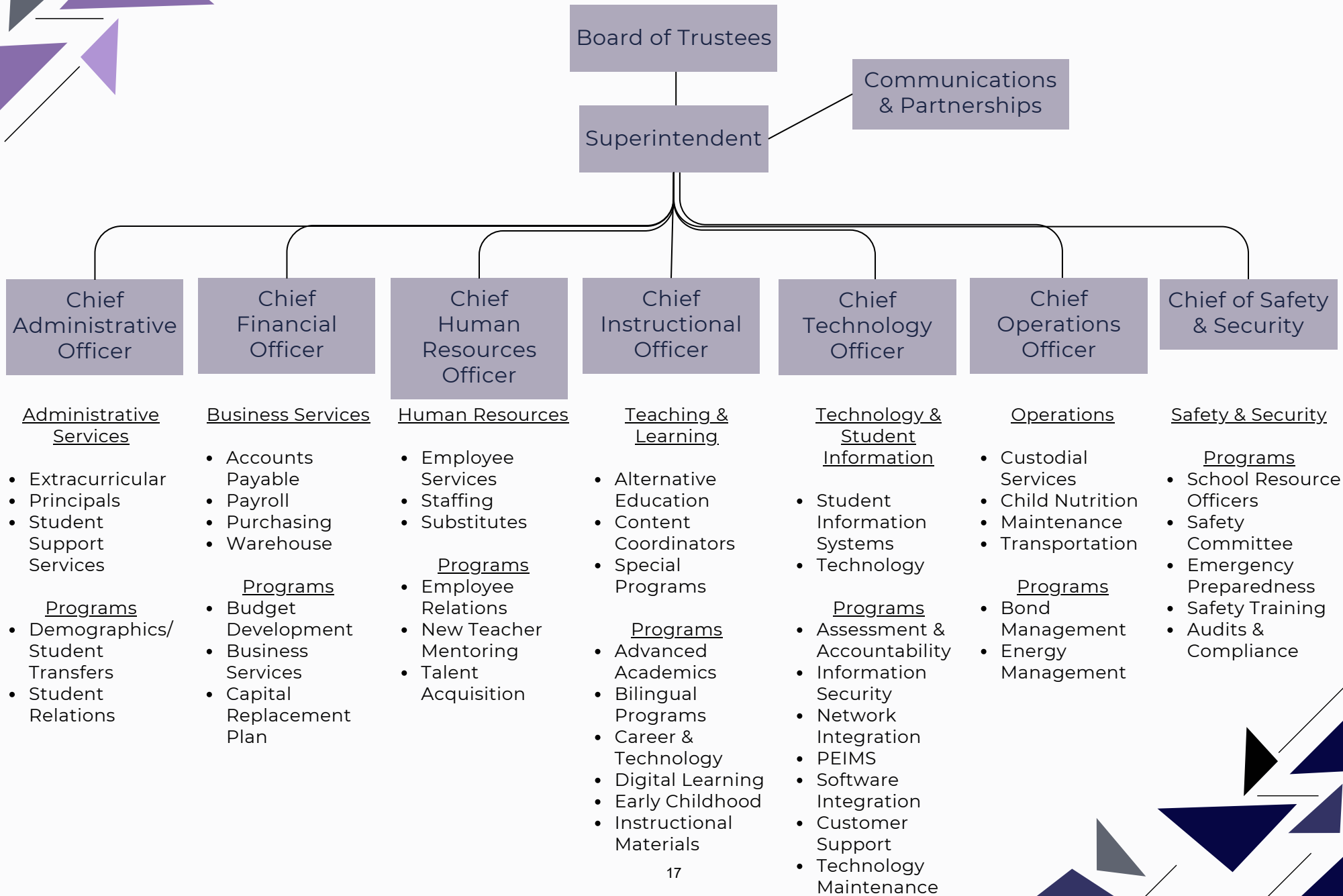
We, the undersigned, certify that the attached Annual Financial Reports of the above named school district were reviewed and { } approved { } disapproved for the year ended June 30, 2023, at a meeting of the Board of School Trustees of such school district on the 13th day of November, 2023.

Signature of Board Secretary

Signature of Board President

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

BOERNE ISD EXECUTIVE LEADERSHIP



BOERNE INDEPENDENT SCHOOL DISTRICT

Boerne, Texas

APPOINTED OFFICIALS AND ADVISORS

June 30, 2023

APPOINTED OFFICIALS

Thomas Price, Ed.D.	Superintendent
John O'Hare, Ed.D.	Chief Administrative Officer
Larissa Flores	Chief Instructional Officer
Elaine Howard, Ed.D.	Chief Human Resources Officer
Henry Acosta	Chief Operations Officer
Mark Stahl	Executive Director of Operations
Rick Goodrich	Chief of Safety & Security
Sean Babcock	Chief Technology Officer
Wesley Scott	Chief Financial Officer

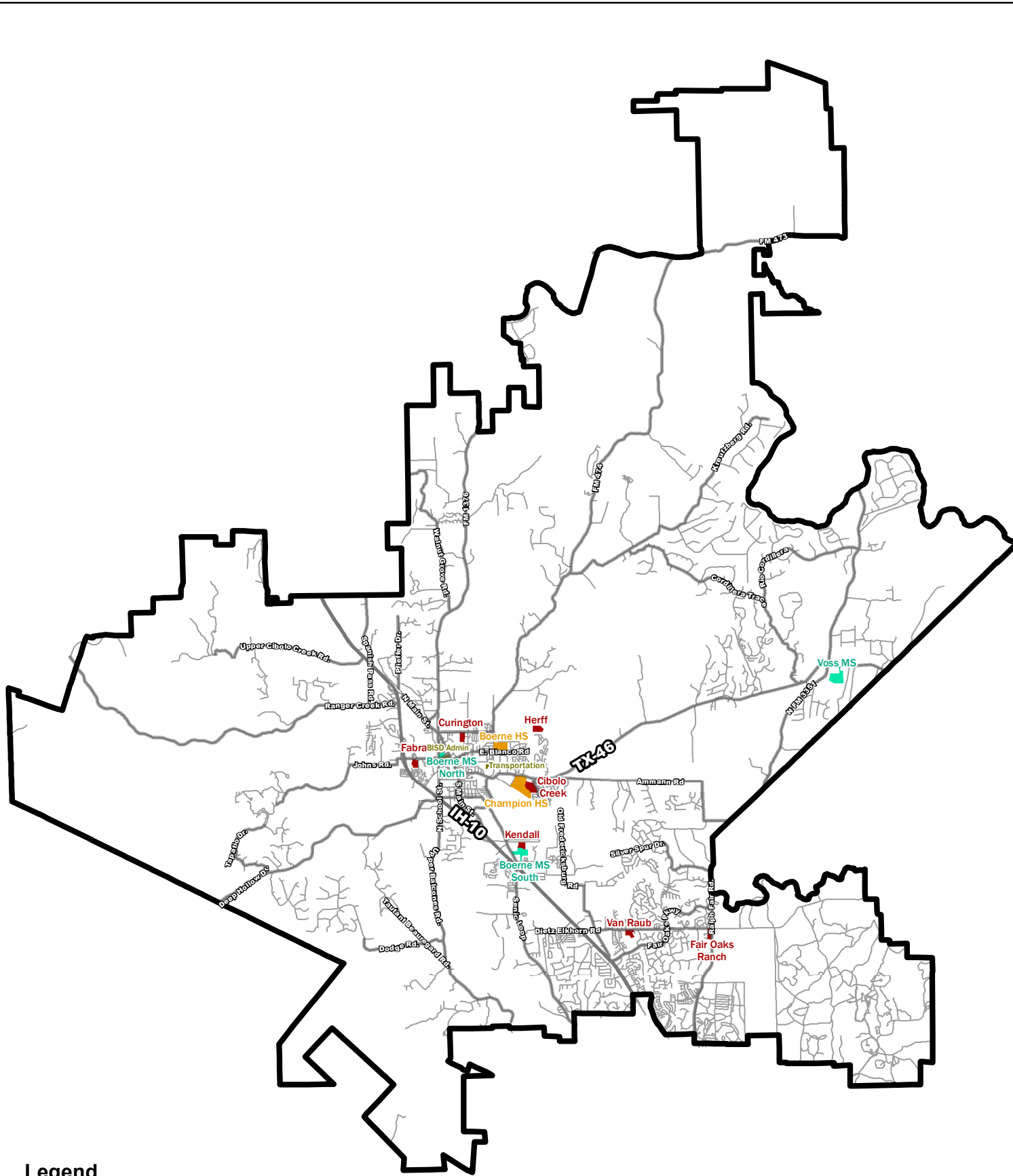
ACCOUNTANTS AND ADVISORS

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






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

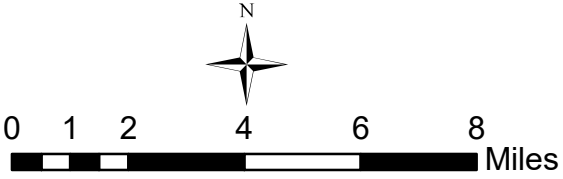
Hilltop Securities, Inc.
Financial Advisors San
Antonio, Texas

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



Legend

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



Welcome to the
ACADEMIC, FINE ARTS,
MILITARY & CAREER
Signing Day

Financial Section





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boerne Independent School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Board of Trustees of
Boerne Independent School District

Supplementary 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 supplementary information – combining statements and schedules, TEA required schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information – combining statements and schedules, TEA required schedules, and schedule of expenditures of federal awards are the responsibility of management and was derived from and relates 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 supplementary information – combining statements and schedules, TEA required schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023 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 solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 9, 2023



Management's Discussion & Analysis
(MD&A)

BOERNE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2023 was \$34,748,547.
- For the fiscal year ended June 30, 2023, the District's general fund reported a total fund balance of \$28,122,547, of which \$28,085,039 was unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all federal, state, and local grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$133,089,497.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The government-wide statements report the District's net position and how it has changed. Net position is

the difference between the District's assets and liabilities and is one way to measure the District's financial health or position.

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

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

FUND FINANCIAL STATEMENTS

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$34,748,547 at June 30, 2023. *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, 2023. Revenues for the District not restricted to specific programs increased commensurate with an increase in enrollment and attendance in accordance with State funding provision and hold harmless provisions instituted by the Texas Education Agency for the 2023 fiscal year. Property tax revenues increased due to the increase in assessed value of properties within the District. Deferred outflows of resources increased for the pension plan and for the other postemployment benefits plan (OPEB) due to changes in actuarial assumptions, changes in proportion and difference between the District's contributions, and the proportionate share of contributions. Contracted Instructional Services Between Schools increased since the District was required to pay almost \$7.5million in recapture payments. No recapture payments were owed to the State in fiscal year 2022. *Table 1* indicates the overall condition of the District remained relatively stable. The District's current assets remained relatively stable and capital assets decreased due to the regularly scheduled depreciation. The District's long-term liabilities increased due to the issuance of \$110 million in new bond debt from the \$165 million bond authorization approved by the voters in May 2022.

TABLE 1
Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and Other Assets	\$ 161,228,218	\$ 48,620,680
Capital Assets	355,023,902	343,504,986
Restricted Assets	-	1,023,752
Total Assets	516,252,120	393,149,418
Total Deferred Outflows of Resources	22,099,843	14,916,960
Liabilities		
Current and Other Liabilities	30,217,386	16,551,508
Long-term Liabilities	446,419,919	352,269,017
Total Liabilities	476,637,305	368,820,525
Total Deferred Inflows of Resources	26,966,111	28,809,602
Net Position		
Net Investment in Capital Assets	55,471,212	37,579,928
Restricted	7,359,158	8,042,280
Unrestricted	(28,081,823)	(35,185,957)
Total Net Position	\$ 34,748,547	\$ 10,436,251

TABLE 2
Change in Net Position

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
<u>Program Revenues</u>		
Charges for Services	\$ 3,543,543	\$ 1,769,004
Operating Grants and Contributions	21,639,364	25,515,403
Capital Grants and Contributions	4,325,000	-
<u>General Revenues</u>		
Property Taxes	121,300,871	103,395,430
State Aid - formula	7,135,837	6,404,667
Investment Earnings	3,307,356	142,720
Other	532,389	495,078
Total Revenues	<u>161,784,360</u>	<u>137,722,302</u>
Expenses		
Instruction	66,578,214	62,682,087
Instructional Resources & Media Services	1,272,647	1,287,564
Curriculum & Staff Development	3,397,154	3,058,357
Instructional Leadership	1,518,607	1,334,183
School Leadership	6,163,158	5,849,796
Guidance, Counseling & Evaluation Services	4,839,799	4,324,899
Health Services	1,218,911	1,162,670
Student (pupil) Transportation	3,669,719	3,484,979
Child Nutrition Services	4,660,723	5,024,345
Co-Curricular Activities	4,969,478	4,611,532
General Administration	3,978,418	3,974,448
Plant Maintenance and Operations	11,438,324	12,080,887
Security & Monitoring Services	1,680,131	1,130,245
Data Processing Services	3,805,342	3,336,667
Community Services	49,737	44,923
Debt Service	9,929,045	9,002,399
Contracted Instructional Services Between Schools	7,485,147	-
Other Governmental Charges	817,510	851,213
Total Expenses	<u>137,472,064</u>	<u>123,241,194</u>
Change in Net Position	24,312,296	14,481,108
Beginning Net Position, restated	<u>10,436,251</u>	<u>(4,044,857)</u>
Ending Net Position	<u>\$ 34,748,547</u>	<u>\$ 10,436,251</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending June 30, 2023, the District's governmental funds reported a combined fund balance of \$133,089,497. This compares to a combined fund balance of \$35,262,305 at June 30, 2022. Fund balance increased primarily as a result of the issuance of bond debt from the 2022 bond authorization approved by voters in May 2022.

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, 2023, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were material changes between the original budget and the final amended budget. The general fund's actual revenues exceeded budgeted revenues by \$2,969,923 and the budgeted expenditures exceeded actual expenditures by \$4,548,644.

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, 2023, 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, 2023, the District had a total of \$355,023,902 invested in capital assets such as land, buildings, and District equipment, net of depreciation.

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

LONG-TERM DEBT

At year end, the District had \$377,925,230 in general obligation bonds and notes outstanding versus \$288,461,463 last year. During the fiscal year, the District had two bond issues totaling \$110 million of the 2022 bond authorization. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

Total appraised market value of the District for the 2023-2024 (2023 Tax Year) is \$19.5 billion which is a nineteen percent increase from the preceding year. Total taxable property values (including "frozen" values) used for the 2023-2024 budget preparation increased nine percent from the preceding year.

The Board set the tax rate for the 2023-2024 school year at the September 2023 Board meeting. The tax rates were approved with a decrease from prior year. Debt service tax rate is \$0.324, and maintenance and operation rate is \$0.6692 for a total tax rate of \$0.9932 per \$100 valuation.

The original 2023-2024 general operating fund budget was \$109.8 million, an increase of 10.3 percent from the 2022-2023 adopted budget and 4.3 percent increase from the 2022-2023 final amended budget. A 3.44% pay increase was approved for all positions for the 2023-2024 fiscal year. New positions were budgeted to accommodate growth and programs. In September 2023 the Board of Trustees approved a budgetary amendment to accommodate the passage of property tax legislation passed in the summer of 2023. The effect of the amendment was to reduce revenues and expenditures due to tax rate compression and the resulting exclusion from recapture status. After the amendment the budget of \$101.9M is a 3.2 percent reduction from the final amended 2022-2023 budget.

The District's 2023-2024 estimated average membership is projected at 11,263 with estimated average daily attendance at 10,504. Attendance has been estimated at 93.75 percent.

Enrollment of 10,915 through September of 2023 is slightly lower than budgeted expectations. Accordingly,

revenue and expenditure considerations are being closely monitored by Administration to ensure budgetary limitations are appropriate.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



Basic Financial Statements

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2023

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 153,074,478
1120	Investments	2,005,133
1220	Property Taxes Receivable (Delinquent)	3,665,033
1230	Allowance for Uncollectible Taxes	(900,454)
1240	Due from Other Governments	2,909,956
1290	Other Receivables	150,743
1300	Inventories	53,201
1490	Other Current Assets	270,128
Capital Assets		
1510	Land	26,762,567
1520	Buildings, net	295,812,134
1530	Furniture & Equipment, net	7,449,232
1540	Vehicles, net	5,159,500
1580	Construction in Progress	12,155,890
1590	Infrastructure, net	7,684,579
1000	Total Assets	<u>516,252,120</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	219,964
1705	Deferred Outflow Related to TRS Pension	12,514,042
1706	Deferred Outflow Related to TRS OPEB	9,365,837
1700	Total Deferred Outflows of Resources	<u>22,099,843</u>
LIABILITIES		
2110	Accounts Payable	6,327,530
2140	Accrued Interest	4,315,215
2150	Payroll Deductions & Withholdings Payable	1,416
2160	Accrued Wages Payable	9,914,686
2180	Due to Other Governments	9,400,164
2300	Unearned Revenue	258,375
Noncurrent Liabilities		
2501	Due within one year	8,709,852
2502	Due in more than one year	392,921,183
2540	Net Pension Liability (District's Share)	27,585,027
2545	Net OPEB Liability (District's Share)	16,145,498
2590	Other Long term liabilities - due or payable after one year	1,058,359
2000	Total Liabilities	<u>476,637,305</u>
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	2,298,531
2606	Deferred Inflow Related to TRS OPEB	24,667,580
2600	Total Deferred Inflows of Resources	<u>26,966,111</u>
NET POSITION		
3200	Net Investment in Capital Assets	55,471,212
3820	Restricted for Federal and State Programs	872,743
3850	Restricted for Debt Service	4,860,784
3890	Other Restrictions on Net Position	1,625,631
3900	Unrestricted	(28,081,823)
3000	Total Net Position	<u>\$ 34,748,547</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues			6 Governmental Activities	Net (Expense)/ Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	5 Capital Grants and Contributions		
Governmental Activities:							
0011	Instruction	\$ 66,578,214	\$ 199,098	\$ 13,165,988	\$ 4,325,000	\$ (48,888,128)	
0012	Instructional Resources & Media Services	1,272,647	30,472	183,794	-	(1,058,381)	
0013	Curriculum & Staff Development	3,397,154	8,795	412,694	-	(2,975,665)	
0021	Instructional Leadership	1,518,607	-	118,312	-	(1,400,295)	
0023	School Leadership	6,163,158	51,170	718,912	-	(5,393,076)	
0031	Guidance, Counseling & Evaluation Services	4,839,799	124,013	902,753	-	(3,813,033)	
0033	Health Services	1,218,911	451	301,414	-	(917,046)	
0034	Student (Pupil) Transportation	3,669,719	303	363,001	-	(3,306,415)	
0035	Child Nutrition Services	4,660,723	2,221,581	2,197,634	-	(241,508)	
0036	Co-curricular/Extracurricular Activities	4,969,478	656,227	850,628	-	(3,462,623)	
0041	General Administration	3,978,418	6,667	1,083,835	-	(2,887,916)	
0051	Plant Maintenance & Operations	11,438,324	233,931	623,826	-	(10,580,567)	
0052	Security & Monitoring Services	1,680,131	10,835	60,257	-	(1,609,039)	
0053	Data Processing Services	3,805,342	-	117,547	-	(3,687,795)	
0061	Community Services	49,737	-	7,533	-	(42,204)	
0072	Debt Service - Interest	9,154,730	-	531,236	-	(8,623,494)	
0073	Debt Service - Fiscal Charges	774,315	-	-	-	(774,315)	
0091	Contracted Instruc Services Between Schools	7,485,147	-	-	-	(7,485,147)	
0099	Other Governmental Charges	817,510	-	-	-	(817,510)	
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 137,472,064</u>	<u>\$ 3,543,543</u>	<u>\$ 21,639,364</u>	<u>\$ 4,325,000</u>	<u>(107,964,157)</u>	
General Revenues:							
Taxes:							
MT	Property Taxes, Levied for General Purposes					88,025,288	
DT	Property Taxes, Levied for Debt Service					33,275,583	
SF	State aid - unrestricted formula grants					7,135,837	
MI	Miscellaneous local & intermediate					532,389	
IE	Investment earnings					<u>3,307,356</u>	
TR	Total general revenues					<u>132,276,453</u>	
CN	Changes in Net Position					24,312,296	
NB	Net Position -- beginning					<u>10,436,251</u>	
NE	Net Position -- ending					<u>\$ 34,748,547</u>	

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
1110 Cash and Cash Equivalents	\$ 42,618,575	\$ 9,749,326	\$ 97,309,148	\$ 3,319,563	\$ 152,996,612
1120 Investments	2,005,133	-	-	-	2,005,133
1220 Property Taxes - Delinquent	2,717,052	947,981	-	-	3,665,033
1230 Allowance for Uncollectible Taxes (credit)	(701,250)	(199,204)	-	-	(900,454)
1240 Due from Other Governments	1,766,990	39,449	-	1,103,517	2,909,956
1260 Due from Other Funds	628,526	-	-	34,880	663,406
1290 Other Receivables	133,639	-	7,731	9,373	150,743
1300 Inventories, at cost	37,508	-	-	15,693	53,201
1490 Other Current Assets	227,001	-	-	43,127	270,128
1000 Total Assets	<u>\$ 49,433,174</u>	<u>\$ 10,537,552</u>	<u>\$ 97,316,879</u>	<u>\$ 4,526,153</u>	<u>\$ 161,813,758</u>
LIABILITIES					
2110 Accounts Payable	\$ 1,410,287	\$ -	\$ 4,717,299	\$ 283,975	\$ 6,411,561
2150 Payroll Deductions & Withholdings Payable	1,416	-	-	-	1,416
2160 Accrued Wages Payable	9,062,903	-	-	851,783	9,914,686
2170 Due to Other Funds	-	-	-	663,406	663,406
2180 Due to Other Governments	9,292,532	107,632	-	-	9,400,164
2300 Unearned Revenue	29,760	-	-	228,615	258,375
2000 Total Liabilities	<u>19,796,898</u>	<u>107,632</u>	<u>4,717,299</u>	<u>2,027,779</u>	<u>26,649,608</u>
DEFERRED INFLOWS OF RESOURCES					
2601 Unavailable Revenue - Property Taxes	1,513,729	560,924	-	-	2,074,653
2600 Total Deferred Inflows of Resources	<u>1,513,729</u>	<u>560,924</u>	<u>-</u>	<u>-</u>	<u>2,074,653</u>
FUND BALANCES					
3410 Nonspendable	37,508	-	-	15,693	53,201
3450 Restricted - Grant Funds	-	-	-	857,050	857,050
3470 Restricted - Capital Acquisitions and Contractual Obligations	-	-	92,599,580	-	92,599,580
3480 Restricted - Debt Service	-	9,868,996	-	-	9,868,996
3490 Restricted - Other	-	-	-	1,625,631	1,625,631
3600 Unassigned	28,085,039	-	-	-	28,085,039
3000 Total Fund Balance	<u>28,122,547</u>	<u>9,868,996</u>	<u>92,599,580</u>	<u>2,498,374</u>	<u>133,089,497</u>
4000 Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 49,433,174</u>	<u>\$ 10,537,552</u>	<u>\$ 97,316,879</u>	<u>\$ 4,526,153</u>	<u>\$ 161,813,758</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2023

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

Total fund balances - governmental funds \$ 133,089,497

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

19,411

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

Land	\$ 26,762,567	
Buildings	373,885,973	
Furniture and Equipment	15,943,348	
Vehicles	10,535,822	
Construction in Progress	12,155,890	
Infrastructure	<u>29,629,901</u>	468,913,501
Accumulated Depreciation - Buildings	(78,073,839)	
Accumulated Depreciation - Furniture and Equipment	(8,494,116)	
Accumulated Depreciation - Vehicles	(5,376,322)	
Accumulated Depreciation - Infrastructure	<u>(21,945,322)</u>	(113,889,599)

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

Accrued Interest - Bonds	\$ (4,315,215)	
Leases Payable	(212,028)	
Bonds Payable - Long-term	(377,925,230)	
Unamortized Bond Premiums	(14,659,032)	
Arbitrage Rebate Payable	(915,873)	
Accretion of Interest on Capital Appreciation Bonds	<u>(8,834,745)</u>	(406,862,123)

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

Property Taxes 2,074,653

Deferred Charge on Refunding Bonds is a deferred outflow and is not reported in the fund financial statements. 219,964

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

District's proportionate share of the net pension liability	\$ (27,585,027)	
District's proportionate share of the net OPEB liability	(16,145,498)	
Deferred resource inflow related to TRS pension	(2,298,531)	
Deferred resource inflow related to TRS OPEB	(24,667,580)	
Deferred resource outflow related to TRS pension	12,514,042	
Deferred resource outflow related to TRS OPEB	<u>9,365,837</u>	(48,816,757)

Net Position - Governmental Activities \$ 34,748,547

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
5700 Local and Intermediate Sources	\$ 90,575,193	\$ 33,484,191	\$ 1,748,201	\$ 4,940,318	\$ 130,747,903
5800 State Sources	12,466,612	531,236	-	803,789	13,801,637
5900 Federal Sources	<u>1,998,210</u>	-	-	<u>6,571,553</u>	<u>8,569,763</u>
5020 Total Revenues	<u>105,040,015</u>	<u>34,015,427</u>	<u>1,748,201</u>	<u>12,315,660</u>	<u>153,119,303</u>
EXPENDITURES					
Current:					
0011 Instruction	52,803,048	-	-	5,629,223	58,432,271
0012 Instructional Resources and Media Services	980,141	-	-	88,825	1,068,966
0013 Curriculum and Instructional Staff Development	3,105,958	-	-	389,571	3,495,529
0021 Instructional Leadership	1,469,840	-	-	-	1,469,840
0023 School Leadership	5,323,460	-	-	151,358	5,474,818
0031 Guidance and Counseling Services	3,940,846	-	-	446,941	4,387,787
0033 Health Services	992,041	-	-	68,823	1,060,864
0034 Pupil Transportation	3,000,196	-	2,220,265	10,565	5,231,026
0035 Child Nutrition Services	78,994	-	154,731	4,022,045	4,255,770
0036 Co-Curricular Activities	2,906,087	-	-	1,068,499	3,974,586
0041 General Administration	3,695,027	-	7,410	36,472	3,738,909
0051 Plant Maintenance and Operations	10,049,033	-	136,000	261,657	10,446,690
0052 Security & Monitoring Services	1,415,747	-	38,187	40,540	1,494,474
0053 Data Processing Services	2,343,241	-	4,472,128	-	6,815,369
0061 Community Services	43,031	-	-	5,755	48,786
0071 Debt Service - Principal on Long-Term Debt	266,050	20,371,233	-	-	20,637,283
0072 Debt Service - Interest	16,942	14,192,045	-	-	14,208,987
0073 Debt Service - Cost of Issuance and Fiscal Charges	175	7,000	767,140	-	774,315
0081 Facilities Acquisition and Construction	-	-	11,045,769	12,515	11,058,284
0091 Contracted Instructional Services Between Schools	7,485,147	-	-	-	7,485,147
0099 Other Intergovernmental Charges	<u>817,510</u>	-	-	-	<u>817,510</u>
6030 Total Expenditures	<u>100,732,514</u>	<u>34,570,278</u>	<u>18,841,630</u>	<u>12,232,789</u>	<u>166,377,211</u>
1100 Excess (Deficiency) of Revenues Over Expenditures	<u>4,307,501</u>	<u>(554,851)</u>	<u>(17,093,429)</u>	<u>82,871</u>	<u>(13,257,908)</u>
OTHER FINANCING SOURCES (USES)					
7911 Issuance of Debt - General Obligations Bonds	-	-	110,000,000	-	110,000,000
7913 Proceeds from Right to Use Leased Assets	313,078	-	-	-	313,078
7915 Transfers in	450,000	-	-	140,446	590,446
7916 Premium on Issuance of Bonds	-	-	318,798	-	318,798
8911 Transfers out	<u>(140,446)</u>	-	-	-	<u>(140,446)</u>
7080 Total Other Financing Sources (Uses)	<u>622,632</u>	<u>-</u>	<u>110,318,798</u>	<u>140,446</u>	<u>111,081,876</u>
1200 Net Change in Fund Balance	4,930,133	(554,851)	93,225,369	223,317	97,823,968
0100 FUND BALANCES, July 1, 2022	<u>23,192,414</u>	<u>10,423,847</u>	<u>(625,789)</u>	<u>2,275,057</u>	<u>35,265,529</u>
3000 FUND BALANCES, June 30, 2023	<u>\$ 28,122,547</u>	<u>\$ 9,868,996</u>	<u>\$ 92,599,580</u>	<u>\$ 2,498,374</u>	<u>\$ 133,089,497</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2023

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

Total net change in fund balances - governmental funds \$ 97,823,968

The District uses internal service funds to charge the costs of worker's compensation to appropriate functions in other funds. The net income (loss) of the internal service fund is reported with the governmental activities. (309,280)

Current year capital expenditures in the fund financial statements are shown as increases in capital assets in the government-wide financial statements. 22,189,704

Long-term issuances of debt are reported as resources in the fund financial statements and are shown as increases in long-term debt in the government-wide financial statements. Payments of principal on long-term debt are expenditures in the fund financial statements and are shown as reductions in long-term debt in the government-wide financial statements. Long-term debt activity was:

Accrued Interest - Bonds	(282,874)	
Leases Payable	(212,028)	
Bonds Payable - Long-term	(89,463,767)	
Unamortized Bond Premiums	1,791,628	
Accreted Interest on Capital Appreciation Bonds	3,196,167	
Deferred Charge for Refunding Bonds	<u>30,538</u>	(84,940,336)

Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. (10,670,788)

Adjustments related to the net pension liability, net OPEB liability, and related deferred inflows and deferred outflows, which impact ending net position. 315,776

Reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, recognizing other long-term liabilities, and consolidating interfund transactions. (96,748)

Changes in Net Position - Governmental Activities \$ 24,312,296

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2023

		Governmental Activities
		<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
1110	Cash and Cash Equivalents	\$ <u>77,866</u>
	Total Current Assets	<u>77,866</u>
1000	TOTAL ASSETS	<u><u>\$ 77,866</u></u>
LIABILITIES		
Current Liabilities		
2110	Accounts Payable	\$ 17,201
2123	Other Liabilities	<u>41,254</u>
	Total Current Liabilities	<u>58,455</u>
2000	TOTAL LIABILITIES	<u>58,455</u>
NET POSITION		
3900	Unrestricted	<u>19,411</u>
3000	TOTAL NET POSITION	<u><u>\$ 19,411</u></u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
5754 Charges for Services	\$ <u>198,631</u>
5020 Total Operating Revenues	<u>198,631</u>
OPERATING EXPENSES	
6100 Payroll Costs	35,900
6400 Other Operating Expenses	<u>39,634</u>
6030 Total Operating Expenses	<u>75,534</u>
Operating Income (Loss)	123,097
NON-OPERATING REVENUES (EXPENSES)	
7955 Investment Income	<u>17,623</u>
Income (Loss) Before Non-operating Transfers	<u>140,720</u>
NON-OPERATING TRANSFERS	
8989 Non-operating Transfer Out	<u>(450,000)</u>
1300 Changes in Net Position	(309,280)
0100 TOTAL NET POSITION, July 1, 2022	<u>328,691</u>
3300 TOTAL NET POSITION, June 30, 2023	<u>\$ 19,411</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Interfund Services Provided	\$ 198,631
Cash Payments for Insurance Claims	(252,962)
Cash Payments for Premiums	(39,634)
Net Cash Provided (Used) by Operating Activities	<u>(93,965)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Nonoperating Transfers In (Out)	<u>(450,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	<u>17,623</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>17,623</u>
Net Increase In Cash & Cash Equivalents	(526,342)
CASH AND CASH EQUIVALENTS, July 1, 2022	<u>604,208</u>
CASH AND CASH EQUIVALENTS, June 30, 2023	<u>\$ 77,866</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 123,097
Effect of Changes in Current Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	17,201
Increase (Decrease) in Other Liabilities	(234,263)
Net Cash Provided (Used) by Operating Activities	<u>\$ (93,965)</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 315,263
Accounts Receivable	<u>23,409</u>
TOTAL ASSETS	<u><u>\$ 338,672</u></u>
LIABILITIES	
Accounts Payable	\$ 8,148
Due to Other Governments	<u>1,497</u>
TOTAL LIABILITIES	<u>9,645</u>
NET POSITION	
Restricted for Individuals and Organizations	<u><u>\$ 329,027</u></u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 127,476
Enterprising Services Revenue	110,641
Earnings from Temporary Deposits	2,798
Contributions, Gifts, and Donations	<u>72,106</u>
Total Additions	<u>313,021</u>
DEDUCTIONS:	
Payroll Costs	2,583
Professional and Contracted Services	81,913
Supplies and Materials	70,006
Other Deductions	<u>150,788</u>
Total Deductions	305,290
Change in Fiduciary Net Position	7,731
TOTAL NET POSITION, July 1 (Beginning)	<u>321,296</u>
TOTAL NET POSITION, June 30 (Ending)	<u>\$ 329,027</u>

The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

D. Basis of Presentation – Fund Financial Statements

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Fiduciary Funds

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

The District has the following type of fiduciary funds:

Custodial Funds

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

3. Inventories and Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, vehicles, and infrastructure are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

6. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

7. Receivable and Payables Balances

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

8. Interfund Activity

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

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method if material. Bonds payable are reported net of the applicable bond premium or discount.

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

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

10. Fund Balance Policies

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

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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

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

11. Net Position Flow Assumption

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

12. Fund Balance Flow Assumptions

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

13. Estimates

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

14. Data Control Codes

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

15. Pensions

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

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

I. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

1. Cash Deposits

At June 30, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,255,104 and the bank balance was \$1,601,462. The District's cash deposits at June 30, 2023, and during the year ended June 30, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments

The District is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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

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

As of June 30, 2023, the District had the following investments:

Investment Type	Fair Value/ Amortized Cost	Ratings	Weighted Average Maturity (Days)
External investment pools:			
Lone Star	\$ 38,308,242	AAAm	26
TexPool	68,689,366	AAAm	34
Texas CLASS	44,857,689	AAAm	45
Texas Range	167,182	AAAmmf	31
U.S. Treasury Note	2,005,133	AAA	238
Total Value	<u>\$ 154,027,612</u>		
Portfolio weighted average maturity			35

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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. – is the risk that a security issuer may default on an interest or principal payment. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by recognized rating agencies. The District’s policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of a least A or its equivalent.

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, 2022, 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.

Fair Value Measurements

The District categorizes its fair values measurements with the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure the fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District’s assessment of the significance inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Assets measured at fair value on a recurring basis are as follows:

	Balance on			
<u>Investments by Fair Value Level:</u>	<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Note	\$ 2,005,133		\$ 2,005,133	

The fair value of the U.S. Treasury Note and Commercial Paper was determined based on level 2 inputs. The District estimates fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The District’s investments in State Investment Pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Lone Star

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

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool ‘AAAm’. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. 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.

Texas Range

The Texas Range Investment Program “the Pool” was organized as the TexasTERM Local Government Investment Pool in conformity with the State of Texas Interlocal Cooperation Act and is administered by PFM Asset Management, LLC/ U.S. Bank serves at the Pool's custodial bank. The Pool operates three separate investment Portfolios, Texas DAILY, Texas DAILY Select and Texas TERM.

The primary objective of the Texas DAILY portfolio is to produce the highest income consistent with preserving principal and maintaining liquidity. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. Texas DAILY may invest in securities including: obligations of the United States or its agencies and instrumentalities, obligations that are fully guaranteed or insured by the FDIC or the United States, certificates of deposit issued by FDIC insured banks, money-market mutual funds, and repurchase

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

agreements involving obligations of the United States or its agencies and instrumentalities which meet the requirements of the Public Funds Investment Act.

The Texas DAILY portfolio has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Texas CLASS

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements' AAA rated money market mutual funds; and commercial paper.

B. Receivables

Receivables due from other governments as of June 30, 2023, for the District's individual major funds and Non-major Governmental Funds are as follows:

General Fund	
State Aid	\$ 1,661,575
Other	<u>105,415</u>
Total General Fund	<u>1,766,990</u>
Nonmajor Special Revenue Funds	
Grants	<u>1,103,517</u>
Debt Service	
Other	<u>39,449</u>
Total Governmental Activities	<u>\$ 2,909,956</u>

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

C. Capital Assets

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

	Balance July 1, 2022	Additions	Transfers	Deletions	Balance, June 30, 2023
<u>Capital Assets not being depreciated:</u>					
Land	\$ 22,435,067	\$ 4,327,500	\$ -	\$ -	\$ 26,762,567
Construction In Progress	<u>1,202,361</u>	<u>10,953,529</u>	-	-	<u>12,155,890</u>
Total	<u>23,637,428</u>	<u>15,281,029</u>	-	-	<u>38,918,457</u>
<u>Capital Assets being depreciated:</u>					
Buildings and Improvements	373,847,733	38,240	-	-	373,885,973
Furniture and Equipment	11,503,320	4,440,028	-	-	15,943,348
Vehicles	8,128,455	2,407,367	-	-	10,535,822
Infrastructure	<u>29,606,861</u>	<u>23,040</u>	-	-	<u>29,629,901</u>
Total	<u>423,086,369</u>	<u>6,908,675</u>	-	-	<u>429,995,044</u>
<u>Less Accumulated Depreciation:</u>					
Buildings and Improvements	(70,409,792)	(7,664,047)	-	-	(78,073,839)
Furniture and Equipment	(7,263,366)	(1,231,974)	-	-	(8,495,340)
Vehicles	(4,773,357)	(601,741)	-	-	(5,375,098)
Infrastructure	<u>(20,772,296)</u>	<u>(1,173,026)</u>	-	-	<u>(21,945,322)</u>
Total	<u>(103,218,811)</u>	<u>(10,670,788)</u>	-	-	<u>(113,889,599)</u>
Total Capital Assets being depreciated	<u>319,867,558</u>	<u>(3,762,113)</u>	-	-	<u>316,105,445</u>
Capital Assets, Net	<u>\$343,504,986</u>	<u>\$ 11,518,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$355,023,902</u>

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 5,544,911
12 Instructional Resources & Media Services	163,321
13 Curriculum & Staff Development	146,900
23 School Leadership	451,543
31 Guidance, Counseling & Evaluation Services	282,215
33 Health Services	112,886
34 Student Transportation	572,840
35 Child Nutrition Services	424,038
36 Co-Curricular Activities	914,252
41 General Administration	68,682
51 Plant Maintenance & Operations	1,027,441
52 Security & Monitoring Services	217,813
53 Data Processing Services	743,701
61 Community Services	<u>245</u>
Total Depreciation	<u>\$ 10,670,788</u>

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

D. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 287,976,463	\$ 110,000,000	\$ 20,371,233	\$ 377,605,230	\$ 5,730,339
Notes Payable	485,000	-	165,000	320,000	170,000
Leases Payable	-	313,078	101,050	212,028	104,324
Accreted Interest	12,030,912	517,164	3,713,331	8,834,745	2,705,189
Bond Premium	16,450,660	318,798	2,110,426	14,659,032	-
Total	\$ 316,943,035	\$ 111,149,040	\$ 26,461,040	\$ 401,631,035	\$ 8,709,852

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

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

Bonds Payable			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 5,730,333	\$ 15,148,544	\$ 20,878,877
2025	10,260,000	13,080,448	23,340,448
2026	10,310,000	12,678,635	22,988,635
2027	10,405,000	12,266,689	22,671,689
2028	11,530,000	12,991,126	24,521,126
2029-33	58,524,897	67,023,354	125,548,251
2034-38	70,350,000	48,525,857	118,875,857
2039-43	78,015,000	35,370,556	113,385,556
2044-48	96,035,000	18,193,525	114,228,525
2049-53	26,445,000	3,696,000	30,141,000
Total	\$ 377,605,230	\$ 238,974,734	\$ 616,579,964

Notes Payable			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 170,000	\$ 6,945	\$ 176,945
2025	150,000	3,375	153,375
Total	\$ 320,000	\$ 10,320	\$ 330,320

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

A summary of changes in long term obligations for the year ended June 30, 2023 is as follows:

Series	Original Amount	Interest Rates	Final Maturity	Outstanding 07/01/22	Issued	Retired	Outstanding 06/30/23	Due Within One Year	Accreted Interest
Bonds Payable									
1999	\$ 38,597,407	4.00 - 5.00%	2024	\$ 1,845,744	\$ -	\$ 946,870	\$ 898,874	\$ 898,874	\$ 2,172,912
2002	7,736,757	3.50 - 5.00%	2024	35,830	-	19,370	16,460	16,460	532,277
2014	8,854,992	0.60 - 3.55%	2036	8,034,993	-	2,749,993	5,285,000	90,000	-
2016	81,545,000	2.00 - 5.00%	2047	77,745,000	-	365,000	77,380,000	425,000	-
2017	81,215,000	3.00 - 5.00%	2048	80,110,000	-	520,000	79,590,000	310,000	-
2019	40,980,000	5.00%	2029	32,360,000	-	1,310,000	31,050,000	865,000	-
2020	90,699,896	0.28 - 2.63%	2043	87,844,896	-	2,275,000	85,569,896	2,235,000	6,129,556
2022	45,000,000	2.00 - 2.80%	2051	-	45,000,000	12,185,000	32,815,000	515,000	-
2023	65,000,000	3.125%	2053	-	65,000,000	-	65,000,000	375,000	-
Notes Payable									
2015	1,500,000	0.50 - 2.25%	2025	485,000	-	165,000	320,000	170,000	-
Totals	\$ 461,129,052			\$ 288,461,463	\$ 110,000,000	\$ 20,536,233	\$ 377,925,230	\$ 5,900,334	\$ 8,834,745

2022 Authorization

In May of 2022 voters authorized \$165.34M to be issued in bond debt solely for the purpose of constructing, equipping, and renovating school buildings, purchasing sites for future schools, and paying costs of issuance. Through June 30, 2023, the District has issued \$110M in variable rate bonds pursuant to this authorization.

On August 1, 2022, the District issued \$45,000,000 Fixed and Variable Rate Unlimited Tax School Building Bonds, Series 2022. The Bonds will bear interest at an Initial Rate from Aug 30, 2022 through November 30, 2023, with interest being payable initially on December 1, 2022 and will be payable on each December 1 and June 1 thereafter through the initial rate period at the rate of 2.00%. Thereafter, the Bonds will convert to and bear interest at a Term Rate determined by the Remarketing Agent provided that the interest rate mode on the Bonds may be (a) changed from time to time to a Weekly Rate, Monthly Rate, Quarterly Rate or Semiannual Rate or back to a Term Rate (each a "Variable Rate"), (b) changed to a Flexible Rate, or (c) converted to a Fixed Rate until maturity.

The bonds are subject to mandatory tender without the right of retention on the Conversion Date following the end of the Initial Rate Period on December 1, 2023. During the Initial Rate Period, the Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure by the Remarketing Agent to remarket Bonds subject to mandatory tender on the Conversion Date at the end of the Initial Rate Period will result in the rescission of the notice of mandatory tender with respect thereto and the District not having any obligation to purchase such bonds at that time. The occurrence of the foregoing will not result in an event of default under the Order. Until the District redeems or remarkets the bonds that have been unsuccessfully remarketed, such bonds shall bear interest at the "Stepped Rate", which is defined as 7.00% per annum.

On April 15, 2023, the District issued \$65,000,000 Variable Rate Unlimited Tax School Building Bonds, Series 2023. The Bonds will bear interest at an Initial Rate from May 24, 2023 through January 31, 2027, with interest being payable initially on February 1, 2024 and will be payable on each February 1 and August 1 thereafter through the initial rate period at the rate of 2.00%. Thereafter, the Bonds will convert to and bear interest at a Term Rate determined by the Remarketing Agent provided that the interest rate mode on the Bonds may be (a) changed from time to time to a Weekly Rate, Monthly Rate, Quarterly Rate or Semiannual Rate or back to a Term Rate (each a "Variable Rate"), (b) changed to a Flexible Rate, or (c) converted to a Fixed Rate until maturity.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

The bonds are subject to mandatory tender without the right of retention on the Conversion Date following the end of the Initial Rate Period on February 1, 2027. During the Initial Rate Period, the Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure by the Remarketing Agent to remarket Bonds subject to mandatory tender on the Conversion Date at the end of the Initial Rate Period will result in the rescission of the notice of mandatory tender with respect thereto and the District not having any obligation to purchase such bonds at that time. The occurrence of the foregoing will not result in an event of default under the Order. Until the District redeems or remarkets the bonds that have been unsuccessfully remarketed, such bonds shall bear interest at the "Stepped Rate", which is defined as 7.00% per annum.

E. Commitments Under Noncapitalized Leases

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

F. Interfund Transactions

The interfund balances and transfers at June 30, 2023 were as follows:

	Receivable Balance	Payable Balance
General Fund:		
Non-Major Governmental Funds	\$ 628,526	\$ -
Total General Fund	<u>\$ 628,526</u>	<u>\$ -</u>
Non-Major Special Revenue Funds:		
General Fund	-	628,526
Permanent Fund	-	34,880
Non-Major Permanent Funds:		
Non-major Special Revenue Funds	<u>34,880</u>	<u>-</u>
TOTAL	<u><u>\$ 663,406</u></u>	<u><u>\$ 663,406</u></u>

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

Transfers From	Transfers To	Amount	Purpose
Internal Service	General Fund	\$ 450,000	Operating surplus
General Fund	Federal Special Revenue	140,446	Revenue supplement

III. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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. The calculated Arbitrage Rebate Payable at June 30, 2023 is \$975,873.

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.

Pension Plan Fiduciary Net Position

Detailed information about TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/about-publications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)642-6592.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions

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

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

Contribution Rates	
	2023
Active Employee (Member)	8.00%
Non-Employer Contributing Entity (State)	8.00%
Employers	1.80%
Employer Contributions	\$ 1,901,628
Member Contributions	\$ 5,441,560
NECE On-behalf Contributions	\$ 3,743,594

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.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution rate and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate	3.91%. 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)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95%, 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, 2021. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 12, 2021.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Discount Rate

A single discount rate of 7.00% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.00%. 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.

The long-term rate of return on TRS investments is 7.00%. The long-term expected rate of return on TRS pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2022 are summarized as follows:

Asset Class (4)	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contribution to Long-Term Portfolio Results
Global Equity			
U.S	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy and Natural Resources	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag (3)			-0.91%
Total	100%		8.19%

(1) Target allocations are based on the fiscal year 2021 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

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

(4) Absolute Return includes credit sensitive investments.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$42,911,843	\$27,585,027	\$15,161,923

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

At August 31, 2022, the District reported a liability of \$27,585,027 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	\$27,585,027
State's proportionate share that is associated with District	<u>47,628,259</u>
Total	<u><u>\$75,213,286</u></u>

The NPL was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 through August 31, 2022.

At August 31, 2022, the District's proportion of the collective NPL was 0.000464649%, which was an increase of 0.000045975% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended August 31, 2022, the District recognized pension expense of \$3,743,594 and revenue of \$3,743,594 for support provided by the State.

On August 31, 2022, 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:

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 399,981	\$ 601,406
Changes in actuarial assumptions	5,139,988	1,281,029
Difference between projected and actual investment earnings	2,725,312	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,347,133	416,096
Contributions paid to TRS subsequent to the measurement date	1,901,628	-
Total	\$ 12,514,042	\$ 2,298,531

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

Year ended June 30:	Pension Expense Amount
2023	\$2,244,866
2024	\$1,359,727
2025	\$644,630
2026	\$3,427,611
2027	\$637,069
Thereafter	\$0

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained at https://www.trs.texas.gov/Pages/about_publications.aspx or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Advantage medical plan and the TRS-Care Medicare prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least ten years of service credit in the TRS pension system. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments.

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

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

Contributions

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

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

<u>Contribution Rates</u>	
	<u>2022</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/private funding remitted by employers	1.25%
	<u>2022</u>
Employer Contributions	\$ 466,353
Member Contributions	\$ 442,124
NECE On-behalf Contributions	\$ 675,588

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19 related health care costs during fiscal year 2022.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions:

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. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

- | | |
|-------------------------|------------------------|
| 1. Rates of Mortality | 5. Rates of Disability |
| 2. Rates of Retirement | 5. General Inflation |
| 3. Rates of Termination | 6. Wage Inflation |

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females. 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 monthly projection scale MP-2018.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2021 rolled forward to 8/31/2022
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	3.91% as of August 31, 2022
Aging factors	Based on plan-specific experience
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability. There was a decrease of 1.96% 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.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” of as August 31, 2021 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

Discount Rate Sensitivity Analysis – The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability:

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the Net OPEB Liability:	\$ 19,036,822	\$ 16,145,498	\$ 13,803,154

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

At August 31, 2022, the District reported a liability of \$16,145,498 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	\$16,145,498
State’s proportionate share that is associated with the District	19,694,970
Total	<u>\$35,840,468</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 through August 31, 2022.

On June 30, 2023, the employer’s proportion of the collective net OPEB liability was 0.0674302%, compared to 0.0632240% as of June 30, 2022.

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

	1% Decrease in Healthcare Trend Rate	Current Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB Liability:	\$ 13,303,963	\$ 16,145,498	\$ 19,829,182

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 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change increased the Total OPEB Liability.

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

For the year ended June 30, 2023, the District recognized OPEB expense of (\$1,768,513).

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

At August 31, 2022, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 897,633	\$ 13,450,649
Changes in actuarial assumptions	2,459,279	11,216,931
Difference between projected and actual investment earnings	48,093	-
Changes in proportion and Differences between the District's contributions and proportionate share of contributions	5,494,479	-
Contributions paid to TRS subsequent to the measurement date	466,353	-
Total	\$ 9,365,837	\$ 24,667,580

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

Year ended June 30:	OPEB Expense Amount
2023	\$ (3,043,468)
2024	\$ (3,043,294)
2025	\$ (2,358,624)
2026	\$ (1,431,686)
2027	\$ (1,929,247)
Thereafter	\$ (3,961,777)

For the year ended August 31, 2022, the District recognized OPEB expense of \$675,588 and revenue of \$675,588 for support provided by the State.

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on behalf of the District were \$351,240, \$273,419, and \$283,928, respectively.

E. Employee Health Care Coverage

During the year ended June 30, 2023, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$331 per month per employee, \$356 per month per employee with child, \$381 per month per employee and spouse, and \$406 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, 2023 and terms of coverage and premiums costs are included in the contractual provisions.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

F. Risk Management

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

Property and General Liability

The District purchases commercial insurance to cover general liabilities. There have been no significant reductions in insurance coverage from the prior year for any category of risk.

Workers' Compensation

During the year ended June 30, 2023, the District purchased commercial insurance to cover workers compensation claims.

Unemployment Compensation

During the year ended June 30, 2023, 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, 2023, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

G. Excess of Expenditures Over Appropriations by Function

The Texas Education Agency requires the budgets for certain Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in three functional categories in the General Fund for the year ended June 30, 2023. Amounts budgeted for child nutrition and plant maintenance were not adequate to cover actual expenditures.

H. New Accounting Pronouncements

GASB Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset),

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

for a period of time in an exchange or exchange-like transaction. This Statement became effective in this fiscal year and did not have an impact on the financial statements of the District.

GASB Statement No. 96: Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement became effective in this fiscal year and the resulting proceeds and liabilities, while immaterial, have been recorded in the financial statements.

GASB Statement No. 100: Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement becomes effective in fiscal year 2024 and its impact on the District's financial statements cannot be assessed at the date of this report.

GASB Statement No. 101: Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement became effective in this fiscal year and did not have an impact on the financial statements of the District.



Required Supplementary Information

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

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
REVENUES					
5700	Local and Intermediate Sources	\$ 87,383,400	\$ 89,174,734	\$ 90,575,193	\$ 1,400,459
5800	State Sources	9,769,124	11,600,358	12,466,612	866,254
5900	Federal Sources	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,998,210</u>	<u>703,210</u>
5020	Total Revenues	<u>98,447,524</u>	<u>102,070,092</u>	<u>105,040,015</u>	<u>2,969,923</u>
EXPENDITURES					
Current:					
0010	Instruction & Instructional Related Services:				
0011	Instruction	54,093,189	54,276,189	52,803,048	1,473,141
0012	Instructional Resources and Media Services	1,018,624	1,013,624	980,141	33,483
0013	Curriculum and Instructional Staff Development	<u>3,039,318</u>	<u>3,360,318</u>	<u>3,105,958</u>	<u>254,360</u>
	Total Instruction & Instructional Related Services	<u>58,151,131</u>	<u>58,650,131</u>	<u>56,889,147</u>	<u>1,760,984</u>
0020	Instructional & School Leadership:				
0021	Instructional Leadership	1,456,001	1,513,001	1,469,840	43,161
0023	School Leadership	<u>5,407,561</u>	<u>5,415,561</u>	<u>5,323,460</u>	<u>92,101</u>
	Total Instructional and School Leadership	<u>6,863,562</u>	<u>6,928,562</u>	<u>6,793,300</u>	<u>135,262</u>
0030	Support Services - Student:				
0031	Guidance and Counseling Services	3,907,984	3,999,984	3,940,846	59,138
0033	Health Services	1,039,825	1,056,825	992,041	64,784
0034	Pupil Transportation	2,811,117	3,120,617	3,000,196	120,421
0035	Child Nutrition Services	37,721	76,721	78,994	(2,273)
0036	Co-Curricular Activities	<u>2,856,762</u>	<u>2,940,762</u>	<u>2,906,087</u>	<u>34,675</u>
	Total Support Services - Student	<u>10,653,409</u>	<u>11,194,909</u>	<u>10,918,164</u>	<u>276,745</u>
0040	Administration:				
0041	General Administration	<u>3,962,323</u>	<u>4,033,323</u>	<u>3,695,027</u>	<u>338,296</u>
	Total Administration	<u>3,962,323</u>	<u>4,033,323</u>	<u>3,695,027</u>	<u>338,296</u>
0050	Support Services - Non-Student Based:				
0051	Plant Maintenance and Operations	9,700,799	9,957,799	10,049,033	(91,234)
0052	Security & Monitoring Services	971,419	1,947,619	1,415,747	531,872
0053	Data Processing Services	<u>2,393,456</u>	<u>2,532,456</u>	<u>2,343,241</u>	<u>189,215</u>
	Total Support Services - Non-Student Based	<u>13,065,674</u>	<u>14,437,874</u>	<u>13,808,021</u>	<u>629,853</u>
0060	Ancillary Services:				
0061	Community Services	<u>43,960</u>	<u>45,610</u>	<u>43,031</u>	<u>2,579</u>
	Total Ancillary Services	<u>43,960</u>	<u>45,610</u>	<u>43,031</u>	<u>2,579</u>
0070	Debt Service				
0071	Debt Service	<u>174,110</u>	<u>286,110</u>	<u>283,167</u>	<u>2,943</u>
	Total Debt Service	<u>174,110</u>	<u>286,110</u>	<u>283,167</u>	<u>2,943</u>

(Continued on next page.)

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
EXPENDITURES (Continued)					
0090	Intergovernmental Charges				
0091	Chapter 49 Recapture	\$ 5,725,432	\$ 8,694,850	\$ 7,485,147	\$ 1,209,703
0099	Other Intergovernmental Charges	880,000	990,000	817,510	172,490
	Total Intergovernmental Charges	6,605,432	9,684,850	8,302,657	1,382,193
6030	Total Expenditures	99,519,601	105,261,369	100,732,514	4,528,855
1100	Excess (Deficiency) of Revenues Over Expenditures	(1,072,077)	(3,191,277)	4,307,501	7,498,778
	Other Financing Sources (Uses):				
7913	Proceeds from Right to Use Leased Assets	-	315,000	313,078	(1,922)
7915	Transfer from Capital Projects Fund	-	-	450,000	450,000
8911	Transfer Out	-	-	(140,446)	(140,446)
	Total Other Financing Sources (Uses)	-	315,000	622,632	307,632
1200	Net Change in Fund Balance	(1,072,077)	(2,876,277)	4,930,133	7,806,410
0100	FUND BALANCES, July 1, 2022	23,192,414	23,192,414	23,192,414	-
3000	FUND BALANCES, June 30, 2023	\$ 22,120,337	\$ 20,316,137	\$ 28,122,547	\$ 7,806,410

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED JUNE 30, 2023

	Measurement Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.0464649%	0.0418674%	0.0431739%	0.0413868%	0.0399888%	0.0394284%	0.0383046%	0.0395622%	0.0243006%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 27,585,027	\$ 10,662,144	\$ 23,123,035	\$ 21,514,139	\$ 22,010,814	\$ 12,607,080	\$ 14,474,737	\$ 13,984,711	\$ 6,491,027
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>47,628,259</u>	<u>22,682,109</u>	<u>45,823,139</u>	<u>41,785,626</u>	<u>42,175,066</u>	<u>24,437,063</u>	<u>28,970,238</u>	<u>26,992,031</u>	<u>22,919,079</u>
Total	<u>\$ 75,213,286</u>	<u>\$ 33,344,253</u>	<u>\$ 68,946,174</u>	<u>\$ 63,299,765</u>	<u>\$ 64,185,880</u>	<u>\$ 37,044,143</u>	<u>\$ 43,444,975</u>	<u>\$ 40,976,742</u>	<u>\$ 29,410,106</u>
District's Covered Payroll	\$ 65,212,403	\$ 63,174,589	\$ 60,689,798	\$ 53,179,855	\$ 48,863,880	\$ 46,966,848	\$ 44,011,175	\$ 41,898,919	\$ 40,418,780
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	42.30%	16.88%	38.10%	40.46%	45.05%	26.84%	32.89%	33.38%	16.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	75.24%	73.74%	73.74%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, 81.a.(2)(a) requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2022 - the period from September 1, 2021 - August 31, 2022.

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

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 2,280,629	\$ 2,075,187	\$ 1,773,928	\$ 1,599,407	\$ 1,208,597	\$ 1,340,091	\$ 1,282,679	\$ 1,207,743	\$ 1,079,313
Contribution in Relation to the Contractually Required Contribution Associated with the District	(2,280,629)	(2,075,187)	(1,773,928)	(1,599,407)	(1,208,597)	(1,340,091)	(1,282,679)	(1,207,743)	(1,079,313)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 68,019,486	\$ 64,662,666	\$ 62,854,308	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880	\$ 46,596,786	\$ 44,011,175	\$ 42,065,117
Contributions as a Percentage of Covered Payroll	3.35%	3.21%	2.82%	2.69%	2.27%	2.74%	2.75%	2.74%	2.57%

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
LIABILITY OF A COST-SHARING MULTIPLE EMPLOYER OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED JUNE 30, 2023

	Measurement Year					
	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Liability (Asset)	0.0674302%	0.0632240%	0.0626829%	0.0599127%	0.0571479%	0.0539478%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 16,145,498	\$ 24,388,321	\$ 23,828,609	\$ 28,333,429	\$ 28,534,482	\$ 23,439,856
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>19,694,970</u>	<u>32,674,914</u>	<u>41,563,944</u>	<u>37,648,788</u>	<u>43,232,210</u>	<u>37,806,439</u>
Total	\$ 35,840,468	\$ 57,063,235	\$ 65,392,553	\$ 65,982,217	\$ 71,766,692	\$ 61,246,295
District's Covered Payroll	\$ 65,212,403	\$ 63,174,589	\$ 60,689,798	\$ 53,179,855	\$ 48,863,880	\$ 46,966,848
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	24.76%	38.60%	39.26%	53.28%	58.40%	49.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.18%	6.18%	4.99%	2.66%	1.57%	0.91%

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

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS TO A
 COST-SHARING MULTIPLE EMPLOYER OPEB PLAN
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 564,350	\$ 484,924	\$ 470,285	\$ 466,914	\$ 420,542	\$ 374,736
Contribution in Relation to the Contractually Required Contribution Associated with the District	(564,350)	(484,924)	(470,285)	(466,914)	(420,542)	(374,736)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 68,019,486	\$ 64,662,666	\$ 62,854,308	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880
Contributions as a Percentage of Covered Payroll	0.83%	0.75%	0.75%	0.79%	0.79%	0.77%

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

A young man in a blue football jersey with the number 6 is waving from the back of a yellow Jeep. A young woman in a pink shirt is sitting next to him, smiling. A blue flag with white lettering is attached to the back of the Jeep. The background shows a street with trees and a utility pole.

Combining Statements

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

BOERNE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes		Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental Funds
ASSETS							
1110	Cash and Cash Equivalents	\$ 1,491,511	\$ -	\$ 1,770,782	\$ 3,262,293	\$ 57,270	\$ 3,319,563
1240	Due from Other Governments	992,339	111,178	-	1,103,517	-	1,103,517
1260	Due from Other Funds	-	-	-	-	34,880	34,880
1290	Other Receivables	7,284	-	2,089	9,373	-	9,373
1300	Inventories	15,693	-	-	15,693	-	15,693
1410	Deferred Expenditures	5,180	1,825	36,122	43,127	-	43,127
1000	TOTAL ASSETS	<u>\$ 2,512,007</u>	<u>\$ 113,003</u>	<u>\$ 1,808,993</u>	<u>\$ 4,434,003</u>	<u>\$ 92,150</u>	<u>\$ 4,526,153</u>
LIABILITIES							
2110	Accounts Payable	\$ 79,752	\$ 75,117	\$ 129,068	\$ 283,937	\$ 38	\$ 283,975
2160	Accrued Wages Payable	769,377	276	79,924	849,577	2,206	851,783
2170	Due to Other Funds	574,101	25,029	37,257	636,387	27,019	663,406
2300	Unearned Revenues	227,484	1,131	-	228,615	-	228,615
2000	TOTAL LIABILITIES	<u>1,650,714</u>	<u>101,553</u>	<u>246,249</u>	<u>1,998,516</u>	<u>29,263</u>	<u>2,027,779</u>
FUND BALANCES							
3410	Nonspendable - Inventory	15,693	-	-	15,693	-	15,693
3450	Restricted for Federal and State Grants	845,600	11,450	-	857,050	-	857,050
3490	Other Restricted Fund Balance	-	-	1,562,744	1,562,744	62,887	1,625,631
3000	TOTAL FUND BALANCES	<u>861,293</u>	<u>11,450</u>	<u>1,562,744</u>	<u>2,435,487</u>	<u>62,887</u>	<u>2,498,374</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,512,007</u>	<u>\$ 113,003</u>	<u>\$ 1,808,993</u>	<u>\$ 4,434,003</u>	<u>\$ 92,150</u>	<u>\$ 4,526,153</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

Control Codes		Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental
REVENUES:							
5700	Local & Intermediate Sources	\$ 2,212,129	\$ -	\$ 2,658,149	\$ 4,870,278	\$ 70,040	\$ 4,940,318
5800	State Program Revenues	21,247	782,542	-	803,789	-	803,789
5900	Federal Program Revenues	6,571,553	-	-	6,571,553	-	6,571,553
5020	Total Revenues	<u>8,804,929</u>	<u>782,542</u>	<u>2,658,149</u>	<u>12,245,620</u>	<u>70,040</u>	<u>12,315,660</u>
EXPENDITURES:							
0011	Instruction	4,305,714	549,137	709,010	5,563,861	65,362	5,629,223
0012	Instructional Resources & Media Services	-	-	88,825	88,825	-	88,825
0013	Curriculum & Inst'l Staff Development	220,370	143,564	25,637	389,571	-	389,571
0023	School Leadership	2,200	-	149,158	151,358	-	151,358
0031	Guidance, Counseling & Evaluation Services	85,450	-	361,491	446,941	-	446,941
0033	Health Services	67,507	-	-	67,507	1,316	68,823
0034	Student (Pupil) Transportation	9,683	-	882	10,565	-	10,565
0035	Child Nutrition Services	3,994,492	-	-	3,994,492	27,553	4,022,045
0036	Cocurricular/Extracurricular Activities	-	-	1,068,499	1,068,499	-	1,068,499
0041	General Administration	17,040	-	19,432	36,472	-	36,472
0051	Plant Maintenance & Operations	73,723	94,199	93,735	261,657	-	261,657
0052	Security & Monitoring Services	8,956	-	31,584	40,540	-	40,540
0061	Community Services	5,755	-	-	5,755	-	5,755
0081	Facilities Acquisition and Construction	-	-	12,515	12,515	-	12,515
6030	Total Expenditures	<u>8,790,890</u>	<u>786,900</u>	<u>2,560,768</u>	<u>12,138,558</u>	<u>94,231</u>	<u>12,232,789</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	14,039	(4,358)	97,381	107,062	(24,191)	82,871
7915	Transfers In	<u>140,446</u>	<u>-</u>	<u>-</u>	<u>140,446</u>	<u>-</u>	<u>140,446</u>
1200	Excess (Deficiency) Of Revenues and Other Resources Over Expenditures and Other Uses	154,485	(4,358)	97,381	247,508	(24,191)	223,317
0100	FUND BALANCE, July 1 (Beginning)	<u>706,808</u>	<u>15,808</u>	<u>1,465,363</u>	<u>2,187,979</u>	<u>87,078</u>	<u>2,275,057</u>
3000	FUND BALANCE, June 30 (Ending)	<u>\$ 861,293</u>	<u>\$ 11,450</u>	<u>\$ 1,562,744</u>	<u>\$ 2,435,487</u>	<u>\$ 62,887</u>	<u>\$ 2,498,374</u>

PURPLE PRIDE!



Required TEA Schedules

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2023

Year Ended 06/30	1			2		3	10	20	31	32	40	50
	Maintenance & Operations	Tax Rates		Taxable Assessed Valuation	Balance 07/01/22	Current Year's Tax Levy **	Maintenance & Operations Collections	Debt Service Collections	Net Adjustments	Balance 06/30/23		
2014 & Prior years	\$ various	\$ various	\$ various	\$ various	\$241,646		\$13,931	\$3,294		\$224,421		
2015	1.0400	0.2540	1.2940	\$4,406,465,030	\$74,611		\$4,967	\$1,213		\$68,431		
2016	1.0400	0.2540	1.2940	\$5,599,270,443	\$78,584		\$3,102	\$758		\$74,724		
2017	1.0400	0.2760	1.3160	\$5,989,593,782	\$94,813		\$4,914	\$1,304		\$88,595		
2018	1.0400	0.3140	1.3540	\$6,263,391,229	\$111,157		\$8,770	\$2,648	-\$509	\$99,230		
2019	1.0400	0.3140	1.3540	\$6,688,345,157	\$158,024		\$11,981	\$3,617	\$13,243	\$155,669		
2020	0.9700	0.3140	1.2840	\$7,550,239,262	\$234,423		\$42,187	\$13,656	\$89,961	\$268,541		
2021	0.9379	0.3140	1.2519	\$8,046,678,127	\$345,481		\$19,075	\$6,386	\$16,899	\$336,919		
2022	0.8806	0.3240	1.2046	\$8,764,613,982	\$1,416,215	-	\$619,683	\$228,001	-\$119,319	\$449,212		
2023	0.8546	0.3240	1.1786	\$10,964,833,457	-	\$124,613,521	\$86,011,300	\$32,608,421	-\$4,094,509	\$1,899,291		
							\$2,754,954	\$124,613,521	\$86,739,910	\$32,869,298	-\$4,094,234	\$3,665,033

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

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(GAAP Basis)	
REVENUES				
5700 Local and Intermediate Sources	\$ 32,645,000	\$ 33,300,000	\$ 33,484,191	\$ 184,191
5800 State Sources	240,000	400,000	531,236	131,236
5000 Total Revenues	<u>32,885,000</u>	<u>33,700,000</u>	<u>34,015,427</u>	<u>315,427</u>
EXPENDITURES				
0070 Debt Service				
0071 Debt Service - Principal on Long-Term Debt	21,194,938	20,371,233	20,371,233	-
0072 Debt Service - Interest	12,583,065	14,199,840	14,192,045	7,795
0073 Debt Service - Cost of Issuance and Fiscal Charges	106,997	106,997	7,000	99,997
Total Debt Service	<u>33,885,000</u>	<u>34,678,070</u>	<u>34,570,278</u>	<u>107,792</u>
6030 Total Expenditures	<u>33,885,000</u>	<u>34,678,070</u>	<u>34,570,278</u>	<u>107,792</u>
1100 Excess (Deficiency) of Revenues Over Expenditures	<u>(1,000,000)</u>	<u>(978,070)</u>	<u>(554,851)</u>	<u>423,219</u>
1200 Net Change in Fund Balance	(1,000,000)	(978,070)	(554,851)	423,219
0100 FUND BALANCES, July 1, 2022	<u>10,423,847</u>	<u>10,423,847</u>	<u>10,423,847</u>	-
3000 FUND BALANCES, June 30, 2023	<u>\$ 9,423,847</u>	<u>\$ 9,445,777</u>	<u>\$ 9,868,996</u>	<u>\$ 423,219</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CHILD NUTRITION FUND
 YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final	(GAAP Basis)		
REVENUES					
5700	Local and Intermediate Sources	\$ 2,192,000	\$ 2,192,000	\$ 2,212,129	\$ 20,129
5800	State Sources	8,000	8,000	21,247	13,247
5900	Federal Sources	1,200,000	1,750,000	1,680,152	(69,848)
5000	Total Revenues	<u>3,400,000</u>	<u>3,950,000</u>	<u>3,913,528</u>	<u>(36,472)</u>
EXPENDITURES					
Current:					
0030	Support Services - Student:				
0035	Child Nutrition Services	<u>3,400,000</u>	<u>4,050,000</u>	<u>3,929,514</u>	<u>120,486</u>
	Total Support Services - Student	<u>3,400,000</u>	<u>4,050,000</u>	<u>3,929,514</u>	<u>120,486</u>
6030	Total Expenditures	<u>3,400,000</u>	<u>4,050,000</u>	<u>3,929,514</u>	<u>120,486</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(100,000)</u>	<u>(15,986)</u>	<u>84,014</u>
Other Financing Sources (Uses):					
7915	Transfers In	<u>-</u>	<u>-</u>	<u>140,446</u>	<u>140,446</u>
	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>140,446</u>	<u>140,446</u>
1200	Net Change in Fund Balance	-	(100,000)	124,460	224,460
0100	FUND BALANCES, July 1, 2022	<u>709,046</u>	<u>709,046</u>	<u>709,046</u>	<u>-</u>
3000	FUND BALANCES, June 30, 2023	<u>\$ 709,046</u>	<u>\$ 609,046</u>	<u>\$ 833,506</u>	<u>\$ 224,460</u>

BOERNE INDEPENDENT SCHOOL DISTRICT
Use of Funds Report - Select State Allotment Programs
For the Year Ended June 30, 2023

<u>Data Codes</u>	<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>	
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year? If no, please disregard the remaining questions in Section A and go to Section B. Yes
AP2	Does the district have written policies and procedures for its state compensatory education program? Yes
AP3	Total state allotment funds received for state compensatory education programs during the district’s fiscal year. \$ 2,955,683
AP4	Actual direct program expenditures for state compensatory education programs during the district’s fiscal year. \$ 1,572,503
<u>Section B: Bilingual Education Programs</u>	
Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year? If no, please disregard the remaining questions in Section B. Yes
AP6	Does the district have written policies and procedures for its bilingual education program? Yes
AP7	Total state allotment funds received for bilingual education programs during the district’s fiscal year. \$ 500,750
AP8	Actual direct program expenditures for bilingual education programs during the district’s fiscal year. \$ 521,405



Statistical Section



Financial Trends

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Governmental Activities						
Year	Net Investment in Capital Assets	Restricted For:			Unrestricted	Total
		State and Federal Programs	Debt Service	Other		
2023	\$ 55,471,212	872,743	4,860,784	1,625,631	(28,081,823)	\$ 34,748,547
2022	\$ 37,579,928	15,808	6,474,031	1,552,441	(35,185,957)	\$ 10,436,251
2021	\$ 32,545,511	131,294	5,204,383	1,425,897	(43,351,942)	\$ (4,044,857)
2020	\$ 18,413,989	297,585	7,545,123	2,622,056	(31,771,067)	\$ (2,892,314)
2019	\$ 21,018,070	776,733	6,035,641	1,640,884	(28,624,256)	\$ 847,072
2018	\$ 18,437,759	639,037	6,275,417	1,406,281	(29,231,840)	\$ (2,473,346)
2017	\$ 14,472,005	514,086	5,598,304	1,326,420	(34,920,873)	\$ (13,010,058)
2016	\$ 16,035,572	337,326	2,434,950	1,135,358	7,791,469	\$ 27,734,675
2015	\$ 14,668,000	245,000	3,704,000	918,000	7,114,000	\$ 26,649,000
2014	\$ 13,437,650	167,290	3,278,998	1,073,030	18,199,302	\$ 36,156,270

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

Table 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities:										
Instruction	\$ 66,578,214	\$ 62,682,087	\$ 61,304,730	\$ 59,505,033	\$ 51,419,282	\$ 31,081,951	\$ 45,430,069	\$ 41,783,452	\$ 36,457,956	\$ 35,423,046
Instructional Resources and Media Services	1,272,647	1,287,564	1,252,214	1,227,420	1,021,112	664,834	832,818	804,378	831,340	766,589
Curriculum and Staff Development	3,397,154	3,058,357	2,817,859	2,410,842	2,489,056	1,294,502	1,498,147	1,364,514	1,386,100	1,087,437
Instructional Leadership	1,518,607	1,334,183	1,347,941	1,587,071	894,011	468,266	565,542	523,465	535,661	499,522
School Leadership	6,163,158	5,849,796	6,259,304	5,848,539	5,306,579	2,659,945	3,934,241	3,332,457	3,117,781	2,873,622
Guidance, Counseling, and Evaluation Services	4,839,799	4,324,899	4,382,545	3,971,152	3,753,501	1,754,474	3,103,861	2,973,970	2,743,376	2,413,093
Health Services	1,218,911	1,162,670	1,335,471	1,500,031	966,611	461,512	769,862	682,220	767,621	619,641
Student (pupil) Transportation	3,669,719	3,484,979	3,156,341	3,061,686	2,641,926	2,145,076	2,603,637	2,529,115	2,650,255	2,343,520
Food Services	4,660,723	5,024,345	3,592,139	3,841,689	2,732,226	1,969,754	2,595,812	2,381,336	2,450,990	2,306,785
Co-curricular/Extracurricular Activities	4,969,478	4,611,532	4,425,202	3,392,270	3,700,698	3,419,309	3,841,479	3,315,729	3,491,645	3,119,078
General Administration	3,978,418	3,974,448	3,809,047	4,374,559	2,720,077	1,686,850	2,176,813	1,962,739	1,628,831	1,392,295
Plant Maintenance and Operations	11,438,324	12,080,887	10,706,826	8,807,461	8,143,551	6,747,686	7,165,622	6,965,016	6,547,224	6,441,414
Security and Monitoring Services	1,680,131	1,130,245	1,190,892	1,290,174	690,820	473,564	371,430	335,898	342,086	310,830
Data Processing Services	3,805,342	3,336,667	5,509,873	2,382,878	2,388,479	1,601,698	1,618,754	1,416,803	1,382,079	1,162,710
Community Services	49,737	44,923	54,329	41,401	46,365	61,498	84,854	163,855	153,915	145,984
Interest on Long-term Debt	9,154,730	8,985,660	8,411,431	12,736,542	14,044,438	14,524,854	11,197,778	8,770,095	9,359,832	5,159,270
Bond Issuance Costs and Fees	774,315	16,739	2,409,195	-	-	215,158	535,917	164,487	314,083	497,546
Capital Outlay	-	-	-	-	-	-	12,212	658,007	27,179	108,621
Contracted instructional services between state and others	7,485,147	-	2,176,662	-	10,554,906	9,377,461	7,670,790	6,377,347	8,050,500	7,220,447
Payments related to shared services arrangements	-	-	-	18,500	15,000	15,000	5,000	15,443	-	-
Other Intergovernmental Charges	817,510	851,213	760,023	873,655	726,318	671,313	726,660	688,564	700,734	625,274
Total Primary Government Expenses	137,472,064	123,241,194	124,902,024	116,870,903	114,254,956	81,294,705	96,741,298	87,208,890	82,939,188	74,516,724
Program Revenues										
Governmental Activities:										
Charges for services	3,543,543	1,769,004	2,901,070	2,233,620	2,895,384	3,884,811	4,395,138	4,316,399	4,197,739	3,855,180
Operating Grants and Contributions	21,639,364	25,515,403	15,286,557	13,065,238	10,362,199	(5,800,868)	6,889,173	5,078,871	4,393,884	3,451,904
Capital Grants and Contributions	4,325,000	-	-	-	-	-	-	-	-	-
Total Primary Government Revenues	29,507,907	27,284,407	18,187,627	15,298,858	13,257,583	(1,916,057)	11,284,311	9,395,270	8,591,623	7,307,084
Total Primary Government Net Expense	\$ (107,964,157)	\$ (95,956,787)	\$ (106,714,397)	\$ (101,572,045)	\$ (100,997,373)	\$ (83,210,762)	\$ (85,456,987)	\$ (77,813,620)	\$ (74,347,565)	\$ (67,209,640)
General Revenues and Other Changes in Net Position										
General Revenues:										
Property taxes	\$ 121,300,871	\$ 103,395,430	\$ 98,366,506	\$ 93,848,195	\$ 91,745,004	\$ 85,421,125	\$ 77,680,838	\$ 71,720,652	\$ 67,545,444	\$ 63,845,740
Investment Earnings	3,307,356	142,720	144,254	1,005,812	2,457,470	2,022,390	865,349	214,003	116,710	77,939
Grants and Contributions Not Restricted to Specific Programs	7,135,837	6,404,667	6,140,939	3,284,820	8,308,593	5,034,158	5,078,736	6,817,882	6,566,586	8,345,513
Insurance proceeds	-	-	534,172	-	-	-	-	-	-	-
Miscellaneous	532,389	495,078	375,983	1,815,344	1,806,724	1,269,801	3,771,156	147,230	848,079	282,660
Total Primary Government General Revenues	132,276,453	110,437,895	105,561,854	99,954,171	104,317,791	93,747,474	87,396,079	78,899,767	75,076,819	72,551,852
Change in Net Position - Total Primary Government	\$ 24,312,296	\$ 14,481,108	\$ (1,152,543)	\$ (1,617,874)	\$ 3,320,418	\$ 10,536,712	\$ 1,939,092	\$ 1,086,147	\$ 729,254	\$ 5,342,212

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

Table 3

	General Fund					All Other Governmental Funds				
	<u>Non-Spendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>	<u>Non-Spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	<u>Total</u>
2023	\$ 37,508	-	-	28,085,039	\$ 28,122,547	\$ 15,693	104,951,257	-	-	\$ 104,966,950
2022	\$ 36,952	-	-	23,155,462	\$ 23,192,414	\$ 27,997	12,670,907	-	(625,789)	\$ 12,073,115
2021	\$ 40,323	-	-	19,482,127	\$ 19,522,450	\$ 66,694	14,093,465	-	-	\$ 14,160,159
2020	\$ -	-	-	19,746,632	\$ 19,746,632	\$ 43,411	15,083,537	-	-	\$ 15,126,948
2019	\$ 306,551	677,151	-	18,377,054	\$ 19,360,756	\$ 71,638	32,286,023	1,481,507	-	\$ 33,839,168
2018	\$ 261,988	677,151	-	15,856,873	\$ 16,796,012	\$ 15,226	85,835,951	-	-	\$ 85,851,177
2017	\$ 291,646	-	-	15,266,876	\$ 15,558,522	\$ 24,199	61,018,861	-	-	\$ 61,043,060
2016	\$ 314,901	-	-	12,743,781	\$ 13,058,682	\$ 11,643	1,471,298	-	-	\$ 1,482,941
2015	\$ 342,370	-	-	14,275,412	\$ 14,617,782	\$ 34,228	46,003,472	-	-	\$ 46,037,700
2014	\$ 323,888	-	1,445,000	12,357,149	\$ 14,126,037	\$ 61,646	90,465,267	-	-	\$ 90,526,913

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES				
Local and Intermediate Sources	\$ 130,747,903	\$ 107,402,079	\$ 102,860,319	\$ 98,695,584
State Sources	13,801,637	12,130,351	11,726,940	9,644,262
Federal Sources	8,569,763	13,493,831	5,115,326	3,507,971
Total Revenues	<u>153,119,303</u>	<u>133,026,261</u>	<u>119,702,585</u>	<u>111,847,817</u>
EXPENDITURES				
Current:				
Instruction	58,432,271	55,174,610	51,544,091	50,674,786
Instructional Resources and Media Services	1,068,966	1,093,299	1,021,229	1,559,975
Curriculum and Instructional Staff Development	3,495,529	2,928,061	2,634,764	2,202,629
Instructional Leadership	1,469,840	1,289,706	1,265,696	1,152,472
School Leadership	5,474,818	5,218,012	5,395,057	5,110,081
Guidance and Counseling Services	4,387,787	3,909,005	3,834,268	3,504,111
Health Services	1,060,864	1,015,324	1,142,920	1,023,112
Pupil Transportation	5,231,026	2,917,728	3,315,584	3,019,807
Child Nutrition Services	4,255,770	4,425,419	3,069,365	2,658,801
Co-Curricular Activities	3,974,586	3,791,563	3,363,270	3,234,150
General Administration	3,738,909	3,775,341	3,497,488	3,256,730
Plant Maintenance and Operations	10,446,690	10,771,674	9,517,114	8,636,803
Security & Monitoring Services	1,494,474	920,194	1,087,207	880,938
Data Processing Services	6,815,369	2,646,209	5,007,763	3,343,250
Community Services	48,786	44,308	53,137	40,726
Debt Service:				
Principal on Long-term Debt	20,637,283	14,262,447	7,340,634	5,865,138
Interest	14,208,987	12,994,424	14,135,869	15,399,731
Cost of Issuance and Fiscal Charges	774,315	16,739	2,409,195	2,697,402
Capital Outlay:				
Facilities Acquisition and Construction	11,058,284	3,398,065	725,491	15,590,043
Intergovernmental:				
Contracted Instructional Services Between Schools	7,485,147	-	2,176,662	-
Payments to Shared Services Arrangements	-	-	-	18,500
Other Intergovernmental Charges	817,510	851,213	760,023	873,655
Total Expenditures	<u>166,377,211</u>	<u>131,443,341</u>	<u>123,296,827</u>	<u>130,742,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,257,908)</u>	<u>1,582,920</u>	<u>(3,594,242)</u>	<u>(18,895,023)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt - Capital-Related Bonds	110,000,000	-	-	-
Issuance of Debt - Refunding Bonds	-	-	90,699,896	40,980,000
Proceeds from Right to Use Leased Assets	313,078	-	-	-
Premium on Issuance of Bonds	318,798	-	5,481,842	7,736,082
Sale of Real and Personal Property	-	-	-	3,346
Insurance Recovery	-	-	534,172	-
Transfers In	590,446	-	450,000	1,273,835
Transfers Out	(140,446)	-	(555,229)	(1,273,835)
Payment to Refunded Bond Escrow Agent	-	-	(95,685,423)	(46,669,242)
Total Other Financing Sources (Uses)	<u>111,081,876</u>	<u>-</u>	<u>925,258</u>	<u>2,050,186</u>
Net Change in Fund Balances	<u>\$ 97,823,968</u>	<u>\$ 1,582,920</u>	<u>\$ (2,668,984)</u>	<u>\$ (16,844,837)</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	22.44%	21.29%	17.52%	18.47%

(1) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.

Table 4

	2019	2018	2017	2016	2015	2014
\$	98,870,987	\$ 92,051,189	\$ 83,747,139	\$ 76,100,028	\$ 72,953,780	\$ 67,965,433
	12,377,814	9,609,250	8,889,146	7,895,676	7,705,972	8,966,642
	4,054,445	3,517,160	2,878,765	2,929,019	3,068,634	2,714,638
	<u>115,303,246</u>	<u>105,177,599</u>	<u>95,515,050</u>	<u>86,924,723</u>	<u>83,728,386</u>	<u>79,646,713</u>
	43,878,596	41,188,738	39,026,550	36,873,668	33,998,134	32,590,102
	1,119,002	836,447	729,428	747,735	774,639	699,192
	2,272,207	1,547,192	1,390,643	1,327,614	1,347,874	1,050,198
	750,853	685,609	515,390	513,726	525,924	489,696
	4,461,560	4,119,787	3,617,399	3,146,872	3,112,022	2,826,295
	3,175,569	2,729,988	2,874,723	2,838,860	2,761,551	2,402,678
	821,154	718,574	714,670	678,785	764,186	616,253
	2,724,653	2,975,682	2,739,024	2,190,213	4,056,686	2,089,044
	2,575,787	2,386,535	2,339,274	2,283,038	2,321,453	2,167,833
	3,370,359	3,090,816	3,002,632	2,684,245	2,755,776	2,609,397
	2,362,868	2,230,089	2,058,582	2,108,670	1,673,312	1,508,752
	7,354,536	7,288,316	6,860,830	6,821,681	7,124,516	6,716,150
	628,380	499,686	360,229	331,638	336,636	306,645
	3,896,403	4,993,009	5,445,379	1,882,098	2,824,786	10,560,507
	38,020	68,279	78,238	160,156	152,321	145,804
	6,435,916	6,123,694	5,163,422	6,316,144	5,750,010	4,928,698
	15,585,094	14,018,547	11,366,885	9,478,303	7,359,920	5,751,421
	4,457	710,748	713,406	3,875	153,470	375,863
	53,494,235	61,590,990	36,010,427	31,236,865	42,853,099	7,076,761
	10,554,906	9,377,461	7,670,790	6,377,347	8,050,500	7,220,447
	15,000	15,000	5,000	15,443	-	-
	726,318	671,313	726,660	688,564	700,734	625,274
	<u>166,245,873</u>	<u>167,866,500</u>	<u>133,409,581</u>	<u>118,705,540</u>	<u>129,397,549</u>	<u>92,757,010</u>
	<u>(50,942,627)</u>	<u>(62,688,901)</u>	<u>(37,894,531)</u>	<u>(31,780,817)</u>	<u>(45,669,163)</u>	<u>(13,110,297)</u>
	-	81,215,000	81,545,000	-	-	98,025,000
	-	-	-	-	15,734,992	-
	-	-	-	-	-	-
	-	7,519,508	6,862,082	-	808,087	1,829,107
	13,855	-	-	-	-	-
	-	-	-	-	-	-
	750,734	1,058,034	374,639	178,429	377,840	78,038
	(750,734)	(1,058,034)	(374,639)	(178,429)	(144,864)	(78,038)
	-	-	-	-	(15,104,360)	-
	<u>13,855</u>	<u>88,734,508</u>	<u>88,407,082</u>	<u>-</u>	<u>1,671,695</u>	<u>99,854,107</u>
\$	<u>(50,928,772)</u>	<u>26,045,607</u>	<u>50,512,551</u>	<u>(31,780,817)</u>	<u>(43,997,468)</u>	<u>86,743,810</u>
	19.53%	18.95%	16.97%	18.06%	15.15%	12.47%



Revenue Capacity

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

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

Table 5

Fiscal Year Ended 6/30:	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
2023	\$ 15,964,830,545	\$ 444,831,582	\$ (5,351,131,208)	\$ 11,058,530,919	\$ 1.1786
2022	11,740,095,841	392,538,705	(2,966,437,012)	9,166,197,534	1.2046
2021	10,700,247,098	392,311,171	(2,676,673,493)	8,415,884,776	1.2519
2020	9,919,189,061	355,771,631	(2,510,178,584)	7,764,782,108	1.2840
2019	9,183,403,666	321,393,483	(2,323,871,405)	7,180,925,744	1.3540
2018	8,776,888,189	300,414,275	(2,303,156,164)	6,774,146,300	1.3540
2017	7,915,658,190	317,843,205	(2,034,746,484)	6,198,754,911	1.3160
2016	7,688,120,537	306,614,687	(2,139,890,787)	5,854,844,437	1.2940
2015	7,150,236,460	269,730,514	(1,890,060,811)	5,529,906,163	1.2940
2014	6,810,416,398	258,605,127	(1,863,281,007)	5,205,740,518	1.2940

- (1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.
(2) Tax Rates are per \$100 of assessed value.

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

BOERNE INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

(PER \$100 OF ASSESSED VALUE)

Table 6

Taxing Authority	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Overlapping Rates:</u>										
City of Boerne	\$ 0.4510	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720	\$ 0.4720
City of Fair Oaks Ranch	0.3291	0.3518	0.3735	0.3735	0.3668	0.3295	0.3234	0.3073	0.2663	0.2663
Bexar County	0.7437	0.7440	0.7451	0.3011	0.3011	0.3041	0.3090	0.3145	0.3145	0.3269
Kendall County	0.3877	0.4127	0.4127	0.4127	0.4127	0.4127	0.4127	0.3867	0.3940	0.3940
Comal County	0.2489	0.3140	0.3585	0.3585	0.3779	0.3579	0.3579	0.3429	0.3429	0.3429
Kendall County MUD #1 - Cordillera MUD (1)	0.6389	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500			
Miralomas MUD (1)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000				
Kendall County WCID #1 - Esperanza MUD (1)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Cow Creek Groundwater Cons. Dist.	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Total Other Entities	\$ <u>4.8043</u>	\$ <u>4.9495</u>	\$ <u>5.0168</u>	\$ <u>4.5728</u>	\$ <u>4.5855</u>	\$ <u>4.5312</u>	\$ <u>3.5300</u>	\$ <u>1.8284</u>	\$ <u>1.7947</u>	\$ <u>1.8071</u>
<u>District Direct Rates:</u>										
Maintenance & Operations	\$ 0.8546	\$ 0.8806	\$ 0.9379	\$ 0.9700	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3240	0.3240	0.3140	0.3140	0.3140	0.3140	0.2760	0.2540	0.2540	0.2540
Total District Direct Rates	\$ <u>1.1786</u>	\$ <u>1.2046</u>	\$ <u>1.2519</u>	\$ <u>1.2840</u>	\$ <u>1.3540</u>	\$ <u>1.3540</u>	\$ <u>1.3160</u>	\$ <u>1.2940</u>	\$ <u>1.2940</u>	\$ <u>1.2940</u>

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	Property Type	2023			2014		
		Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Rustico at Fair Oaks LLC	Apartments	48,000,550	1	0.55%	-		-
Breit Steadfast MF Fairmarc TX LP	Apartments	40,500,000	2	0.46%	-		-
ZYLSTRA Holdings at Boerne LLC	Apartments	30,773,790	3	0.35%	-		-
CT 17 Herff Apartments	Apartments	25,830,000	4	0.29%	-		-
Albany Engineered Composites	Industrial Manufacturing	24,760,731	5	0.28%	-		-
Mission Pharmacal	Pharmacy	20,426,852	6	0.23%	12,520,040	2	0.28%
VBM Acquisition LLC	Car Dealership	18,193,010	7	0.21%	10,318,390	5	0.23%
LCRA Transmission Services Corp	Electric Utility/Power Plant	14,496,900	8	0.17%	11,514,070	3	0.26%
Boerne Hotel Ltd.	Hotel/Motel	13,836,490	9	0.16%	-		-
HEB Grocery Co. LP	Grocery Store	13,043,350	10	0.15%	-		-
Sir Fairmark LLC	Commercial Land	-		-	32,000,000	1	0.73%
HEB Grocery Co. LP	Grocery Store	-		-	10,988,120	4	0.25%
Guadalupe Valley Telephone Co-C	Telephone Utility	-		-	9,752,780	8	0.22%
Wal-Mart Real Est. Biz Tr.	Commercial Land	-		-	10,165,830	6	0.23%
Jet Specialty Inc.	Retail Store	-		-	9,981,480	7	0.23%
Cavender Boerne Properties Ltd.	Commercial Land	-		-	9,400,120	9	0.21%
Heller Motors LLP	Car Dealership	-		-	8,430,390	10	0.19%
TOTALS		\$ 249,861,673		2.85%	\$ 125,071,220		2.83%

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

(2) Total assessed value equals:

\$ 11,058,530,919

(3) Total assessed value equals:

\$ 5,205,740,518

Source: Kendall County Appraisal District.

Fiscal Year Ended 6/30:	Net Tax Levy For The Fiscal Year (1)	Discount Realized Within the Fiscal Year of the Levy (2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections to Net Tax Levy
2023	\$ 124,613,521	\$ 4,094,509	\$ 118,619,721	98.42%	\$ -	\$ 118,619,721	98.42%
2022	105,578,540	2,843,596	101,318,729	98.62%	967,003	102,285,732	99.56%
2021	100,736,363	2,688,878	96,717,837	98.64%	992,729	97,710,566	99.66%
2020	95,661,072	2,355,251	91,860,790	98.45%	1,176,490	93,037,280	99.71%
2019	92,625,159	2,064,966	89,312,079	98.62%	1,092,445	90,404,524	99.83%
2018	87,005,340	2,197,160	83,675,307	98.66%	1,033,643	84,708,950	99.88%
2017	78,823,054	1,869,174	75,830,548	98.54%	1,034,737	76,865,285	99.88%
2016	72,454,560	1,701,559	69,572,631	98.33%	1,105,646	70,678,277	99.89%
2015	68,341,339	1,659,097	65,898,071	98.82%	715,740	66,613,811	99.90%
2014	64,563,282	1,383,383	61,934,763	98.03%	1,176,705	63,111,468	99.89%

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

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

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



Debt Capacity

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

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

Table 9

<u>Fiscal Year Ended 6/30:</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Ratio of Debt to Assessed Value (2)</u>	<u>Debt Per Student (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Notes Payable (1)</u>			
2023	\$ 377,605,230	\$ 320,000	\$ 377,925,230	3.42%	\$ 37,571
2022	287,976,463	485,000	288,461,463	3.15%	29,995
2021	302,078,910	645,000	302,723,910	3.60%	32,540
2020	309,264,647	800,000	310,064,647	3.99%	34,069
2019	320,837,405	950,000	321,787,405	4.48%	37,030
2018	327,109,650	1,095,000	328,204,650	4.84%	39,662
2017	251,878,344	1,235,000	253,113,344	4.08%	31,898
2016	189,806,072	1,370,000	191,176,072	3.27%	25,181
2015	196,283,304	1,500,000	197,783,304	3.58%	27,523
2014	201,381,971	115,000	201,496,971	3.87%	29,211

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

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

Table 10

<u>Fiscal Year Ended 6/30:</u>	<u>General Obligation Bonds (1)</u>	<u>Less Amounts Available in Debt Service Fund (4)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value (2)</u>	<u>Net Bonded Debt Per Student (3)</u>
2023	\$ 377,605,230	\$ 9,868,996	\$ 367,736,234	3.33%	\$36,558
2022	287,976,463	10,423,847	277,552,616	3.03%	28,861
2021	302,078,910	9,523,439	292,555,471	3.48%	31,447
2020	309,264,647	7,545,123	301,719,524	3.89%	33,152
2019	320,837,405	6,035,641	314,801,764	4.38%	36,226
2018	327,109,650	6,275,417	320,834,233	4.74%	38,772
2017	251,878,344	5,598,304	246,280,040	3.97%	31,037
2016	189,806,072	5,173,030	184,633,042	3.15%	24,319
2015	196,283,304	6,595,717	189,687,587	3.43%	26,397
2014	201,381,971	6,475,022	194,906,949	3.74%	28,256

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and premiums.
- (2) See Table 5 for assessed value data.
- (3) See Table 16 for student enrollment data.
- (4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

BOERNE INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
AS OF JUNE 30, 2023

Table 11

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Overlap Applicable to School District</u>
<u>Overlapping:</u>			
Alamo CCD	\$ 790,860,000	1.63%	\$ 12,891,018
Bexar Co	2,149,170,000	1.63%	35,031,471
Bexar Co Hosp Dist	1,132,465,000	1.63%	18,459,180
Boerne, City of	58,130,000	100.00%	58,130,000
Comal Co	112,915,000	0.63%	711,365
Fair Oaks Ranch, City of	5,320,000	94.08%	5,005,056
Kendall Co	43,115,000	85.31%	36,781,407
Kendall Co WC&ID #2A	34,610,000	100.00%	34,610,000
San Antonio, City of	2,229,995,000	0.07%	1,560,997
Total Overlapping Debt			<u>203,180,492</u>
<u>Direct:</u>			
Boerne Independent School District	377,925,230	100.0%	<u>377,925,230</u>
TOTAL OVERLAPPING AND DIRECT DEBT			\$ <u>581,105,722</u>
Ratio of Total Overlapping Debt and Direct Debt to Assessed Value			5.25%
Direct and Overlapping Debt per Capita			\$ 7,885

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

Source: Municipal Advisory Council (MAC) of Texas

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

Table 12

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 1,105,853,092	\$ 916,619,753	\$ 841,588,478	\$ 776,478,211	\$ 718,092,574	\$ 677,414,630	\$ 619,875,491	\$ 585,484,444	\$ 552,990,616	\$ 520,574,052
Total Net Debt	<u>367,736,234</u>	<u>277,552,616</u>	<u>292,555,471</u>	<u>301,719,524</u>	<u>314,801,764</u>	<u>320,834,233</u>	<u>246,280,040</u>	<u>184,633,042</u>	<u>189,687,587</u>	<u>194,906,949</u>
Legal Debt Margin	\$ <u>738,116,858</u>	\$ <u>639,067,137</u>	\$ <u>549,033,007</u>	\$ <u>474,758,687</u>	\$ <u>403,290,810</u>	\$ <u>356,580,397</u>	\$ <u>373,595,451</u>	\$ <u>400,851,402</u>	\$ <u>363,303,029</u>	\$ <u>325,667,103</u>
Total Net Debt Applicable as a Percentage of Debt Limit	33.25%	30.28%	34.76%	38.86%	43.84%	47.36%	39.73%	31.54%	34.30%	37.44%

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed Value (2)	\$ 11,058,530,919
Debt Limit Percentage of Assessed Value	<u>10%</u>
Debt Limitation	1,105,853,092
Debt Applicable to Debt Limitation:	
Total Bonded Debt	377,605,230
Less Restricted for Retirement of Bonded Debt (3)	<u>9,868,996</u>
Total Amount of Debt Applicable to Debt Limitation	<u>367,736,234</u>
	\$ <u>738,116,858</u>

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



Demographic and Economic Capacity

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

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

Table 13

Fiscal Year Ended 6/30:	Residential Units (1)	Total Market Value of Residential Units (1)	Average Market Value per Residential Unit	Average Household Income (3)	Unemployment Rate (2)
2023	19,246	\$ 8,187,271,347	\$ 425,401	\$ 117,396	3.5%
2022	18,081	7,732,979,247	427,685	92,121	3.3%
2021	17,525	7,075,024,751	403,710	90,403	4.4%
2020	16,738	6,312,064,945	377,110	(4)	5.0%
2019	15,740	5,822,279,409	369,903	(4)	2.7%
2018	15,394	5,567,651,138	361,677	(4)	2.9%
2017	14,717	5,099,232,738	346,486	(4)	3.1%
2016	13,949	4,641,951,658	332,780	(4)	3.2%
2015	13,218	4,201,213,175	317,840	(4)	3.3%
2014	12,942	3,974,568,190	307,106	(4)	4.1%

(1) Source: Kendall County (Texas) Appraisal District.

(2) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Kendall County.

(3) Source: Kendall County Economic Development Corporation

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Table 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>Business</u>	<u>2023 (1)</u>		<u>2012</u>	
		<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Boerne ISD	Public School	1,236	1	968	1
H-E-B Super Store	Grocery Store	385	2	240	4
Mission Pharmacal	Manufacturing	362	3	310	3
Wal-Mart	Discount Store	293	4	330	2
Kendall County	Public Entity	225	5	202	5
Albany Engineered Composites	Manufacturing	223	6	197	6
City of Boerne	Public Entity	220	7	193	7
Mercedes Benz of Boerne	Automobile Sales	147	8	87	10
Toyota of Boerne	Automobile Sales	145	9	-	-
Cibolo Creek Health and Rehab	Healthcare	115	10	-	-
Home Depot	Retail Store	-	-	120	8
Town & Country Manor	Nursing Home	-	-	100	9

Per the Texas Workforce Commission:

Total Employment for 2022	22,671
Total Employment for 2013	17,366

(1) Excepting Boerne ISD, most recent data available is from 2021

Sources: Municipal Advisory Council (MAC) of Texas.



Operating Capacity

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

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

Table 15

	POSITION:					Total
	Teacher	Professional Support	Administration	Educational Aide	Auxiliary Staff	
2023	674.00	131.00	46.00	119.00	281.00	1,251.00
2022	679.00	137.00	42.00	136.00	340.00	1,334.00
2021	631.25	126.60	46.59	106.97	286.72	1,198.13
2020	609.23	122.51	41.00	112.79	270.43	1,155.96
2019	566.36	112.98	35.90	100.20	258.52	1,073.96
2018	535.65	85.44	42.86	87.06	244.05	995.06
2017	519.17	77.21	50.07	85.19	222.90	954.54
2016	500.56	70.62	37.79	84.38	262.00	955.35
2015	472.50	68.65	34.46	79.60	259.75	914.96
2014	452.11	67.08	32.36	79.46	261.71	892.72

BOERNE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 16

<u>Fiscal Year Ended 6/30:</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
2023	10,059	\$ 112,213,195	\$ 11,156	6.46%	\$ 136,654,554	\$ 13,585	6.75%	679	14.81	19.28%
2022	9,617	100,771,666	10,478	3.14%	122,389,981	12,726	-5.21%	679	14.16	16.67%
2021	9,303	94,512,096	10,159	3.60%	124,902,024	13,426	4.55%	631	14.74	18.11%
2020	(2) 9,101	89,244,248	9,806	9.27%	116,870,903	12,842	-2.33%	609	14.94	17.69%
2019	8,690	77,983,893	8,974	3.46%	114,254,956	13,148	33.83%	566	15.35	18.24%
2018	8,275	71,776,890	8,674	1.86%	81,294,705	9,824	-19.42%	536	15.44	17.32%
2017	7,935	67,572,407	8,516	0.27%	96,741,298	12,192	6.14%	519	15.29	16.81%
2016	7,592	64,478,251	8,493	-0.23%	87,208,890	11,487	-0.48%	501	15.15	14.74%
2015	7,186	61,172,428	8,513	2.20%	82,939,188	11,542	6.84%	473	15.19	14.83%
2014	6,898	57,455,259	8,329	-5.39%	74,516,724	10,803	-8.82%	452	15.26	15.88%

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

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

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

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

Fiscal Year Ended 6/30:	District Average Base Salary (1)	Region Average Salary (1)	Statewide Average Salary (1)
2023	\$ 57,569	\$ 54,540	\$ 56,928
2022	57,423	58,634	58,887
2021	56,594	57,073	57,641
2020	56,289	57,386	57,091
2019	54,229	55,011	54,122
2018	53,259	54,547	53,334
2017	52,699	53,918	52,525
2016	52,561	54,101	51,892
2015	52,422	52,066	50,715
2014	51,956	51,282	49,692

(1) Source: Texas Education Agency website through 2022.

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS

Table 18

Building:	2023	2022	2021	2020	2019	2018	2017
HIGH SCHOOLS							
Boerne High School							
Square Footage	265,954	265,954	265,954	265,954	265,954	265,954	265,954
Enrollment	1,356	1,288	1,228	1,168	1,136	1,098	1,115
Samuel V. Champion High School							
Square Footage	332,877	332,877	332,877	332,877	332,877	332,877	332,877
Enrollment	2,014	1,960	1,884	1,770	1,739	1,659	1,591
MIDDLE SCHOOLS							
Boerne Middle School North							
Square Footage	124,296	124,296	124,296	124,296	124,296	124,296	124,296
Enrollment	813	829	813	802	871	851	788
Boerne Middle School South							
Square Footage	205,723	205,723	205,723	205,723	205,723	205,723	205,723
Enrollment	911	924	829	885	1,277	1,225	1,195
Capt. Mark T. Voss Middle School							
Square Footage	199,567	199,567	199,567	199,567	-	-	-
Enrollment	772	761	706	559	-	-	-
ELEMENTARY SCHOOLS							
Curington Elementary School							
Square Footage	97,980	97,980	97,980	97,980	97,980	97,980	97,980
Enrollment	646	634	589	643	702	650	662
Fabra Elementary School							
Square Footage	98,674	98,674	98,674	98,674	98,674	98,674	98,674
Enrollment	702	632	573	549	580	618	583
Fair Oaks Elementary School							
Square Footage	83,763	83,763	83,763	83,763	83,763	83,763	83,763
Enrollment	825	768	649	689	609	1,003	916
Kendall Elementary School							
Square Footage	88,241	88,241	88,241	88,241	88,241	88,241	88,241
Enrollment	816	727	710	752	719	762	694
Cibolo Creek Elementary School							
Square Footage	88,713	88,713	88,713	88,713	88,713	88,713	88,713
Enrollment	471	470	427	478	769	821	756
Van Raub Elementary School							
Square Footage	101,610	101,610	101,610	101,610	101,610	-	-
Enrollment	827	789	739	827	768	-	-
Herff Elementary School							
Square Footage	102,651	102,651	102,651	102,651	-	-	-
Enrollment	610	545	470	457	-	-	-
OTHER FACILITIES							
Administration Center/Alternative Campus (Formerly Fabra ES)							
Square Footage	76,930	76,930	76,930	76,930	76,930	-	-
Maintenance							
Square Footage	14,736	14,736	14,736	14,736	14,736	14,736	14,736
Transportation							
Square Footage	17,176	17,176	17,176	17,176	17,176	17,176	17,176
Former Central Office Facility							
Square Footage	16,582	16,582	16,582	16,582	16,582	16,582	16,582
Former Alternative Campus Facility							
Square Footage	9,779	9,779	9,779	9,779	9,779	9,779	9,779

Source: District records

A photograph of three young girls standing outdoors in front of a metal gate. The girl on the left is wearing a grey t-shirt with a colorful graphic and pink patterned shorts, and has a purple backpack. The girl in the middle is wearing a white t-shirt with the text 'ELLIOTT. ELLIE. ELLE. BUG.' and white sneakers. The girl on the right is wearing a purple t-shirt with a flamingo graphic and blue sneakers, and is making a peace sign. They are all smiling and holding white certificates or papers. The text 'Federal Awards Section' is overlaid in the center of the image.

Federal Awards Section



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boerne Independent School District (the District) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 9, 2023.

Report on 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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Board of Trustees of
Boerne Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 9, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boerne Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

Board of Trustees of
Boerne Independent School District

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 9, 2023

Boerne Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

I. Summary of the Auditor's Results

Financial Statements

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

Federal Awards

- d. Internal control over major programs
- Material weakness(es) identified? Yes No
 - Significant deficiency(s) identified? Yes None reported
- e. An unmodified opinion was issued on compliance for major programs
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? Yes No
- g. Identification of major programs:
- | | |
|----------------|-------------------------------------|
| 10.553, 10.555 | Child Nutrition Cluster |
| 84.425 | Education Stabilization Fund, ESSER |
- h. The dollar threshold used to distinguish between Type A and Type B programs \$750,000
- i. Auditee qualified as a low-risk auditee. Yes No

Boerne Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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

None

III. Federal Awards Findings

None

IV. Prior Year Findings and Questioned Costs:

Finding 2022-001: Significant Deficiency in Internal Control over Financial Reporting— Detailed Cut-off Closing Procedures

Prior Year Finding: The District did not record expenditures and related liabilities for certain goods and services received prior to the end of the accounting period under audit.

Status of Prior Audit Finding: Planned corrected action completed this fiscal year.

BOERNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
as of June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Grantor's Number	Provided to Subrecipient	(3) Federal Expenditures
<u>United States Department of Education:</u>				
Passed Through State Department of Education:				
Special Education Cluster (IDEA):				
IDEA-B Formula	84.027A	226600011309016600	-	90,974
IDEA-B Formula	84.027A	236600011309016600	-	1,432,567
IDEA-B Formula ARP	84.027A	225350011309015350	-	50,380
IDEA-B Formula ARP	84.027A	225350021309015350	-	289,728
			<u>-</u>	<u>1,863,648</u>
IDEA-B Preschool	84.173A	226610011309016610	-	247
IDEA-B Preschool	84.173A	236610011309016610	-	17,882
IDEA-B Preschool - ARP	84.173X	225360021309015360	-	14,688
			<u>-</u>	<u>32,817</u>
High Cost Funds	84.027A		-	49,267
			<u>-</u>	<u>49,267</u>
Total Special Education Cluster (IDEA)			<u>-</u>	<u>1,945,731</u>
ESEA Title I, Part A	84.010A	22610101130901	-	23,569
ESEA Title I, Part A	84.010A	23610101130901	-	609,795
			<u>-</u>	<u>633,364</u>
Carl Perkins Basic Grant for Career & Technical Education	84.048A	22420006130901	-	113
Carl Perkins Basic Grant for Career & Technical Education	84.048A	23420006130901	-	63,727
			<u>-</u>	<u>63,840</u>
ESSA Title II, Part A - Teacher/Principal Training	84.367A	22694501130901	-	47,085
ESSA Title II, Part A - Teacher/Principal Training	84.367A	23694501130901	-	153,517
			<u>-</u>	<u>200,602</u>
Title III, English Language Acquisition- LEP	84.365A	22671001130901	-	1,122
Title III, English Language Acquisition- LEP	84.365A	23671001130901	-	62,942
			<u>-</u>	<u>64,064</u>
Title IV, Part A - Student Support and Academic Enrichment	84.365A	22680101130901	-	2,162
Title IV, Part A - Student Support and Academic Enrichment	84.365A	23680101130901	-	49,109
			<u>-</u>	<u>51,271</u>
Total			<u>-</u>	<u>1,013,141</u>

COVID-19 Homeless II, ARP	84.425W	21533002130901	-	3,350
COVID-19 CRRSA ESSER II	84.425D	21521001130901	-	677,595
			-	677,595
COVID-19 ARP ESSER III (end date 9/30/24)	84.425U	21528001130901	-	659,447
COVID-19 ESSER Supplemental (end date 8/31/23)	84.425U	21528043130901	-	697,185
				1,356,632
Total COVID-19 ESSER			-	2,037,578
Total Passed Through State Department of Education			-	4,996,450
Total United States Department of Education			-	4,996,450
<u>United States Department of Defense:</u>				
Direct Program:				
ROTC	12.000		-	46,667
Total United States Department of Defense			-	46,667
<u>United States Department of Justice:</u>				
Direct Program:				
COPS School Violence Prevention Program	16.710		-	8,080
Total United States Department of Justice			-	8,080
<u>United States Department of Agriculture</u>				
Direct Program:				
Child Nutrition Cluster				
School Breakfast Program	10.553		-	168,095
National School Lunch Program	10.555		-	1,283,281
USDA Donated Commodities	10.555		-	245,733
Emergency Operating Costs	10.555		-	279,909
			-	1,977,017
NSLP Equipment Assistance Grant	10.579			64,978
P-EBT Local Level Administrative Cost Grant	10.649		-	3,135
Total United States Department of Agriculture			-	2,045,130

United States Department of Health and Human Services

Passed Through Texas Health and Human Services Commission:

COVID-19 School Health Support Grant	93.323	02748292	-	14,324
Supplemental School Nurse Grant	93.354		-	67,507
Medicaid Administrative Claiming Program	93.778	HHS000537900029	-	23,668
			<u>-</u>	<u>23,668</u>

Total United States Department of Health and Human Services

- 105,500

Total Expenditures of Federal Awards

\$ - \$ 7,201,827

*The accompanying notes are an integral part of this statement.

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Boerne Independent School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

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

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

NOTE 3. INDIRECT COST RATE

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

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

BOERNE INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

NOTE 4. BASIS OF FUNDING

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