Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended June 30, 2023

☑ Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District’s website on December 15, 2023.
Overview: Burkburnett Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:

- **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district's financial performance based upon certain uniform criteria.

  - Based on data for year 2021/22, the District was assigned a 2022/23 FIRST Rating of “Superior Achievement” and the District’s score was 100 out of a possible 100 points.

- **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as S&P Global Ratings, that evaluate the District’s financial strength and its ability to pay its existing bonds.

  - **S&P Global Ratings:** Assigns a “A+” credit rating to the District, defined as “Having a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.”
State Funding System – Where Do the District’s Revenues Come From: Burkburnett ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Wichita Appraisal District and Clay County Appraisal District:

- **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.

- The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2022/23, the District’s sources for M&O revenues are summarized to the right.

- On November 6, 2007, voters approved a tax ratification election to increase the District’s M&O tax rate to $1.17. Prior to such ratification, the District was limited to a $1.04 tax rate for maintenance and operations. Beginning in year 2019/20, the District’s M&O tax rate became subject to compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.
Interest & Sinking Fund ("I&S") Tax Rate: To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The following summarizes the District’s bond programs approved by voters over the last 15 years:

<table>
<thead>
<tr>
<th>Election Date</th>
<th>Purpose</th>
<th>Election Amount</th>
<th>Dollar Amount Of Bonds Remaining To Be Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 3, 2015</td>
<td>School Building</td>
<td>$47,100,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

Total Dollar Amount Of Authorized But Unissued Bonds - As of June 30, 2023: $0

Source: Texas Bond Review Board and District records.
Historical Student Enrollment

- Over the last 5 years, the number of students within the District has decreased by 37.

Source: Texas Education Agency - PEIMS and District records.
Over the last 5 years, the District’s full-time equivalent personnel has increased by 39.

Source: Texas Education Agency - PEIMS and District records.
For year 2022/23, the District employed 0.1612 full-time equivalent personnel per student.

Source: Texas Education Agency - PEIMS and District records.
The District’s total tax rate decreased by 20 cents over the last 4 years primarily as a result of compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.

Source: District’s Audited Financial Statements and District records.
Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values

Note: Taxes are net of the State-mandated residential homestead exemption.
In year 2022/23, a homeowner with a $100,000 Appraised Home Value and 1 or no children attending Burkburnett ISD paid approximately $4.47 of school property taxes for each school day.

A homeowner with a $100,000 Appraised Home Value and 2 children attending Burkburnett ISD paid approximately $2.23 of school property taxes per child for each school day.

This includes the cost of instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, facilities infrastructure/maintenance and bond payments.

Note: Taxes are net of the $40,000 State-mandated residential homestead exemption. Assumes a 180 school day year.
For year 2022/23, Single-Family Residential properties comprised 56.0% of the District’s total assessed valuation and other property categories comprised 44.0%.
The District’s taxable value per student has increased from $249,946 to $345,575 over the last 5 years.

Source: Wichita Appraisal District, Clay County Appraisal District, Texas Education Agency - PEIMS and District records.
The State funding system is structured to provide the District with an “equalized” dollar amount per student. The revenue sources for maintenance and operations and repayment of bonds is summarized below.

For year 2022/23, the District received $358,889 in facilities funding from the State for the payment of voter-approved bonds.

Source: District’s Audited Financial Statements and District records.
(A) For 10-month time period of September 1, 2020 - June 30, 2021. Reflects initial year of District’s change in fiscal year.

(B) Includes maintenance and operation expenses and bond payments of voter-approved bonds.

*Excludes Capital Projects Fund. Source: District’s Audited Financial Statements and District records.
(A) For 10-month time period of September 1, 2020 - June 30, 2021. Reflects initial year of District’s change in fiscal year.

(B) Includes maintenance and operation expenses and bond payments of voter-approved bonds.

*Excludes Capital Projects Fund. Source: District’s Audited Financial Statements, Texas Education Agency - PEIMS and District records.
Total Expenditures (All Governmental Funds*) By Source

*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.

For 10-month time period of September 1, 2020 - June 30, 2021. Reflects initial year of District’s change in fiscal year.
Total Expenditures (All Governmental Funds*) Per Student

Expenditures Per Student

<table>
<thead>
<tr>
<th>Year</th>
<th>Instruction &amp; Instructional Support</th>
<th>Central Administration</th>
<th>District Operations</th>
<th>Debt Service</th>
<th>Other / Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18</td>
<td>$11,083</td>
<td>$1,928</td>
<td>$338</td>
<td>$7,410</td>
<td>$1,364</td>
</tr>
<tr>
<td>2018/19</td>
<td>$11,833</td>
<td>$2,103</td>
<td>$336</td>
<td>$7,709</td>
<td>$1,638</td>
</tr>
<tr>
<td>2019/20</td>
<td>$13,374</td>
<td>$2,545</td>
<td>$382</td>
<td>$8,411</td>
<td>$2,103</td>
</tr>
<tr>
<td>2020/21(A)</td>
<td>$11,047</td>
<td>$2,169</td>
<td>$289</td>
<td>$7,502</td>
<td>$1,041</td>
</tr>
<tr>
<td>2021/22</td>
<td>$13,971</td>
<td>$3,269</td>
<td>$385</td>
<td>$8,699</td>
<td>$315</td>
</tr>
<tr>
<td>2022/23</td>
<td>$14,880</td>
<td>$3,420</td>
<td>$419</td>
<td>$9,439</td>
<td>$420</td>
</tr>
</tbody>
</table>

(A) For 10-month time period of September 1, 2020 - June 30, 2021. Reflects initial year of District’s change in fiscal year.

*Excludes Capital Projects Fund. Source: District’s Audited Financial Statements, Texas Education Agency - PEIMS and District records.
Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures

- **Unrestricted General Operating Fund Balance** is a reserve maintained to meet future expenses, which equaled approximately 46.48% of the District’s operating expenditures for year 2022/23.

- The Texas Education Agency and the bond rating agencies rely upon a school district’s General Operating Fund Balance to determine financial management ratings.

Source: District’s Audited Financial Statements and District records.

(A) For 10-month time period of September 1, 2020 - June 30, 2021. Reflects initial year of District’s change in fiscal year.
Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters

As of June 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,050,000</td>
<td>13,361,250</td>
<td></td>
<td>43,411,250</td>
</tr>
</tbody>
</table>

Note: Although the District’s fiscal year ends on June 30, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District’s budget. As such, the District’s August 2023 debt payments are not portrayed in the graph above.

Source: District’s Audited Financial Statements and District records – As of June 30, 2023.
Burkburnett ISD has implemented 2 bond refunding programs and prepaid $2.565 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than $2.7 million of savings for District taxpayers in recent years.

### Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds

<table>
<thead>
<tr>
<th>Issue / Description</th>
<th>Series Refunded / Redeemed</th>
<th>Par Amount Refunded / Redeemed</th>
<th>Total Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited Tax Refunding Bonds, Series 2005</td>
<td>1998</td>
<td>$9,185,000</td>
<td>$548,913</td>
</tr>
<tr>
<td>Unlimited Tax Refunding Bonds, Series 2012</td>
<td>1998, 2005</td>
<td>7,235,000</td>
<td>491,228</td>
</tr>
<tr>
<td><strong>Total - Bond Refunding Programs at a Lower Interest Rate</strong></td>
<td>---</td>
<td>$16,420,000</td>
<td>$1,040,141</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - August 2018</td>
<td>2016</td>
<td>$130,000</td>
<td>$95,063</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - February 2019</td>
<td>2016</td>
<td>465,000</td>
<td>332,475</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - February 2020</td>
<td>2016</td>
<td>335,000</td>
<td>228,638</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - February 2021</td>
<td>2016</td>
<td>550,000</td>
<td>357,500</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - February 2022</td>
<td>2016</td>
<td>680,000</td>
<td>419,900</td>
</tr>
<tr>
<td>Prepayment of Series 2016 Bonds - February 2023</td>
<td>2016</td>
<td>405,000</td>
<td>230,588</td>
</tr>
<tr>
<td><strong>Total - Prepayment of Bonds Prior to Scheduled Maturity</strong></td>
<td>---</td>
<td>$2,565,000</td>
<td>$1,664,164</td>
</tr>
</tbody>
</table>

| Totals                                                   | ---                         | $18,985,000                    | $2,704,305    |

Source: District records.
The following debt obligations are payable from ad valorem taxes (i.e. I&S taxes) levied annually against all taxable property located within the District, without legal limit as to rate or amount.

<table>
<thead>
<tr>
<th>No.</th>
<th>Issue Description</th>
<th>Purpose</th>
<th>Original Principal Amount</th>
<th>Outstanding Principal</th>
<th>Total Outstanding Debt Service</th>
<th>Outstanding Principal Per Capita</th>
<th>Outstanding Debt Service Per Capita</th>
<th>Final Maturity Date</th>
<th>Total Proceeds Received</th>
<th>Spent Proceeds</th>
<th>Unspent Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unlimited Tax School Building Bonds,</td>
<td>Capital Improvements</td>
<td>$41,605,000.00</td>
<td>$30,050,000.00</td>
<td>$43,411,250.00</td>
<td>$1,390.88</td>
<td>$2,009.31</td>
<td>02/15/2041</td>
<td>$48,601,156.92</td>
<td>$48,601,156.92</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Source: District’s Audited Financial Statements, 2010 U.S. Census (Interpolated) and District records. Per capita figures are based upon an estimated population of 21,170.
Maintenance Tax Debt Service By Series

Note: Although the District’s fiscal year ends on June 30, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District’s budget. As such, the District’s August 2022 debt payments are not portrayed in the graph above. Payable from the District’s M&O tax rate.

Source: District’s Audited Financial Statements and District records – As of June 30, 2023.
Maintenance Tax Debt Service By Principal and Interest

As of June 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$3,675,339</td>
<td>$1,004,687</td>
</tr>
</tbody>
</table>

$4,680,026

Note: Although the District’s fiscal year ends on June 30, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District's budget. As such, the District’s August 2023 debt payments are not portrayed in the graph above. Payable from the District’s M&O tax rate.

Source: District’s Audited Financial Statements and District records – As of June 30, 2023.
The following debt obligations are payable from any available funds of the District, including but in no way limited to the ad valorem taxes levied for maintenance purposes (i.e. M&O taxes) by the District, within the limitations of the District’s maintenance tax authority.

<table>
<thead>
<tr>
<th>No.</th>
<th>Issue Description</th>
<th>Purpose</th>
<th>Original Principal Amount</th>
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<th>Unspent Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Property Finance Contract, Series 2012</td>
<td>Acquisition of Personal Property</td>
<td>$1,765,274.00</td>
<td>$535,338.87</td>
<td>$571,268.80</td>
<td>$24.78</td>
<td>$26.44</td>
<td>09/15/2026</td>
<td>$1,765,274.00</td>
<td>$1,765,274.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>2</td>
<td>Maintenance Tax Notes, Series 2022</td>
<td>Maintenance &amp; Equipment</td>
<td>$3,245,000.00</td>
<td>$3,140,000.00</td>
<td>$4,108,757.50</td>
<td>$145.34</td>
<td>$190.18</td>
<td>02/15/2042</td>
<td>$3,456,170.10</td>
<td>$3,456,170.10</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation

Source: District’s Audited Financial Statements, Wichita Appraisal District, Clay County Appraisal District and District records.
Inflation-Adjusted Tax-Supported Debt Per Capita

Reflects an estimate of District’s principal amount of tax-supported debt outstanding per capita, with years 2017/18 - 2021/22 adjusted by rate of inflation portrayed by the Consumer Price Index.

Note: Debt payments represent District’s voter-approved bonds payable from a levy of its I&S tax rate.

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Links to Additional Resources:

https://www.comptroller.texas.gov/transparency/local/debt/isds.php
https://www.brbcensus.com/local-government-services/