

BIRDVILLE INDEPENDENT SCHOOL DISTRICT

FINANCIAL REPORT

AUGUST 31, 2006

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS
2006-2007 SCHOOL YEAR**

BOARD OF TRUSTEES

Ralph Kunkel	President
Wanda Strong	Vice President
David Pokluda	Secretary
Joe Tolbert	
Dolores Webb	
Sherry Dunn	
Richard Davis	

OTHER PRINCIPAL OFFICIALS

Dr. Stephen F. Waddell	Superintendent
Dr. Jay Thompson	Associate Superintendent, Staff and Student Services
Dr. Quentin Burnett	Associate Superintendent, Finance
Dr. Ellen Bell	Associate Superintendent, Curriculum and Instruction
Ms. Julie Wallace	Technology and Management Information Systems

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
CERTIFICATE OF BOARD**

<u>Birdville Independent</u> <u>School District</u>	<u>Tarrant</u>	<u>220-902</u>
Name of Local Education Agency	County	County-District-Number No.

We, the undersigned, certify that the attached annual financial report of the above named school district was reviewed and

approved <u>✓</u>	disapproved <u> </u>
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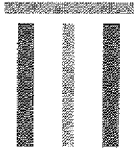
for the year ended August 31, 2006 at a meeting of the Board of Trustees of such school district on the 14th day of December, 2006.


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):

FINANCIAL SECTION



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Birdville Independent School District
Haltom City, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Birdville Independent School District as of and for the year ended August 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Birdville Independent School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Birdville Independent School District as of August 31, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2006, on our consideration of Birdville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Board of Trustees
Birdville Independent School District

Management's discussion and analysis on pages 5 through 16 and budgetary comparison schedule – general fund on pages 47 and 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Birdville Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and in addition to the combining statements and the required TEA schedules listed in the table of contents, are not a required part of the financial statements. Such information, excluding the Fund Balance and Cash flow worksheet – General Fund (Exhibit I-3) marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 3, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Birdville Independent School District's (District's) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal period ending August 31, 2006. It should be read in conjunction with the following audited financial schedules and statements which follow this section.

FINANCIAL HIGHLIGHTS

- At August 31, 2006, the District's assets exceeded its liabilities by \$27,498,552 (net assets). The Unrestricted Net Assets were \$10,573,944.
- At the close of the fiscal year the combined governmental fund balance was \$75,226,485, an increase of \$28,522,101 in comparison with the prior year. The majority of this increase resulted from the issuance of capital project bonds. The General Fund unrestricted, unreserved fund balance of \$22,884,303 represents approximately 31% of the combined governmental fund balance.
- The District's total liabilities increased by \$40,679,707 (22%) during the current fiscal year. This increase is due to the issuance of over \$40 million in capital project bonds.
- The General Fund unreserved and undesignated fund balance decreased by \$1,761,786 to \$22,884,303 during the 05-06 fiscal year. The 05-06 year-end unrestricted, undesignated fund balance now equals 16.8% of the 05-06 General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements consist of three components:

- 1) *Government-wide financial statements*
- 2) *Fund financial statements*
- 3) *Notes to the financial statements*

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities. The value of assets less liabilities is reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information for all of the current year's revenue and expenses regardless of when cash is received or paid. Thus, revenues and expenses reported in this statement for some items will only result in cash flows for future fiscal periods.

The District's *Government-wide Financial Statements* distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges.

The Government-wide Financial Statements can be found on pages 17-18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The *Fund Financial Statements* provide detailed information about the District's most significant funds and not the District as a whole.

All of the funds of the District can be divided into three categories:

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Proprietary funds

Proprietary funds offer *short- and long-term* financial information about the activities the government operates *like businesses*. There are two types of proprietary funds – *enterprise funds* and *internal service funds*. The *enterprise funds* report the same functions presented as *business-type activities* in the *government-wide financial statements*. The district has no enterprise funds. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally among various functions. The District uses *internal service funds* to report activities for its self-funded insurance program (Workers Compensation). The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 28-46 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also includes certain *Required Supplementary Information* that further explains and supports the financial statements. Required supplementary information can be found on pages 47-48 of this report.

The combining statements for the district's 51 non-major funds, including the Debt Service fund are presented immediately following the required supplementary information. Combining statements can be found on pages 49-68.

The Texas Education Agency (TEA) requires that certain information be included in this report and those statements and schedules can be found on pages 69-74.

Government-wide Financial Statements

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Birdville ISD, assets exceeded liabilities by \$27,498,552.

Table A-1

	Net Assets		
	Governmental Activities		Percent Change
	2005	2006	2005 to 2006
Current and other assets	\$61,705,952	\$94,861,812	53.73%
Capital assets	165,089,533	163,580,415	-0.91%
Total Assets	226,795,485	258,442,227	13.95%
Other liabilities	14,452,969	21,495,465	48.73%
Long-term liabilities outstanding	175,810,999	209,448,210	19.13%
Total Liabilities	190,263,968	230,943,675	21.38%
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	17,236,483	14,368,063	-16.64%
Restricted for Food Service	2,419,852	2,160,651	-10.71%
Restricted for Debt Service	1,073,972	395,894	-63.14%
Unrestricted Net Assets	15,801,210	10,573,944	-33.08%
Total Net Assets	\$36,531,517	\$27,498,552	-24.73%

Investment in capital assets (e.g., land, buildings, furniture, and equipment) less any outstanding related debt used to acquire those assets is \$14,368,063. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (approximately 9.3%) represents resources that are subject to external restrictions on how they may be used. The remaining net assets of \$10,573,944 (approximately 38%) are unrestricted and may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources.

Governmental Activities

Governmental activities decreased the District's net assets by \$9,032,965. The total cost of all *governmental activities* this year was \$180,585,849. The amount that our taxpayers paid for these activities was \$102,186,048 or 57%.

Table A-2

Changes in Net Assets			
	Governmental Activities		Percent Change
	2005	2006	2005 to 2006
Revenues:			
Program Revenues:			
Charges for services	\$7,367,861	\$7,246,033	-1.65%
Operating grants & contributions	22,200,291	23,729,896	6.89%
General Revenues:			
Property taxes	97,162,696	102,186,048	5.17%
State grants	33,029,972	31,690,116	-4.06%
Other	4,996,205	6,700,791	34.12%
Total Governmental Revenues	\$164,757,025	\$171,552,884	4.12%
Expenses:			
Instruction	97,069,282	100,382,918	3.41%
Instructional resources & media services	2,537,460	2,631,103	3.69%
Curriculum & Staff development	1,815,222	1,759,994	-3.04%
Instructional leadership	2,759,720	2,965,712	7.46%
School leadership	9,147,947	9,426,100	3.04%
Guidance, counseling & evaluation services	4,342,842	4,595,162	5.81%
Social Work Services	156,635	200,380	27.93%
Health services	1,701,157	1,894,110	11.34%
Student (pupil)transportation	3,365,649	3,531,510	4.93%
Food services	8,402,186	8,699,231	3.54%
Co curricular/extracurricular activities	6,121,253	6,586,795	7.61%
General administration	5,151,342	5,322,888	3.33%
Plant maintenance & operations	14,754,741	16,761,533	13.60%
Security and monitoring services	490,703	550,294	12.14%
Data processing services	2,151,371	1,978,013	-8.06%
Community services	454,609	448,540	-1.33%
Debt service	9,744,013	9,815,731	0.74%
Facilities acquisition & construction	68,195	2,757,818	3944.02%
Fiscal Agent/Member District of SSA	42,591	84,974	99.51%
Juvenile Justice Alternative Ed. Prg.	50,645	90,490	78.68%
Tax Increment Fund	89,983	102,553	13.97%
Total Governmental Expenses	\$170,417,546	\$180,585,849	5.97%
Decrease in Net Assets	(5,660,521)	(9,032,965)	-59.58%
Beginning Net Assets	42,192,038	36,531,517	-13.42%
Prior Period Adjustment	0	0	0.00%
Ending Net Assets	\$36,531,517	\$27,498,552	-24.73%

The following graphs depict the District's sources of revenue for the years 2006 and 2005 as a percentage of total revenues.

Table A-3

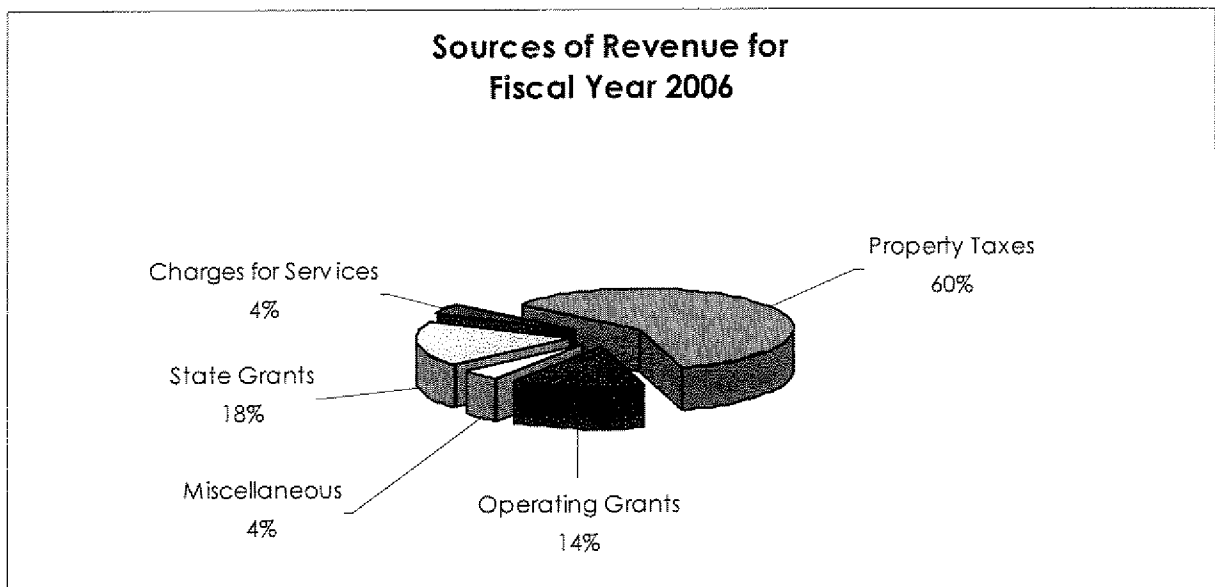


Table A-4

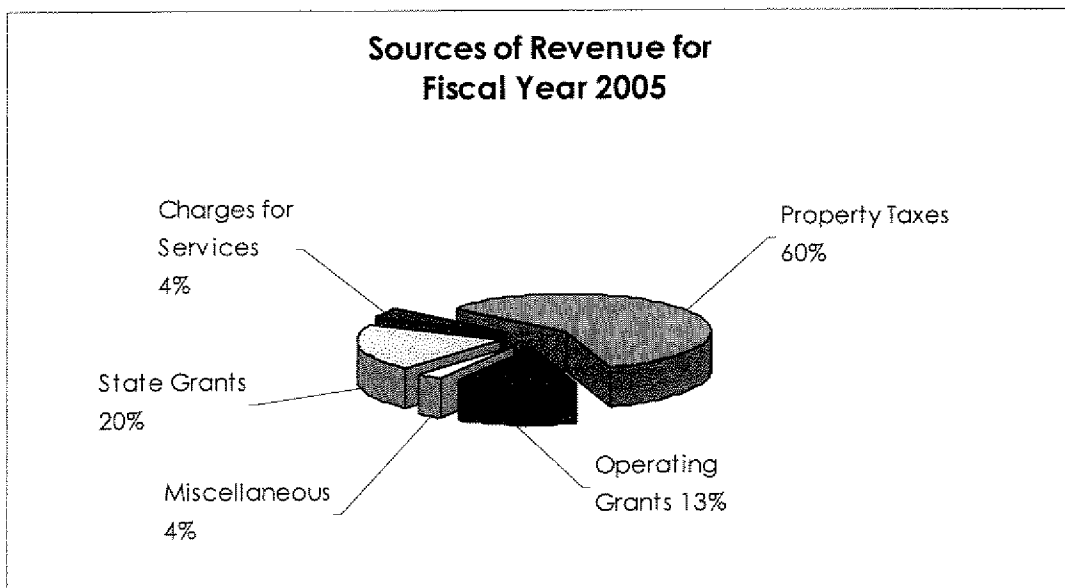


Table A-5 presents the cost of the District's largest programs as well as each program's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. The cost of all *governmental* activities this year was in excess of \$180 million.

Table A-5

Costs of Services for Major Functions						
	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2005	2006	2005 2006	2005	2006	2005 2006
Instruction	\$97,069,282	\$100,382,918	3.41%	\$83,644,823	\$86,656,626	3.60%
School Leadership	9,147,947	9,426,100	3.04%	8,607,185	8,871,785	3.07%
Plant Maintenance & Operations	14,754,741	16,761,533	13.60%	13,772,714	16,028,915	16.38%
Debt Service-Interest & Fiscal Charges	9,744,013	9,815,731	0.74%	9,744,013	9,815,731	0.74%

Total net expenses were up approximately 6% over last year. In the significant cost areas of instruction, school leadership, plant maintenance and operations and debt service, net costs increased 4%, 3%, 16% and 1% respectively.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved, undesignated fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$75,226,485, an increase of \$28,522,101. Approximately 36% of the total ending fund balance constitutes unreserved, undesignated fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for:

1) Inventory	\$ 975,256
2) Debt service payments	\$ 1,730,603
3) Food Service	\$ 2,160,651
4) Capital projects	\$30,685,594
5) Budgetary Contingencies	\$12,500,000

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$22,884,303, while the total fund balance was \$36,127,523. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to the total fund expenditures. Unreserved, undesignated fund balance represents 17% of the total general fund expenditures, while total governmental fund balance represents 55% of that same amount.

The fund balance of the District's general fund represents a decrease of \$1,736,556 during the current fiscal year, which is approximately 4.6% less than fiscal year 2005. This decrease in fund balance is due to several factors. The District opted to use fund balance to build its Network Operating Center (NOC). The NOC is the central command center for all district technology information systems. Also, 2006 was a year of unprecedented utility and fuel cost increases. The budget for fuel and utilities was increased by \$1.5 million in the middle of the year. The debt service fund has a total fund balance of \$1,730,603, all of which is reserved for the payment of debt service.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. In accordance with Board Policy CE (Local), the district submits amendments during the course of the budget year to the Board of Trustees for approval.

In addition, at the end of every fiscal year, school districts across the state also adjust their year-end amended budgets to ensure all functional categories will have favorable balances. If unfavorable functional balances are reported in the audit at the close of the fiscal year, the result is a letter issued by the Texas Education Agency stipulating the legal requirements for budgeting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the District had invested approximately \$163 million in a broad range of capital assets, including land, equipment, and buildings. (See Table A-6)

Table A-6

District's Capital Assets			
	Governmental Activities		Percent Change
	2005	2006	2005 to 2006
Land	\$17,776,341	\$17,776,341	0.00%
Construction in Progress	-	5,679,511	
Buildings & Improvements	250,427,785	253,554,277	1.25%
Furniture & Equipment	10,220,865	11,204,374	9.62%
Lease Property Under Capital Lease	16,788,269	17,220,103	2.57%
Totals	295,213,260	305,434,606	3.46%
Less: Accumulated Depreciation	-130,123,727	-141,854,191	9.01%
Net Capital Assets	\$165,089,533	\$163,580,415	-0.91%

The District added \$8 million in building values with the completion of Walker Creek Elementary and electrical and HVAC renovations at multiple campuses.

Long-Term Debt

At the end of August 31, 2006, the District had total bonded debt outstanding of \$172,843,322, an increase of \$32,528,024 or 23% more than last year.

Table A-7

Birdville ISD Long-Term Debt			
	Governmental Activities		Percent
	2005	2006	Change
Bonds and Notes Payable:			2005 to 2006
General Obligation Bonds	\$140,315,298	\$172,843,322	23.18%
Accreted Interest	33,598,697	35,713,844	6.30%
Total Bonds and Notes Payable	173,913,995	208,557,166	19.92%
Other Liabilities:			
Capital Leases	4,174,553	2,456,511	-41.16%
Compensated Absences	1,901,898	2,186,514	14.96%
Loss on Refunding	-4,179,447	-3,751,981	0.00%
Total Other Liabilities	1,897,004	891,044	-53.03%
Total Governmental Activities			
Long-term debt	<u>\$175,810,999</u>	<u>\$209,448,210</u>	19.13%

More detailed information about the District's debt is presented in the Notes to Basic Financial Statements.

Bond Ratings

The bonds have a primary rating of "AAA" by Moody's Investors Service, Inc. ("Moody's"), "AAA" by Standard & Poor's Ratings Services ("S&P") and AAA by Fitch Investors Service, L.P. (Fitch) by virtue of the guarantee of the Permanent School Fund of the State of Texas ("PSF Guarantee"). The underlying or secondary credit ratings for the District are "Aa3" by Moody's, "AA" by S&P and AA by Fitch.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General fund revenues are budgeted to increase 7.2% from 2005-2006 actual revenues. As a result of the passage of House Bill 1 in the May Special Legislative Session, property tax rates are being compressed to 88.67% of the 2005-2006 adopted tax rates, with the option of adding an additional 4 cents for local enrichment. The reduction in tax revenues will be offset with an increase in state funding. Funds were also appropriated by the Legislature to provide a \$2,000 net pay increase for all teachers, counselors, nurses and librarians. An allotment of \$275 per student in grades 9-12 will be used to strengthen the secondary curriculum. The additional amounts for the salary increases and the High School Allotment are also included in the 2006-2007 budget. Overall state funding is projected to increase \$15 million in 2006-2007.

The certified property values for the 2006 tax year are over \$ 6.7 billion. Property values increased more than \$ 287 million (4.44 %) as new businesses and new homes are claiming more of the District's 40 square miles. The average annual percentage increase for the previous five years was approximately 6.61%.

A recognized sign of fiscal health for a school district is an appropriate undesignated, unreserved fund balance for the General Fund (operating fund). An appropriate fund balance level is one of the measurements for the School's First (Financial Integrity Rating System of Texas) program required for all school districts in the state.

The value of having an appropriate fund balance level can be expressed as follows:

1. Contingency fund for unexpected costs
2. Cushion of operational resources at the beginning of the year prior to tax collection
3. Viewed as sign of fiscal stability and health by bond rating agencies.

The district received excellent ratings under the new Financial Integrity Rating System of Texas program.

2006 Bond Issue

In November 2006, voters approved the issuance of \$128.6 million in bond proceeds to finance the construction of two new elementary schools, as well as additional upgrades to other facilities. The bonds are expected to be sold in January 2007 with construction beginning immediately.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Finance Department.

BASIC FINANCIAL STATEMENTS

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2006

		Primary Government
Data		
Control		Governmental
Codes		Activities
<hr/>		
ASSETS		
1110	Cash and Cash Equivalents	\$ 86,141,972
1220	Property Taxes Receivable (Delinquent)	5,918,678
1230	Allowance for Uncollectible Taxes	(1,295,528)
1240	Due from Other Governments	8,660,755
1290	Other Receivables, Net	123,185
1300	Inventories	975,256
1420	Capitalized Bond and Other Debt Issuance Costs	905,087
1430	Premium on Issuance of Debt	(6,627,183)
Capital Assets:		
1510	Land	17,776,341
1520	Buildings, Net	133,387,048
1530	Furniture and Equipment, Net	2,918,634
1550	Leased Property Under Capital Leases, Net	3,818,881
1580	Construction in Progress	5,679,511
1800	Restricted Assets - Cash Equivalents	59,590
		<hr/>
1000	Total Assets	258,442,227
<hr/>		
LIABILITIES		
2110	Accounts Payable	2,489,459
2140	Interest Payable	1,889,695
2150	Payroll Deductions and Withholdings	1,031,444
2160	Accrued Wages Payable	8,296,645
2180	Due to Other Governments	72,729
2190	Due to Student Groups	8,425
2200	Accrued Expenses	1,867,202
2300	Deferred Revenues	5,786,360
2400	Payable from Restricted Assets	53,506
Noncurrent Liabilities		
2501	Due Within One Year	12,779,356
2502	Due in More Than One Year	196,668,854
		<hr/>
2000	Total Liabilities	230,943,675
<hr/>		
NET ASSETS		
3200	Invested in Capital Assets, Net of Related Debt	14,368,063
3840	Restricted for Food Service	2,160,651
3850	Restricted for Debt Service	395,894
3900	Unrestricted Net Assets	10,573,944
		<hr/>
3000	Total Net Assets	\$ 27,498,552

The notes to the financial statements are an integral part of this statement.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2006**

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Assets

Data Control Codes	Program Revenues			Assets
	1	3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 100,382,918	\$ 482,008	\$ 13,244,284	\$ (86,656,626)
12 Instructional Resources and Media Services	2,631,103	-	168,689	(2,462,414)
13 Curriculum and Instructional Staff Development	1,759,994	117,994	1,005,140	(636,860)
21 Instructional Leadership	2,965,712	-	1,040,113	(1,925,599)
23 School Leadership	9,426,100	-	554,315	(8,871,785)
31 Guidance, Counseling and Evaluation Services	4,595,162	-	936,295	(3,658,867)
32 Social Work Services	200,380	-	59,304	(141,076)
33 Health Services	1,894,110	-	286,546	(1,607,564)
34 Student (Pupil) Transportation	3,531,510	-	486,405	(3,045,105)
35 Food Services	8,699,231	3,697,847	4,693,044	(308,340)
36 Cocurricular/Extracurricular Activities	6,586,795	2,822,523	58,813	(3,705,459)
41 General Administration	5,322,888	-	305,266	(5,017,622)
51 Plant Maintenance and Operations	16,761,533	125,661	606,957	(16,028,915)
52 Security and Monitoring Services	550,294	-	4,643	(545,651)
53 Data Processing Services	1,978,013	-	63,481	(1,914,532)
61 Community Services	448,540	-	131,627	(316,913)
72 Debt Service - Interest on Long Term Debt	9,604,023	-	-	(9,604,023)
73 Debt Service - Bond Issuance Cost and Fees	211,708	-	-	(211,708)
81 Facilities Acquisition and Construction	2,757,818	-	-	(2,757,818)
93 Payments to Fiscal Agent/Member Districts of SSA	84,974	-	84,974	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	90,490	-	-	(90,490)
97 Payments to Tax Increment Fund	102,553	-	-	(102,553)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 180,585,849	\$ 7,246,033	\$ 23,729,896	(149,609,920)

Data
Control
Codes

General Revenues:
Taxes:

MT	Property Taxes, Levied for General Purposes	92,594,599
DT	Property Taxes, Levied for Debt Service	9,591,449
SF	State Aid - Formula Grants	31,690,116
GC	Grants and Contributions not Restricted	2,824,144
IE	Investment Earnings	3,708,529
MI	Miscellaneous Local and Intermediate Revenue	147,022
S1	Special Item - Gain on Sale of Capital Assets	21,096
TR	Total General Revenues and Special Items	140,576,955
CN	Change in Net Assets	(9,032,965)
NB	Net Assets--Beginning	36,531,517
NE	Net Assets--Ending	\$ 27,498,552

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 42,215,679	\$ 31,640,262	\$ 8,786,281	\$ 82,642,222
1220 Property Taxes - Delinquent	5,201,371	-	717,307	5,918,678
1230 Allowance for Uncollectible Taxes (Credit)	(1,133,207)	-	(162,321)	(1,295,528)
1240 Due from Other Governments	7,853,566	-	807,189	8,660,755
1260 Due from Other Funds	882,829	-	218,974	1,101,803
1290 Other Receivables	123,185	-	-	123,185
1300 Inventories	743,220	-	232,036	975,256
1800 Restricted Assets	59,590	-	-	59,590
1000 Total Assets	<u>\$ 55,946,233</u>	<u>\$ 31,640,262</u>	<u>\$ 10,599,466</u>	<u>\$ 98,185,961</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ 1,295,556	\$ 927,868	\$ 266,035	\$ 2,489,459
2150 Payroll Deductions and Withholdings Payable	1,029,677	-	1,767	1,031,444
2160 Accrued Wages Payable	8,136,037	-	160,608	8,296,645
2170 Due to Other Funds	-	26,800	570,958	597,758
2180 Due to Other Governments	5,253	-	67,476	72,729
2190 Due to Student Groups	8,425	-	-	8,425
2300 Deferred Revenues	9,290,256	-	1,119,254	10,409,510
2400 Payable from Restricted Assets	53,506	-	-	53,506
2000 Total Liabilities	<u>\$ 19,818,710</u>	<u>\$ 954,668</u>	<u>\$ 2,186,098</u>	<u>\$ 22,959,476</u>
Fund Balances:				
Reserved For:				
3410 Investments in Inventory	\$ 743,220	\$ -	\$ 232,036	\$ 975,256
3420 Retirement of Long Term Debt	-	-	1,730,603	1,730,603
3450 Food Service	-	-	2,160,651	2,160,651
3470 Capital Acquisition Program	-	30,685,594	-	30,685,594
Unreserved Designated For:				
3590 Budgetary Contingencies	12,500,000	-	-	12,500,000
Unreserved and Undesignated:				
3600 Reported in the General Fund	22,884,303	-	-	22,884,303
3610 Reported in Special Revenue Funds	-	-	4,290,078	4,290,078
3000 Total Fund Balances	<u>\$ 36,127,523</u>	<u>\$ 30,685,594</u>	<u>\$ 8,413,368</u>	<u>\$ 75,226,485</u>
4000 Total Liabilities and Fund Balances	<u>\$ 55,946,233</u>	<u>\$ 31,640,262</u>	<u>\$ 10,599,466</u>	<u>\$ 98,185,961</u>

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AUGUST 31, 2006

Total Fund Balances - Governmental Funds	\$ 75,226,485
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets.	1,128,503
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in fund financial statements.	305,434,606
3 Accumulated depreciation has not been included in the fund financial statements.	(141,854,191)
4 Bonds payable and capital leases have not been included in the fund financial statements.	(175,299,833)
5 Accreted interest on capital appreciation bonds is not capitalized in the fund financial statements.	(35,713,844)
6 Bond issuance costs are not capitalized in the fund financial statements.	905,087
7 Premiums on the issuance of bonds are not capitalized in the fund financial statements.	(6,627,183)
8 Revenue from property taxes reported as deferred revenue in the fund financial statements is recognized as revenue in the government-wide statements.	4,623,150
9 Accrued liabilities for compensated absences have not been recorded in the fund financial statements.	(2,186,514)
10 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are recorded when due	(1,889,695)
11 Deferred loss on refunding bonds issued has not been recorded in the fund financial statements.	3,751,981
19 Net Assets of Governmental Activities	\$ 27,498,552

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

EXHIBIT C-3

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 95,987,389	\$ 660,694	\$ 16,173,151	\$ 112,821,234
5800 State Program Revenues	38,314,847	-	5,684,586	43,999,433
5900 Federal Program Revenues	640,527	-	13,604,196	14,244,723
5020 Total Revenues	134,942,763	660,694	35,461,933	171,065,390
EXPENDITURES:				
Current:				
0011 Instruction	82,872,613	-	9,158,556	92,031,169
0012 Instructional Resources and Media Services	2,314,371	-	69,470	2,383,841
0013 Curriculum and Instructional Staff Development	412,822	-	1,344,326	1,757,148
0021 Instructional Leadership	2,055,945	-	886,514	2,942,459
0023 School Leadership	9,023,468	-	52,520	9,075,988
0031 Guidance, Counseling and Evaluation Services	3,807,952	-	704,492	4,512,444
0032 Social Work Services	148,434	-	51,946	200,380
0033 Health Services	1,668,260	-	190,425	1,858,685
0034 Student (Pupil) Transportation	3,207,191	-	343,470	3,550,661
0035 Food Services	-	-	8,579,034	8,579,034
0036 Cocurricular/Extracurricular Activities	3,785,954	-	2,013,180	5,799,134
0041 General Administration	4,571,326	-	133,059	4,704,385
0051 Plant Maintenance and Operations	16,420,015	-	156,310	16,576,325
0052 Security and Monitoring Services	392,224	-	-	392,224
0053 Data Processing Services	1,852,962	-	6,759	1,859,721
0061 Community Services	200,803	-	199,384	400,187
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	2,149,877	-	7,786,976	9,936,853
0072 Debt Service - Interest on Long Term Debt	77,568	-	7,363,905	7,441,473
0073 Debt Service - Bond Issuance Cost and Fees	-	-	398,740	398,740
Capital Outlay:				
0081 Facilities Acquisition and Construction	616,760	11,325,023	-	11,941,783
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	84,974	84,974
0095 Payments to Juvenile Justice Alternative Ed. Prg.	90,490	-	-	90,490
0097 Payments to Tax Increment Fund	102,553	-	-	102,553
6030 Total Expenditures	135,771,588	11,325,023	39,524,040	186,620,651
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(828,825)	(10,664,329)	(4,062,107)	(15,555,261)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	40,315,000	-	40,315,000
7912 Sale of Real and Personal Property	21,096	-	-	21,096
7913 Capital Leases	431,835	-	-	431,835
7915 Transfers In	-	-	1,360,662	1,360,662
7916 Premium or Discount on Issuance of Bonds	-	-	3,155,993	3,155,993
7917 Prepaid Interest	-	-	153,438	153,438
8911 Transfers Out (Use)	(1,360,662)	-	-	(1,360,662)
7080 Total Other Financing Sources (Uses)	(907,731)	40,315,000	4,670,093	44,077,362
1200 Net Change in Fund Balances	(1,736,556)	29,650,671	607,986	28,522,101
0100 Fund Balance - September 1 (Beginning)	37,864,079	1,034,923	7,805,382	46,704,384
3000 Fund Balance - August 31 (Ending)	\$ 36,127,523	\$ 30,685,594	\$ 8,413,368	\$ 75,226,485

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2006

Total Net Change in Fund Balances - Governmental Funds	\$ 28,522,101
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net effect of this consolidation is to increase net assets.	20,898
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2006 capital outlays increases net assets.	10,623,774
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(12,132,892)
Current year long-term debt principal payments on capital leases, bonds payable, and accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	13,162,854
Current year amounts financed through capital leases are other financing resources in the fund financial statements, but are shown as increases in liabilities in the government-wide financial statements.	(431,835)
Current year accretion on capital appreciation bonds is not reflected in the fund financial statements but is shown as an increase in the accreted interest on the government-wide financial statements.	(5,341,148)
Current year amortization of bond issuance costs is not reflected in the fund financial statements, but is shown as reductions to the bond issuance costs asset in the government-wide financial statements.	(112,542)
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a reduction of the premium on the government-wide financial statements.	777,694
Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed net of an allowance for uncollectible accounts in the government-wide statements.	312,701
Accrued liabilities for compensated absences have not been recorded in the fund financial statements.	(284,616)

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2006

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(551,069)
Current year amortization on the loss on issuance of refunding bonds is not reflected in the fund financial statements, but is shown as a reduction of the loss in the government-wide financial statements.	(427,466)
Bond issuance costs are expenditures in the fund financial statements but are capitalized net of amortization in the government-wide statements.	299,574
The premium on the current year issuance of bonds is recorded as an other resource in the fund financial statements but is capitalized net of amortization in the government-wide financial statements.	(3,155,993)
The current year issuance of bonds is shown as other resources in the fund financial statements but is shown as an increase of long-term debt in the government-wide statements.	(40,315,000)
Change in Net Assets of Governmental Activities	<u><u>\$ (9,032,965)</u></u>

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2006

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,499,750
Total Assets	<u>3,499,750</u>
LIABILITIES	
Current Liabilities:	
Due to Other Funds	504,045
Accrued Expenses	<u>1,867,202</u>
Total Liabilities	<u>2,371,247</u>
NET ASSETS	
Unrestricted Net Assets	<u>1,128,503</u>
Total Net Assets	<u><u>\$ 1,128,503</u></u>

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 615,814
Total Operating Revenues	615,814
OPERATING EXPENSES:	
Other Operating Costs	748,613
Total Operating Expenses	748,613
Operating Income (Loss)	(132,799)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	153,697
Total Nonoperating Revenue (Expenses)	153,697
Change in Net Assets	20,898
Total Net Assets - September 1 (Beginning)	1,107,605
Total Net Assets - August 31 (Ending)	\$ 1,128,503

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Quasi-External Charges	\$ 615,814
Cash Payments for Insurance Claims	(615,815)
Net Cash Used for Operating Activities	(1)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	153,697
Net Increase in Cash and Cash Equivalents	153,696
Cash and Cash Equivalents at Beginning of the Year:	3,346,054
Cash and Cash Equivalents at the End of the Year:	\$ 3,499,750
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (132,799)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Due to Other Funds	288,706
Decrease in Accrued Expenses	(155,908)
Net Cash Used for Operating Activities	\$ (1)

The notes to the financial statements are an integral part of this statement.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2006

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 602,512
Total Assets	<u>\$ 602,512</u>
LIABILITIES	
Due to Student Groups	\$ 602,512
Total Liabilities	<u>\$ 602,512</u>

The notes to the financial statements are an integral part of this statement.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The Birdville Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees that are elected by registered voters of the District. The District prepares its basic financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds. The following is a summary of the more significant accounting policies of the District:

A. Reporting Entity

For financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standard Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB 39 "Determining Whether Certain Organizations are Component Units".

The Birdville Independent School District Foundation for Educational Excellence (Foundation) was found to be a component unit of the District and is included in the basic financial statements. The Foundation was created for the purpose of the assistance, development and maintenance of charitable, educational or specific programs or activities for the Birdville Independent School District. The Foundation's governing body is appointed by the Board of Trustees of the District and the Foundation provides all of its services to the District. As a result, a blended presentation has been used to report the financial information of this component unit.

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Birdville Independent School District non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – continued

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. 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 non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

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 government 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.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amounts.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. Net assets are segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

D. Fund Accounting

The District reports the following major governmental funds:

The General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Major program revenues include local property taxes, state funding under the Foundation School Program, and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, debt service, and capital projects.

Capital Projects Fund – The capital project fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of General Obligation Bonds and interest earned on such monies and local sources designated for such purposes.

Additionally, the District reports the following non major fund type(s):

Governmental Funds:

Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Debt Service Fund – The debt service fund is utilized to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Fund Accounting - continued

Proprietary Funds:

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Fund is a Worker's Compensation fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity fund.

E. Cash and Cash Equivalents

The District's cash is comprised of demand accounts and imprest funds. All daily receipts are deposited to the demand accounts until the funds are invested under the terms of the District's depository contract. The District considers cash equivalents to be all highly liquid investments with initial maturities of ninety days or less from the date of purchase.

F. Temporary Investments

In accordance with GASB Statement No. 31, the District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

G. Inventory

Inventories on the balance sheet consist of material and supplies and are recorded at first-in, first-out (FIFO) cost. The District follows the consumption method of accounting whereby supplies and materials are recorded as expenditures when utilized.

H. Compensated Absences

Five vacation days may be carried over beginning June 1 and must be used by November 1 of the same year. The accrual is considered immaterial and has not been recorded.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Compensated Absences – continued

Leave days are earned at a rate of five State and five local sick days per year. The State days accrue with no limit and the local days may accrue to a maximum of 100 days. For those employees retiring after June 30, 2004, the date of May 31, 2003, is established as a cap for the compensation of unused paid leave at retirement or death. This capped amount shall be used to determine an employee's, or the beneficiary of a deceased employee's, maximum compensation for unused leave at the time of retirement or death. The employee shall have his or her capped amount compensation reduced by 20 percent. If retirement does not occur prior to July 1, 2005, the employee shall have his or her capped amount compensation reduced by an additional 20 percent for an approximate 40 percent reduction. If after the approximate 40 percent reduction an employee qualifies for an amount greater than \$10,000, that amount shall remain his or her capped amount until the time of retirement or death. This amount cannot be exceeded but shall be reduced if the number of unused state and local leave days accumulated in the District, multiplied by 50 percent of the employee's daily rate of pay, results in an amount less than the established capped amount at the time of retirement or death. If the 40 percent reduction reduces an employee's benefit below \$10,000, then the benefit amount may increase to a maximum of \$10,000 with the accumulation of additional local and state leave days. This benefit shall be determined by multiplying 50 percent of the employee's daily rate of pay by the number of unused accumulated state and local days up to a maximum of 100 days earned in the District at the time of retirement or death.

An employee who qualified for retirement benefits from the Teacher Retirement System of Texas and who was hired after May 31, 2003, or the beneficiary of a deceased employee who was hired after May 31, 2003, shall be eligible to receive a maximum \$10,000 compensation benefit at retirement. This benefit shall be determined by calculating 50 percent of the employee's daily rate of pay multiplied by the number of local leave days up to a maximum of 100 days earned in the District, to include days earned in the current school year, at the time of retirement or death.

The accrual for accumulated unpaid sick leave benefits has been recorded in the government-wide financial statements.

I. Account Code Reporting

In accordance with Texas Education Code, the District has adopted and installed an accounting system, which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula becomes available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of August 31, 2006 will change.

K. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based upon historical experience in collecting property taxes. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

L. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Capital Assets - continued

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-45
Vehicles	5-7
Office equipment	5-15
Computer equipment	3-10

M. Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For the year ended August 31, 2006 the District over expended budgeted amounts at the functional levels in function 34, Student Transportation, in the general fund.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3. BONDED DEBT PAYABLE

Bonded debt payable as of August 31, 2006 is as follows:

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding 9-01-05	Issued Current Year	Refunded Current Year	Retired Current Year	Amount Outstanding 8/31/06
Unlimited Tax School Building and Refunding Bonds Series 1994	2.50-5.50	\$59,525,000	\$1,674,222	\$ -	\$ -	\$ 502,976	\$ 1,171,246
Unlimited Tax School Building Bonds Series 1997	3.90-5.60	31,189,385	20,535,606	-	-	896,282	19,639,324
Unlimited Tax School Building Bonds Series 1997A	4.10-5.40	27,995,000	6,345,000	-	-	775,000	5,570,000
Unlimited Tax School Building Bonds Series 1997B	3.90-5.00	7,385,000	6,250,000	-	-	175,000	6,075,000
Unlimited Tax Building Bonds Series 1998	3.70-4.90	9,495,589	7,938,220	-	-	388,385	7,549,835
Unlimited Tax School Building and Refunding Bonds Series 1999	4.60-6.27	11,827,132	11,368,757	-	-	445,000	10,923,757
Unlimited Tax School Building Bonds Series 2000	5.30-6.79	10,140,000	10,053,821	-	-	229,333	9,824,488
Unlimited Tax School Building and Refunding Bonds Series 2002	3.88-5.54	15,673,486	15,673,486	-	-	-	15,673,486
Unlimited Tax Refunding Bonds Series 2002A	3.88-5.54	22,725,000	14,850,000	-	-	4,375,000	10,475,000
Unlimited Tax Refunding Bonds Series 2003	5.00	19,925,000	19,925,000	-	-	-	19,925,000
Unlimited Tax Refunding Bonds Series 2004	3.00-5.00	25,701,186	25,701,186	-	-	-	25,701,186
Unlimited Tax School Building Bonds Series 2006	3.26-4.23	40,315,000	-	40,315,000	-	-	40,315,000
Total bonded debt payable			<u>\$140,315,298</u>	<u>\$ 40,315,000</u>	<u>\$ -</u>	<u>\$7,786,976</u>	<u>\$172,843,322</u>

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3. BONDED DEBT PAYABLE – CONTINUED

The debt service requirements on the above bonds are as follows:

<u>Due Fiscal Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 8,069,554	\$ 10,086,808	\$ 18,156,362
2008	15,004,841	6,301,020	21,305,861
2009	16,406,377	5,293,543	21,699,920
2010	17,393,898	4,724,891	22,118,789
2011	10,785,647	11,716,575	22,502,222
2012-2016	59,189,877	44,557,366	103,747,243
2017-2021	<u>45,993,128</u>	<u>44,666,021</u>	<u>90,659,149</u>
	<u>\$172,843,322</u>	<u>\$127,346,224</u>	<u>\$300,189,546</u>

Bonded debt payable is collateralized by revenue from the District's tax collections. In prior years, the District issued \$25,922,861 in General Obligation Bonds to defease \$25,922,861 in School Building Bonds then outstanding. Of the \$25,922,861 of bonds originally defeased, \$11,262,861 remain outstanding at August 31, 2006.

NOTE 4. CAPITAL LEASES

The District has entered into financing agreements involving equipment and buses pursuant to Section 4 of Article 2358 A.2 of the Texas Education Code, which have been classified as capital leases and have interest rates between 2.43% and 7.15%. The current servicing of the capital leases is accounted for in the General Fund.

The following is a schedule by year of the future minimum lease payments under capital leases together with the present value of net minimum lease payments as of August 31, 2006:

<u>Year Ending August 31</u>	
2007	\$ 1,473,446
2008	818,956
2009	133,916
2010	<u>133,916</u>
Minimum lease payments	2,560,234
Less amount representing interest	<u>103,723</u>
Present value of net minimum lease payments	<u>\$ 2,456,511</u>

Included in Fixed Assets is \$17,220,103 for equipment and buses related to capital leases and \$13,401,222 in accumulated depreciation.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 5. ACCUMULATED UNPAID SICK LEAVE BENEFITS

On retirement or death of certain employees, the District pays any accrued sick leave in a lump sum payment to such employee or his/her estate. A summary of changes in the accumulated sick leave follows:

Balance, September 1, 2005	\$ 1,901,898
New entrants and salary increments	517,747
Payments to participants	<u>(233,131)</u>
Balance, August 31, 2006	<u>\$ 2,186,514</u>

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 140,315,298	\$ 40,315,000	\$ 7,786,976	\$ 172,843,322	\$ 8,069,554
Accreted Interest	33,598,697	5,341,148	3,226,001	35,713,844	3,496,692
Capital Leases	4,174,553	431,835	2,149,877	2,456,511	1,407,445
Compensated Absences	1,901,898	517,747	233,131	2,186,514	233,131
Deferred Gain (Loss) on Bond Refunding	<u>(4,179,447)</u>	<u>-</u>	<u>(427,466)</u>	<u>(3,751,981)</u>	<u>(427,466)</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 175,810,999</u>	<u>\$ 46,605,730</u>	<u>\$ 12,968,519</u>	<u>\$ 209,448,210</u>	<u>\$ 12,779,356</u>

NOTE 7. CAPITAL ASSET ACTIVITY

Capital asset activity for the district for the year ended August 31, 2006 was as follows:

Primary government:

	<u>Balance 9/01/05</u>	<u>Additions (Transfers)</u>	<u>Deletions</u>	<u>Balance 8/31/06</u>
Capital assets, not being depreciated				
Land	\$ 17,776,341	\$ -	\$ -	\$ 17,776,341
Construction in Progress	<u>-</u>	<u>5,679,511</u>	<u>-</u>	<u>5,679,511</u>
Total capital assets, not being depreciated	<u>17,776,341</u>	<u>5,679,511</u>	<u>-</u>	<u>23,455,852</u>
Capital assets, being depreciated				
Buildings and Improvements	250,427,785	3,126,492	-	253,554,277
Furniture and Equipment	<u>27,009,134</u>	<u>1,817,771</u>	<u>402,428</u>	<u>28,424,477</u>
Total capital assets, being depreciated	<u>277,436,919</u>	<u>4,944,263</u>	<u>402,428</u>	<u>281,978,754</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSET ACTIVITY – CONTINUED

Less accumulated depreciation on:				
Buildings and improvements	111,366,836	8,800,393	-	120,167,229
Furniture and equipment	<u>18,756,891</u>	<u>3,332,499</u>	<u>402,428</u>	<u>21,686,962</u>
Total capital assets, being depreciated, net	<u>147,313,192</u>	<u>(7,188,629)</u>	<u>-</u>	<u>140,124,563</u>
Governmental activities capital assets, net	<u>\$165,089,533</u>	<u>\$(1,509,118)</u>	<u>\$ -</u>	<u>\$163,580,415</u>

Depreciation expense of the governmental activities was charged to functions/programs as follows:

Instruction	\$ 8,069,042
Instructional resources and media services	243,088
Instructional leadership	16,233
School leadership	320,893
Guidance, counseling and evaluation services	70,196
Health services	31,251
Student (pupil) transportation	467,475
Food services	711,264
Co-curricular/extracurricular activities	814,338
General administration	610,155
Plant maintenance and operations	451,433
Security and monitoring services	158,070
Data processing services	115,446
Community services	<u>54,008</u>
Total depreciation expense	<u>\$12,132,892</u>

NOTE 8. 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 its 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.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. DEPOSITS AND INVESTMENTS – CONTINUED

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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, (9) and bid solicitation preferences for certificates of deposit. Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	10 years	none	none
U.S. Agency obligations	10 years	none	none
State of Texas securities	10 years	none	none
Collateralized mortgage obligations	10 years	none	none
Certificates of deposit	none	none	none
Repurchase agreements	90 days	none	none
Securities lending program	1 year	none	none
Banker's acceptance	270 days	none	none
Commercial paper	270 days	none	none
No-load mutual funds	2 years	15%	none
Guaranteed investment contracts	5 years	none	none
Public funds investment pool	N/A	none	none

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of August, 31 2006 are classified in the accompanying financial statements as follows:

Primary government	\$ 86,201,562
Fiduciary funds	<u>602,512</u>
	<u>\$ 86,804,074</u>

Cash and investments as of August 31, 2006 consist of the following:

Deposits with financial institutions	\$ 8,219,371
Investments	<u>78,584,703</u>
	<u>\$ 86,804,074</u>

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. DEPOSITS AND INVESTMENTS – CONTINUED

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 29 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

As of August 31, 2006, the District had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 40,556,639	25 days
Lone Star	956,903	19 days
MBIA	1,016,143	31 days
U.S. Treasury and U.S. Agency securities	<u>36,055,018</u>	232 days
	<u>\$ 78,584,703</u>	

As of August 31, 2006 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of August 31, 2006</u>
Texpool	\$40,556,639	AAA	AAAm
Lone Star	956,903	AAA	AAA
MBIA	1,016,143	AAA	AAA
U.S. Treasury and U.S. Agency securities	36,055,018	N/A	N/A

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. DEPOSITS AND INVESTMENTS – CONTINUED

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2006, other than external investment pools and securities guaranteed by the U.S. Government, the District did not have 5% or more of its investment with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of August 31, 2006 the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

- A. Depository: Bank of America
- B. Security pledged as of the date of the highest combined balance on deposit was \$22,027,951.
- C. Largest cash, savings and time deposit combined account balance amounted to \$19,268,457 and occurred during the month of June 2006.
- D. Total amount of FDIC coverage at the time of largest combined balance was \$113,717.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEPOSITS AND INVESTMENTS – CONTINUED

Investment in State Investment Pools

The District is a voluntary participant in various investment pools. These pools included the following: TexPool, Lone Star and MBIA.

The State Comptroller of Public Accounts exercises 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. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares.

The Lone Star Investment Pool is governed by an 11-member board, all of whom are participants in the Pool. This ensures that the policies they set affect not only other entities' assets, but their own as well. The Board meets quarterly to review Pool operations, adopt or make changes to the investment policy, review the Pool's financials and audited financial statements, and approve Pool contractor agreements. The pool is tailored to comply with the Public Funds Investment Act.

The MBIA Investment Pool is governed by a Board of Trustees, the number of trustees is determined and elected by the Participants in the pool annually but it must be an odd number and a minimum of 3 trustees. The Board meets upon the request of at least two trustees, but not less than once annually. The pool is tailored to comply with the Public Funds Investment Act.

NOTE 9. RETIREMENT PLAN

Plan Description. The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701-2698, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN – CONTINUED

Funding Policy. State law provides a state contribution rate of 6.0% and a member contribution rate of 6.4% for fiscal years 2004, 2005 and 2006. In certain instances, the reporting district is required to make all or a portion of the state's 6.0% contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's 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. State contributions to TRS made on behalf of the District's employees and reflected in the District's basic financial statements as both revenue and expenditures for the years ended August 31, 2004, 2005 and 2006 were \$6,340,545, \$6,393,351 and \$6,585,036, respectively. The District paid additional state contributions for the years ended August 31, 2004, 2005 and 2006 in the amount of \$1,228,309, \$1,262,699 and \$1,252,681, respectively, on a portion of the employees' salaries that exceeded the statutory minimum.

NOTE 10. 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 carries commercial insurance.

In years prior to 1998, the District maintained a self-insured workers' compensation plan. For this plan, stop-loss coverage was in effect for individual claims exceeding \$200,000 with an aggregate limit of \$850,000 for claims incurred during the fiscal year 1996 and \$1,000,000 for claims incurred during fiscal years 1997 and 1998. Effective September 1, 1998 through August 31, 2000 the District obtained commercial insurance to cover its risk of loss from workers' compensation claims occurring from these dates. Effective September 1, 2001 the District again maintains a self-insured workers' compensation plan. For this plan, stop-loss coverage is in effect for claims exceeding \$200,000 with an aggregate limit of \$1,000,000. Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year. Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to August 31 and subsequently approved by the administrator of the plan are recorded as a liability.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10. RISK MANAGEMENT – CONTINUED

The claims liability of \$1,867,202 reported in the self-insurance fund at August 31, 2006 is based on an actuarial review of claims pending and an estimate of incurred but not reported claims. Changes in the fund's claims liability amount for the year ended August 31, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Liability, beginning of year	\$ 2,023,109	\$ 1,368,844
Current year claims and changes in estimates	748,613	1,426,291
Claim payments	<u>(904,520)</u>	<u>(772,026)</u>
Liability, end of year	<u>\$ 1,867,202</u>	<u>\$ 2,023,109</u>

NOTE 11. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying general purpose financial statements for such contingencies.

NOTE 12. DUE FROM STATE AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2006, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$ 7,853,566	\$ -	\$7,853,566
Special Revenue	<u>125,177</u>	<u>682,012</u>	<u>807,189</u>
Total	<u>\$ 7,978,743</u>	<u>\$ 682,012</u>	<u>\$8,660,755</u>

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 13. DEFERRED REVENUE

Deferred revenue at year-end consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
State grants received in advance of expenditures	\$5,222,092	\$ 564,268	\$5,786,360
Net tax revenue	<u>4,068,164</u>	<u>554,986</u>	<u>4,623,150</u>
Total	<u>\$9,290,256</u>	<u>\$1,119,254</u>	<u>\$10,409,510</u>

NOTE 14. INTERFUND BALANCES AND ACTIVITIES

Interfund balances at August 31, 2006 consisted of the following individual fund balances:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Child Care Development Block Grant	\$ 48,455	Reclass of deficit pooled cash
General Fund	ESEA Title 1 Even Start Grant	31,126	Reclass of deficit pooled cash
General Fund	IDEA-B Formula	174	Reclass of deficit pooled cash
General Fund	IDEA-B Discretionary	19,550	Reclass of deficit pooled cash
General Fund	National School Breakfast/Lunch Prog	22,950	Reimbursement for expenditures
General Fund	Vo Ed Basic Grant	57,184	Reclass of deficit pooled cash
General Fund	Smaller Learning Communities	233	Reclass of deficit pooled cash
General Fund	Emergency Impact Aid	215,829	Reclass of deficit pooled cash
General Fund	Supplemental Visually Impaired	2,071	Reclass of deficit pooled cash
General Fund	Student Success Initiative	52,339	Reclass of deficit pooled cash
General Fund	Texas Reading Initiative	21,767	Reclass of deficit pooled cash
General Fund	Active Employee Health Insurance Coverage	64,443	Reclass of deficit pooled cash
General Fund	Campus Activity Funds	1,585	Reclass of deficit pooled cash

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 14. INTERFUND BALANCES AND ACTIVITIES – CONTINUED

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Foundation for Educational Excellence	33,252	Reclass of deficit pooled cash
General Fund	Capital Projects Fund	26,800	Reimbursement for expenditures
General Fund	Internal Service Fund	504,045	Reimbursement for expenditures
Debt Service Fund	General Fund	163,129	Interest earnings not yet transferred
Regional Day School for The Deaf	General Fund	3,544	Reimbursement for expenditures
Investment Capital Funds	General Fund	1,557	Reimbursement for expenditures
Master Reading Teacher	General Fund	<u>50,744</u>	Reimbursement for expenditures
		<u>\$1,320,777</u>	

All amounts due are scheduled to be repaid within one year.

REQUIRED SUPPLEMENTARY INFORMATION

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 94,366,984	\$ 95,417,267	\$ 95,987,389	\$ 570,122
5800 State Program Revenues	38,897,017	38,897,017	38,314,847	(582,170)
5900 Federal Program Revenues	500,000	500,000	640,527	140,527
5020 Total Revenues	133,764,001	134,814,284	134,942,763	128,479
EXPENDITURES:				
Current:				
0011 Instruction	83,602,994	82,987,338	82,872,613	114,725
0012 Instructional Resources and Media Services	2,362,697	2,400,063	2,314,371	85,692
0013 Curriculum and Instructional Staff Development	479,796	452,704	412,822	39,882
0021 Instructional Leadership	2,078,404	2,062,044	2,055,945	6,099
0023 School Leadership	9,036,025	9,153,675	9,023,468	130,207
0031 Guidance, Counseling and Evaluation Services	4,004,873	4,190,799	3,807,952	382,847
0032 Social Work Services	137,032	148,614	148,434	180
0033 Health Services	1,703,093	1,855,369	1,668,260	187,109
0034 Student (Pupil) Transportation	3,120,658	3,010,977	3,207,191	(196,214)
0036 Cocurricular/Extracurricular Activities	6,534,733	5,966,109	3,785,954	2,180,155
0041 General Administration	4,562,898	4,827,119	4,571,326	255,793
0051 Plant Maintenance and Operations	15,260,855	17,270,308	16,420,015	850,293
0052 Security and Monitoring Services	333,101	423,446	392,224	31,222
0053 Data Processing Services	2,895,927	1,946,625	1,852,962	93,663
0061 Community Services	272,030	268,782	200,803	67,979
0071 Debt Service - Principal on Long Term Debt	-	2,162,497	2,149,877	12,620
0072 Debt Service - Interest on Long Term Debt	-	85,097	77,568	7,529
0081 Facilities Acquisition and Construction	1,573,400	1,293,400	616,760	676,640
0095 Payments to Juvenile Justice Alternative Ed. Prg.	97,000	100,000	90,490	9,510
0097 Payments to Tax Increment Fund	104,000	112,000	102,553	9,447
6030 Total Expenditures	138,159,516	140,716,966	135,771,588	4,945,378
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,395,515)	(5,902,682)	(828,825)	5,073,857
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	21,096	21,096
7913 Capital Leases	-	-	431,835	431,835
8911 Transfers Out (Use)	-	-	(1,360,662)	(1,360,662)
7080 Total Other Financing Sources (Uses)	-	-	(907,731)	(907,731)
1200 Net Change in Fund Balances	(4,395,515)	(5,902,682)	(1,736,556)	4,166,126
0100 Fund Balance - September 1 (Beginning)	37,864,079	37,864,079	37,864,079	-
3000 Fund Balance - August 31 (Ending)	\$ 33,468,564	\$ 31,961,397	\$ 36,127,523	\$ 4,166,126

BIRDVILLE INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" on a GAAP basis for the General Fund, Food Service Fund which is included in the Special Revenue funds and Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget appears in Exhibit G-1 and the other two budgets are in Exhibit I-4 and I-5.

The following procedures are followed in establishing the budgetary data:

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten day's public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment is made before the fact, is reflected in the official minutes of the Board, and is not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Significant amendments were made to the following functional areas:

<u>Function</u>	<u>Increase (Decrease)</u>
Instruction	(\$ 615,656)
School Leadership	117,650
Guidance, Counseling & Evaluation	185,926
Health Services	152,276
Cocurricular/Extracurricular Activities	(568,624)
General Administration	264,221
Plant Maintenance and Operations	2,009,453
Data Processing Service	(949,302)
Debt Service - Principal	2,162,497
Facilities Acquisition and Construction	(280,000)

4. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
5. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency. The budget should not exceed expenditures in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

COMBINING STATEMENTS

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes		203 Child Care Development Block Grant	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 408
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Due from Other Governments	48,455	-	923
1260	Due from Other Funds	-	-	-
1300	Inventories	-	-	-
1000	Total Assets	<u>\$ 48,455</u>	<u>\$ -</u>	<u>\$ 1,331</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110	Accounts Payable	\$ -	\$ -	\$ 1,331
2150	Payroll Deductions and Withholdings Payable	-	-	-
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	48,455	-	-
2180	Due to Other Governments	-	-	-
2300	Deferred Revenues	-	-	-
2000	Total Liabilities	<u>48,455</u>	<u>-</u>	<u>1,331</u>
Fund Balances:				
Reserved For:				
3410	Investments in Inventory	-	-	-
3420	Retirement of Long Term Debt	-	-	-
3450	Food Service	-	-	-
Unreserved and Undesignated:				
3610	Reported in Special Revenue Funds	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 48,455</u>	<u>\$ -</u>	<u>\$ 1,331</u>

213 ESEA Title I Part B Even Start	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	240 National Breakfast and Lunch Program	244 Vocational Ed Basic Grant
\$ -	\$ 3,830	\$ -	\$ 1,232	\$ 1,915	\$ -	\$ 2,226,034	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,126	12,312	-	22,912	-	-	291,952	57,243
-	-	-	-	-	-	-	-
-	-	-	-	-	-	232,036	-
<u>\$ 31,126</u>	<u>\$ 16,142</u>	<u>\$ -</u>	<u>\$ 24,144</u>	<u>\$ 1,915</u>	<u>\$ -</u>	<u>\$ 2,750,022</u>	<u>\$ 57,243</u>
\$ -	\$ 15,968	\$ -	\$ 4,594	\$ 1,915	\$ -	\$ 233,042	\$ 59
-	-	-	-	-	-	-	-
-	-	-	-	-	-	101,343	-
31,126	174	-	19,550	-	-	22,950	57,184
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>31,126</u>	<u>16,142</u>	<u>-</u>	<u>24,144</u>	<u>1,915</u>	<u>-</u>	<u>357,335</u>	<u>57,243</u>
-	-	-	-	-	-	232,036	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,160,651	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392,687</u>	<u>-</u>
<u>\$ 31,126</u>	<u>\$ 16,142</u>	<u>\$ -</u>	<u>\$ 24,144</u>	<u>\$ 1,915</u>	<u>\$ -</u>	<u>\$ 2,750,022</u>	<u>\$ 57,243</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes		255 ESEA II, A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 7,936	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	-	-	1,393
1260	Due from Other Funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 7,936</u>	<u>\$ -</u>	<u>\$ 1,393</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 1,393
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	7,936	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>7,936</u>	<u>-</u>	<u>1,393</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 7,936</u>	<u>\$ -</u>	<u>\$ 1,393</u>

269 Title V, Pt.A Innovative Programs	280 IDEA - Part C Early Intervention	284 Smaller Learning Communities	289 Emergency Impact Aid	339 SSA - Voc. Ed Other Program Improvement	349 SSA Title II, D Ed. Technology	383 Professional Staff Development	385 Visually Impaired
\$ -	\$ -	\$ 9,183	\$ 133	\$ -	\$ 50,190	\$ 54,475	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	215,696	-	-	-	7,501
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,183</u>	<u>\$ 215,829</u>	<u>\$ -</u>	<u>\$ 50,190</u>	<u>\$ 54,475</u>	<u>\$ 7,501</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,977
-	-	233	215,829	-	-	-	2,071
-	-	8,950	-	-	50,190	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>9,183</u>	<u>215,829</u>	<u>-</u>	<u>50,190</u>	<u>-</u>	<u>7,048</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	54,475	453
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,475</u>	<u>453</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,183</u>	<u>\$ 215,829</u>	<u>\$ -</u>	<u>\$ 50,190</u>	<u>\$ 54,475</u>	<u>\$ 7,501</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes		386 Regional Day School for the Deaf	390 (LEP) Early Childhood Summer Prog.	393 Texas Successful Schools Prog.	394 Pregnancy, Education and Parenting
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 26,981	\$ 726	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	-	-	-
1260	Due from Other Funds	3,544	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 3,544</u>	<u>\$ 26,981</u>	<u>\$ 726</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	3,544	-	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>3,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	26,981	726	-
3000	Total Fund Balances	<u>-</u>	<u>26,981</u>	<u>726</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,544</u>	<u>\$ 26,981</u>	<u>\$ 726</u>	<u>\$ -</u>

397 Advanced Placement Incentives	399 Investment Capital Funds	401 Optional Extended Year Program	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	413 Telecom Infrastruct. Fund	414 Texas Reading Initiative
\$ 40,287	\$ 792	\$ -	\$ -	\$ 23,740	\$ -	\$ 32,829	\$ 21,767
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	53,233	-	-	-	-
-	1,557	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 40,287</u>	<u>\$ 2,349</u>	<u>\$ -</u>	<u>\$ 53,233</u>	<u>\$ 23,740</u>	<u>\$ -</u>	<u>\$ 32,829</u>	<u>\$ 21,767</u>
\$ -	\$ 2,313	\$ -	\$ 894	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	52,339	-	-	-	21,767
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,313	-	53,233	-	-	-	21,767
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,287	36	-	-	23,740	-	32,829	-
40,287	36	-	-	23,740	-	32,829	-
<u>\$ 40,287</u>	<u>\$ 2,349</u>	<u>\$ -</u>	<u>\$ 53,233</u>	<u>\$ 23,740</u>	<u>\$ -</u>	<u>\$ 32,829</u>	<u>\$ 21,767</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes		418 Employee Health Insurance	428 Master Reading Teacher	429 Other State Special Revenue Funds	461 Campus Activity Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 18,997	\$ 776,924
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	64,443	-	-	-
1260	Due from Other Funds	-	50,744	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 64,443</u>	<u>\$ 50,744</u>	<u>\$ 18,997</u>	<u>\$ 776,924</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	-	50,744	-	-
2170	Due to Other Funds	64,443	-	-	1,585
2180	Due to Other Governments	-	-	400	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>64,443</u>	<u>50,744</u>	<u>400</u>	<u>1,585</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	18,597	775,339
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>18,597</u>	<u>775,339</u>
4000	Total Liabilities and Fund Balances	<u>\$ 64,443</u>	<u>\$ 50,744</u>	<u>\$ 18,997</u>	<u>\$ 776,924</u>

481	482	484	487	488	489	490	491
Because We Care	Local Deaf Education	Connecting Math and Science	Workshops	Enviromental Study Center	Guidance and Counseling	Special Donations	Intel Teach the Future
\$ 105	\$ 290,819	\$ 491	\$ 20,329	\$ 5,000	\$ 4,002	\$ 492,434	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 105</u>	<u>\$ 290,819</u>	<u>\$ 491</u>	<u>\$ 20,329</u>	<u>\$ 5,000</u>	<u>\$ 4,002</u>	<u>\$ 492,434</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,767	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,767	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
105	290,819	491	20,329	5,000	2,235	492,434	-
105	290,819	491	20,329	5,000	2,235	492,434	-
<u>\$ 105</u>	<u>\$ 290,819</u>	<u>\$ 491</u>	<u>\$ 20,329</u>	<u>\$ 5,000</u>	<u>\$ 4,002</u>	<u>\$ 492,434</u>	<u>\$ -</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2006

Data Control Codes		492	494	499	Total Nonmajor Special Revenue Funds
		Science Initiative	Fitness Grant	Foundation For Education Excellence	
ASSETS					
1110	Cash and Cash Equivalents	\$ 13,148	\$ -	\$ 2,525,306	\$ 6,650,013
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	-	-	807,189
1260	Due from Other Funds	-	-	-	55,845
1300	Inventories	-	-	-	232,036
1000	Total Assets	<u>\$ 13,148</u>	<u>\$ -</u>	<u>\$ 2,525,306</u>	<u>\$ 7,745,083</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 261,509
2150	Payroll Deductions and Withholdings Payable	-	-	-	1,767
2160	Accrued Wages Payable	-	-	-	160,608
2170	Due to Other Funds	-	-	33,252	570,958
2180	Due to Other Governments	-	-	-	67,476
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>33,252</u>	<u>1,062,318</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	232,036
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	2,160,651
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	13,148	-	2,492,054	4,290,078
3000	Total Fund Balances	<u>13,148</u>	<u>-</u>	<u>2,492,054</u>	<u>6,682,765</u>
4000	Total Liabilities and Fund Balances	<u>\$ 13,148</u>	<u>\$ -</u>	<u>\$ 2,525,306</u>	<u>\$ 7,745,083</u>

599	Total
Debt Service	Nonmajor
Fund	Governmental
	Funds
\$ 2,136,268	\$ 8,786,281
717,307	717,307
(162,321)	(162,321)
-	807,189
163,129	218,974
-	232,036
<u>\$ 2,854,383</u>	<u>\$ 10,599,466</u>

\$ 4,526	\$ 266,035
-	1,767
-	160,608
-	570,958
-	67,476
1,119,254	1,119,254
<u>1,123,780</u>	<u>2,186,098</u>

-	232,036
1,730,603	1,730,603
-	2,160,651
-	4,290,078
<u>1,730,603</u>	<u>8,413,368</u>
<u>\$ 2,854,383</u>	<u>\$ 10,599,466</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes		203 Child Care Development Block Grant	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program
REVENUES:				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	124,592	78,724	1,782,945
5020	Total Revenues	124,592	78,724	1,782,945
EXPENDITURES:				
Current:				
0011	Instruction	2,830	42,272	1,580,764
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	88,947	-	-
0021	Instructional Leadership	32,815	-	202,181
0023	School Leadership	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	31,677	-
0032	Social Work Services	-	4,775	-
0033	Health Services	-	-	-
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	-	-
Debt Service:				
0071	Debt Service - Principal on Long Term Debt	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030	Total Expenditures	124,592	78,724	1,782,945
1100	Excess (Deficiency) of Revenues Over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
7917	Prepaid Interest	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -

213 ESEA Title I Part B Even Start	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	240 National Breakfast and Lunch Program	244 Vocational Ed Basic Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,779,619	\$ -
-	-	-	-	-	-	250,426	-
178,126	3,918,041	107,109	30,134	19,501	3,175	4,169,464	215,514
178,126	3,918,041	107,109	30,134	19,501	3,175	8,199,509	215,514
41,542	3,448,568	107,109	30,134	19,501	3,175	-	93,405
-	-	-	-	-	-	-	-
13,830	12,269	-	-	-	-	-	-
70,358	165	-	-	-	-	-	122,109
-	-	-	-	-	-	-	-
-	195,839	-	-	-	-	-	-
-	47,171	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	214,029	-	-	-	-	-	-
-	-	-	-	-	-	8,490,417	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
52,396	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
178,126	3,918,041	107,109	30,134	19,501	3,175	8,490,417	215,514
-	-	-	-	-	-	(290,908)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(290,908)	-
-	-	-	-	-	-	2,683,595	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,392,687	\$ -

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes	255 ESEA II, A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	610,945	11,394	222,656	756,327
5020 Total Revenues	610,945	11,394	222,656	756,327
EXPENDITURES:				
Current:				
0011 Instruction	258,051	9,866	222,656	493,944
0012 Instructional Resources and Media Services	-	-	-	53,862
0013 Curriculum and Instructional Staff Development	258,528	1,528	-	32,934
0021 Instructional Leadership	40,502	-	-	61,569
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0041 General Administration	53,864	-	-	15,918
0051 Plant Maintenance and Operations	-	-	-	30,500
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	67,600
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of	-	-	-	-
6030 Total Expenditures	610,945	11,394	222,656	756,327
1100 Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
7917 Prepaid Interest	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

269 Title V, Pt.A Innovative Programs	280 IDEA - Part C Early Intervention	284 Smaller Learning Communities	289 Emergency Impact Aid	339 SSA - Voc. Ed Other Program Improvement	349 SSA Title II, D Ed. Technology	383 Professional Staff Development	385 Visually Impaired
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	18,376	24,160
47,756	1,995	342,875	824,051	-	158,872	-	-
47,756	1,995	342,875	824,051	-	158,872	18,376	24,160
47,756	1,995	76,190	101,415	-	-	-	23,707
-	-	-	-	-	-	-	-
-	-	43,453	12,275	-	28,210	-	-
-	-	223,232	29,202	-	71,957	-	-
-	-	-	-	-	-	-	-
-	-	-	447,434	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	175,392	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	32,064	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	58,333	-	26,641	-	-
47,756	1,995	342,875	824,051	-	158,872	-	23,707
-	-	-	-	-	-	18,376	453
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	18,376	453
-	-	-	-	-	-	36,099	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,475	\$ 453

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes		386 Regional Day School for the Deaf	390 (LEP) Early Childhood Summer Prog.	393 Texas Successful Schools Prog.	394 Pregnancy, Education and Parenting
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	385,771	-	-	56,022
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	385,771	-	-	56,022
EXPENDITURES:					
Current:					
0011	Instruction	643,869	-	-	32,077
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	26,000
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	-	-	-	-
6030	Total Expenditures	643,869	-	-	58,077
1100	Excess (Deficiency) of Revenues Over Expenditures	(258,098)	-	-	(2,055)
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	258,098	-	-	2,055
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
7917	Prepaid Interest	-	-	-	-
7080	Total Other Financing Sources (Uses)	258,098	-	-	2,055
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	26,981	726	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 26,981	\$ 726	\$ -

397 Advanced Placement Incentives	399 Investment Capital Funds	401 Optional Extended Year Program	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	413 Telecom Infrastruct. Fund	414 Texas Reading Initiative
\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -
50,245	4,052	57,254	563,967	67,899	567,684	-	45,063
-	-	-	-	-	-	-	-
50,245	4,052	57,254	564,567	67,899	567,684	-	45,063
-	3,695	64,113	549,976	9,145	179,932	-	26,106
-	-	-	-	-	-	-	-
12,415	653	-	9,561	-	700,105	-	8,500
-	1,261	-	-	14,421	-	-	10,457
-	-	-	-	-	-	-	-
-	-	-	-	5,684	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	73,848	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	15,411	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,415	5,609	64,113	633,385	44,661	880,037	-	45,063
37,830	(1,557)	(6,859)	(68,818)	23,238	(312,353)	-	-
-	1,557	6,859	68,818	-	312,353	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,557	6,859	68,818	-	312,353	-	-
37,830	-	-	-	23,238	-	-	-
2,457	36	-	-	502	-	32,829	-
\$ 40,287	\$ 36	\$ -	\$ -	\$ 23,740	\$ -	\$ 32,829	\$ -

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

Data . Control Codes		418 Employee Health Insurance	428 Master Reading Teacher	429 Other State Special Revenue Funds	461 Campus Activity Funds
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 2,245,837
5800	State Program Revenues	1,258,500	4,000	2,708	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	1,258,500	4,000	2,708	2,245,837
EXPENDITURES:					
Current:					
0011	Instruction	871,720	50,744	-	119,299
0012	Instructional Resources and Media Services	15,608	-	-	-
0013	Curriculum and Instructional Staff Development	4,810	-	-	-
0021	Instructional Leadership	6,285	-	-	-
0023	School Leadership	52,520	-	-	-
0031	Guidance, Counseling and Evaluation Services	23,858	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	15,033	-	-	-
0034	Student (Pupil) Transportation	29,593	-	-	-
0035	Food Services	88,617	-	-	-
0036	Cocurricular/Extracurricular Activities	803	-	-	2,012,377
0041	General Administration	15,802	-	-	-
0051	Plant Maintenance and Operations	125,810	-	-	-
0053	Data Processing Services	6,759	-	-	-
0061	Community Services	1,282	-	-	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	-	-	-	-
6030	Total Expenditures	1,258,500	50,744	-	2,131,676
1100	Excess (Deficiency) of Revenues Over Expenditures	-	(46,744)	2,708	114,161
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	46,744	-	661,178
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
7917	Prepaid Interest	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	46,744	-	661,178
1200	Net Change in Fund Balance	-	-	2,708	775,339
0100	Fund Balance - September 1 (Beginning)	-	-	15,889	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 18,597	\$ 775,339

481	482	484	487	488	489	490	491
Because We Care	Local Deaf Education	Connecting Math and Science	Workshops	Enviromental Study Center	Guidance and Counseling	Special Donations	Intel Teach the Future
\$ -	\$ 290,819	\$ -	\$ 1,725	\$ -	\$ -	\$ 10,000	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	290,819	-	1,725	-	-	10,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,099	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	78,106	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,099	-	-	78,106	-
-	290,819	-	626	-	-	(68,106)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	290,819	-	626	-	-	(68,106)	-
105	-	491	19,703	5,000	2,235	560,540	-
\$ 105	\$ 290,819	\$ 491	\$ 20,329	\$ 5,000	\$ 2,235	\$ 492,434	\$ -

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes		492	494	499	Total
		Science Initiative	Fitness Grant	Foundation For Education Excellence	Nonmajor Special Revenue Funds
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ 81,939	\$ 6,410,539
5800	State Program Revenues	-	-	-	3,356,127
5900	Federal Program Revenues	-	-	-	13,604,196
5020	Total Revenues	-	-	81,939	23,370,862
EXPENDITURES:					
Current:					
0011	Instruction	-	3,000	-	9,158,556
0012	Instructional Resources and Media Services	-	-	-	69,470
0013	Curriculum and Instructional Staff Development	-	-	115,209	1,344,326
0021	Instructional Leadership	-	-	-	886,514
0023	School Leadership	-	-	-	52,520
0031	Guidance, Counseling and Evaluation Services	-	-	-	704,492
0032	Social Work Services	-	-	-	51,946
0033	Health Services	-	-	-	190,425
0034	Student (Pupil) Transportation	-	-	-	343,470
0035	Food Services	-	-	-	8,579,034
0036	Cocurricular/Extracurricular Activities	-	-	-	2,013,180
0041	General Administration	-	-	-	133,059
0051	Plant Maintenance and Operations	-	-	-	156,310
0053	Data Processing Services	-	-	-	6,759
0061	Community Services	-	-	-	199,384
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	-	-	-	84,974
6030	Total Expenditures	-	3,000	115,209	23,974,419
1100	Excess (Deficiency) of Revenues Over Expenditures	-	(3,000)	(33,270)	(603,557)
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	3,000	-	1,360,662
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
7917	Prepaid Interest	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	3,000	-	1,360,662
1200	Net Change in Fund Balance	-	-	(33,270)	757,105
0100	Fund Balance - September 1 (Beginning)	13,148	-	2,525,324	5,925,660
3000	Fund Balance - August 31 (Ending)	\$ 13,148	\$ -	\$ 2,492,054	\$ 6,682,765

599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 9,762,612	\$ 16,173,151
2,328,459	5,684,586
-	13,604,196
12,091,071	35,461,933
-	9,158,556
-	69,470
-	1,344,326
-	886,514
-	52,520
-	704,492
-	51,946
-	190,425
-	343,470
-	8,579,034
-	2,013,180
-	133,059
-	156,310
-	6,759
-	199,384
7,786,976	7,786,976
7,363,905	7,363,905
398,740	398,740
-	84,974
15,549,621	39,524,040
(3,458,550)	(4,062,107)
-	1,360,662
3,155,993	3,155,993
153,438	153,438
3,309,431	4,670,093
(149,119)	607,986
1,879,722	7,805,382
\$ 1,730,603	\$ 8,413,368

REQUIRED TEA SCHEDULES

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2006

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
1997 and prior years	Various	Various	\$ Various
1998	1.201310	0.299190	3,699,467,601
1999	1.301450	0.237050	3,957,901,550
2000	1.380700	0.151800	4,270,441,117
2001	1.416300	0.153500	4,712,674,096
2002	1.419800	0.150000	5,204,280,044
2003	1.455000	0.162000	5,668,493,380
2004	1.455000	0.162000	5,899,556,044
2005	1.465000	0.152000	6,165,856,861
2006 (School year under audit)	1.465000	0.152000	6,357,870,019
100 TOTALS			

(10) Beginning Balance 9/1/2005		(20) Current Year's Total Levy		(31) Maintenance Collections		(32) Debt Service Collections		(40) Entire Year's Adjustments		(50) Ending Balance 8/31/2006	
\$	1,225,959	\$	-	\$	34,089	\$	7,760	\$	(2)	\$	1,184,108
	227,479		-		5,613		1,398		(68)		220,400
	311,757		-		7,406		1,349		(395)		302,607
	282,145		-		9,275		1,020		(514)		271,336
	308,777		-		16,652		1,805		(232)		290,088
	374,468		-		52,566		5,554		14,371		330,719
	469,993		-		86,040		9,580		(8,224)		366,149
	823,974		-		202,786		22,578		10,969		609,579
	1,581,425		-		669,535		69,467		(32,447)		809,976
	-		100,999,333		90,126,115		9,350,969		11,467		1,533,716
<u>\$</u>	<u>5,605,977</u>	<u>\$</u>	<u>100,999,333</u>	<u>\$</u>	<u>91,210,077</u>	<u>\$</u>	<u>9,471,480</u>	<u>\$</u>	<u>(5,075)</u>	<u>\$</u>	<u>5,918,678</u>

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2006-2007
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2006

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number	Account Name	1	2	3	4	5	6	7
		(702) School Board	(703) Tax Collections	(701) Supt's Office	(750) Indirect Cost	(720) Direct Cost	(other) Miscellaneous	Total
611X-6146	PAYROLL COSTS	\$ 28,992	\$ -	\$ 237,281	\$ 2,460,283	\$ -	\$ 328,940	\$ 3,055,496
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	97,160	97,160
6211	Legal Services	-	-	82,389	-	-	-	82,389
6212	Audit Services	-	-	-	36,000	-	-	36,000
6213	Tax Appraisal and Collection	-	575,213	-	-	-	-	575,213
621X	Other Professional Services	-	1,510	-	209,343	-	11,365	222,218
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	-	-	-	-
6240	Contr. Maint. and Repair	-	-	-	16,120	-	-	16,120
6250	Utilities	-	-	-	1,240	-	880	2,120
6260	Rentals	-	-	-	1,850	-	-	1,850
6290	Miscellaneous Contr.	-	-	-	145,760	-	7,988	153,748
6320	Textbooks and Reading	-	-	736	615	-	221	1,572
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	-	-	16	91,959	17,110	9,234	118,319
6410	Travel, Subsistence, Stipends	10,856	-	8,244	26,305	-	4,441	49,846
6420	Ins. and Bonding Costs	70,093	-	-	358	-	-	70,451
6430	Election Costs	45,549	-	-	-	-	-	45,549
6490	Miscellaneous Operating	12,709	-	5,955	188,892	-	65,938	273,494
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 168,199	\$ 576,723	\$ 334,621	\$ 3,178,725	\$ 17,110	\$ 526,167	\$ 4,801,545

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 159,746,007

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10) \$ 2,053,415
Total Debt & Lease(6500)	(11) 2,227,445
Plant Maintenance (Function 51, 6100-6400)	(12) 16,279,743
Food (Function 35, 6341 and 6499)	(13) 3,009,217
Stipends (6413)	(14) -
Column 4 (above) - Total Indirect Cost	3,178,725

SubTotal: 26,748,545

Net Allowed Direct Cost \$ 132,997,462

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15) \$ 253,554,277
Historical Cost of Building over 50 years old	(16) \$ -
Amount of Federal Money in Building Cost (Net of #16)	(17) \$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18) \$ 28,424,477
Historical Cost of Furniture & Equipment over 16 years old	(19) \$ -
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20) \$ -

(8) NOTE A: \$97,160 in Function 53 expenditures are included in this report on administrative costs.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2006

UNAUDITED

1	Total General Fund Balance as of 8/31/06 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 36,127,523
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 743,220	
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	12,500,000	
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
5	Estimate of one month's average cash disbursements during the regular school session (9/1/06-5/31/07).	15,080,000	
6	Estimate of delayed payments from state sources (58xx) including August payment delays	3,981,939	
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-	
8	Estimate of delayed payments from federal sources (59xx)	-	
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
10	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)		32,305,159
11	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 10)		<u>\$ 3,822,364</u>

Explanation of need for and/or projected use of net positive Undesignated Unreserved General Fund Balance:

One of the stated board goals is to maintain a fund balance of 20% of the operating budget. The \$36,127,523 accomplishes this goal.

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 3,428,486	\$ 3,260,000	\$ 3,779,619	\$ 519,619
5800	State Program Revenues	240,000	240,000	250,426	10,426
5900	Federal Program Revenues	4,079,604	4,079,604	4,169,464	89,860
5020	Total Revenues	7,748,090	7,579,604	8,199,509	619,905
EXPENDITURES:					
0035	Food Services	7,748,090	8,613,198	8,490,417	122,781
6030	Total Expenditures	7,748,090	8,613,198	8,490,417	122,781
1200	Net Change in Fund Balances	-	(1,033,594)	(290,908)	742,686
0100	Fund Balance - September 1 (Beginning)	2,683,595	2,683,595	2,683,595	-
3000	Fund Balance - August 31 (Ending)	\$ 2,683,595	\$ 1,650,001	\$ 2,392,687	\$ 742,686

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2006

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 11,493,325	\$ 14,478,976	\$ 9,762,612	\$ (4,716,364)
5800	State Program Revenues	2,613,490	2,233,663	2,328,459	94,796
5020	Total Revenues	14,106,815	16,712,639	12,091,071	(4,621,568)
EXPENDITURES:					
0071	Debt Service - Principal on Long Term Debt	7,786,976	7,786,976	7,786,976	-
0072	Debt Service - Interest on Long Term Debt	6,189,839	8,565,390	7,363,905	1,201,485
0073	Debt Service - Bond Issuance Cost and Fees	130,000	398,740	398,740	-
6030	Total Expenditures	14,106,815	16,751,106	15,549,621	1,201,485
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(38,467)	(3,458,550)	(3,420,083)
OTHER FINANCING SOURCES (USES):					
7916	Premium or Discount on Issuance of Bonds	-	-	3,155,993	3,155,993
7917	Prepaid Interest	-	-	153,438	153,438
7080	Total Other Financing Sources (Uses)	-	-	3,309,431	3,309,431
1200	Net Change in Fund Balances	-	(38,467)	(149,119)	(110,652)
0100	Fund Balance - September 1 (Beginning)	1,879,722	1,879,722	1,879,722	-
3000	Fund Balance - August 31 (Ending)	\$ 1,879,722	\$ 1,841,255	\$ 1,730,603	\$ (110,652)

FEDERAL AWARDS SECTION



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
BIRDEVILLE INDEPENDENT SCHOOL DISTRICT
Haltom City, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Birdville Independent School District as of and for the year ended August 31, 2006, which collectively comprise Birdville Independent School District's basic financial statements and have issued our report thereon dated November 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Birdville Independent School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Birdville Independent School District's financial statements are free of material misstatement, we performed tests of Birdville Independent School District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with

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BIRDVILLE INDEPENDENT SCHOOL DISTRICT
Page 2

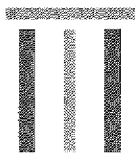
those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Trustees, management, the Texas Education Agency and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 3, 2006



WEAVER
AND
TIDWELL

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
BIRDVILLE INDEPENDENT SCHOOL DISTRICT
Haltom City, Texas

Compliance

We have audited the compliance of Birdville Independent School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2006. Birdville Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Birdville Independent School District's management. Our responsibility is to express an opinion on Birdville Independent School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Birdville Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Birdville Independent School District's compliance with those requirements.

In our opinion, Birdville Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2006.

Internal Control Over Compliance

The management of Birdville Independent School District is responsible for establishing and maintaining effective internal control over compliance with

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BIRDVILLE INDEPENDENT SCHOOL DISTRICT
Page 2

requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Birdville Independent School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Trustees, management, the Texas Education Agency and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 3, 2006

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2006**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

An unqualified opinion was issued on compliance for major programs.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133? ☐ Yes ☒ No

Identification of major programs:

84.010A
84.367A
84.287C
84.938C

ESEA Title I Part A
ESEA Title II Part A
21st Century Community Learning Centers
Hurricane Education Recovery Act

- Dollar threshold used to distinguish between type A and type B programs? \$ 411,605

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2006**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2006**

Finding

The District over expended budgeted amounts in the child nutrition special revenue fund, caused by last minute adjustments to the inventory account.

The District over expended budgeted amounts in the debt service fund resulting from fees paid on the bonds exceeding budget.

Status

The District has not over expended budgeted amounts in the child nutrition special revenue fund in the current year.

The District has not over expended budgeted amounts in the debt service fund in the current year.

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
AUGUST 31, 2006**

<u>Finding Number</u>	<u>Corrective Action Plan</u>
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NONE	
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BIRDVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2006

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	06610101220902	\$ 1,819,272
IDEA - Part B, Formula*	84.027	066600012209026600	3,926,037
IDEA - Part B, Discretionary*	84.027	066600022209026673	30,134
IDEA - Part B, Deaf*	84.027	066600012209026601	19,588
Total CFDA Number 84.027			3,975,759
Vocational Education - Basic Grant	84.048A	0642000622090211	219,069
IDEA - Part B, Preschool	84.173A	066610012209026610	109,275
IDEA - Part B, Preschool Deaf	84.173A	066610012209026611	3,271
Total CFDA Number 84.173A			112,546
ESEA Title IV - Safe and Drug-Free Schools	84.186A	06691001220902	78,724
ESEA, Title I, Part B - Even Start Family Literacy	84.213C	066120017110202	178,126
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287C	056950087110003	759,481
Title V, Part A - Innovative Programs	84.298A	06685001220902	47,756
Title II, Part D - Enhancing Ed. Through Technology	84.318X	06630001220902	11,625
SSA - Enhancing Education Through Technology	84.318X	066300027110004	158,872
Total CFDA Number 84.318X			170,497
Title III, Part A - English Language Acquisition	84.365A	06671003220902	258,521
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	06694501220902	623,362
Emergency Impact Aid	84.938C	06520301220902	824,051
Smaller Learning Communities	84.215I		353,361
IDEA Part C - Early Intervention	84.181A	063911012209023911	2,072
Total Passed Through State Department of Education			\$ 9,422,597
TOTAL DEPARTMENT OF EDUCATION			\$ 9,422,597
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Child Care Development Block Grant	93.575		\$ 128,017
Total Passed Through State Department of Education			\$ 128,017
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 128,017
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
National School Lunch Program*	10.555	71300601	\$ 3,138,876
USDA Donated Commodities*	10.565		361,768
National School Breakfast Program*	10.553	71400601	668,820
Total Passed Through the State Department of Agriculture			\$ 4,169,464
TOTAL DEPARTMENT OF AGRICULTURE			\$ 4,169,464
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 13,720,078

*Clustered Programs as required by Compliance Supplement March, 2005

Note 1: ROTC reimbursements of \$209,963, SHARS reimbursements of \$234,568, and Texas Department of Health & Medicaid reimbursements of \$80,114, all of which are recorded as federal revenue in the general fund, are not considered federal awards for the purposes of this schedule.

Note 2: The schedule of federal awards is presented using the modified accrual basis of accounting. The information in this schedule is

BIRDVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2006

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures

presented in accordance with the requirements of OMB Circular A-133, Audits of State and Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.