

Birdville Independent School District

Annual Financial Report

For the Fiscal Year Ended June 30, 2020



This Page Intentionally Left Blank

Birdville Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2020
 Table of Contents

	Page	Exhibit
Introductory Section		
Certificate of Board	v	
Financial Section		
Independent Auditor’s Report	3	
Management’s Discussion and Analysis (Unaudited)	7	
Basic Financial Statements		
Government-Wide Statements		
Statement of Net Position	20	A-1
Statement of Activities	22	B-1
Governmental Fund Financial Statements		
Balance Sheet	24	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	26	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	28	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	30	C-4
Proprietary Fund Financial Statements		
Statement of Net Position	32	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	33	D-2
Statement of Cash Flows	34	D-3
Fiduciary Funds		
Statement of Fiduciary Net Position – Agency Funds	35	E-1
Notes to the Basic Financial Statements.....	36	
Required Supplementary Information		
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	67	G-1
Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Retirement System of Texas.....	68	G-2
Schedule of District Contributions – Teachers Retirement System of Texas.....	69	G-3
Schedule of the District’s Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas.....	70	G-4
Schedule of the District’s Contributions to the Teacher Retirement System of Texas OPEB Plan	71	G-5
Notes to Required Supplementary Information	72	

Birdville Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2020
 Table of Contents - Continued

	Page	Exhibit
Other Supplementary Information		
Combining Statements		
Combining Balance Sheet – Nonmajor Governmental Funds	78	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	82	H-2
Combining Balance Sheet – Capital Projects Fund	86	H-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Fund.....	88	H-4
Combining Balance Sheet – Federal Special Revenue Fund.....	90	H-5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Federal Special Revenue Fund.....	94	H-6
TEA Required Schedules		
Schedule of Delinquent Taxes Receivable	100	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program	102	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund	103	J-3
Federal and State Awards Section		
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	107	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance and UGMS	109	
Schedule of Expenditures of Federal Awards	111	
Schedule of Expenditures of State Awards	113	
Notes to the Schedule of Expenditures of Federal and State Awards	114	
Schedule of Findings and Questioned Costs	115	
Schedule of Prior Year Audit Findings.....	119	

Introductory Section

This Page Intentionally Left Blank

CERTIFICATE OF BOARD

Birdville Independent School District
Name of School District

Tarrant
County

220-902
Co. - Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2020, at a meeting of the Board of Trustees of such school district on the 19th day of November, 2020.



Signature of Board Secretary



Signature of Board President

This Page Intentionally Left Blank

Financial Section

This Page Intentionally Left Blank



Independent Auditor's Report

To the Board of Trustees
Birdville Independent School District
Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Birdville Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

CPAs AND ADVISORS | WEAVER.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, statement of revenues, expenditures and changes in fund balance – budget and actual – General Fund, schedule of the District's proportionate share of the net pension liability, schedule of district contributions, schedule of the District's proportionate share of the net OPEB liability of a cost-sharing multiple-employer plan, schedule of the District's contributions to the Teacher Retirement System of Texas OPEB plan, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements, and TEA required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Schedule of Expenditures of State Awards, as required by the audit requirements of the Texas Governor's Office of Budget and Planning, Uniform Grant Management Standards which includes the State of Texas Single Audit Circular (UGMS), are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Board of Trustees
Birdville Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 6, 2020

This Page Intentionally Left Blank

Management's Discussion and Analysis (Unaudited)

This section of the Birdville Independent School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. It should be read in conjunction with the independent auditor's report and the basic financial statements.

Financial Highlights

- At the close of the fiscal year, the District reported \$308,495,240 combined governmental fund balance, an increase of \$15,611,183 from the prior year. The increase pertained primarily to the reduction in spending in the General Fund as a result of State mandated campus closures in March 2020 due to the COVID-19 pandemic.
- Of the combined governmental fund balance at year-end, the District had \$54,810,571 of committed fund balance, \$205,350,779 in restricted fund balance, \$31,556,790 in assigned fund balance, and \$15,962,236 of unassigned fund balance. The remainder pertained to non-spendable balances.
- As of June 30, 2020, the General Fund had \$83,109,915 in total fund balance, which represented 40.42 percent of fiscal 2020 expenditures. Of this total, the District committed \$32,381,935 (15% of fiscal year 2021 budgeted expenditures) and assigned \$31,556,790 to fund future needs. Of the remainder, \$15,962,236 was also available for future spending and current cash flow needs with the remaining \$3,208,954 included in other committed and non-spendable amounts.
- At June 30, 2020, the District's net position was approximately \$6 million.

Overview of the Financial Statements

The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two types of statements that present different views of the District: the government-wide financial statements and the fund financial statements.

Government-wide Financial Statements. The government-wide financial statements, including the *Statement of Net Position* and the *Statement of Activities*, report on the District as a whole and are designed to provide readers with a broad overview of the District's finances. These statements are presented on the accrual basis of accounting similar to the accounting basis used by most private-sector entities.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows and inflows of resources, and liabilities including capital assets and long-term debt. The value of assets and deferred outflows of resources less liabilities and deferred inflows of resources are reported as net position. The *Statement of Activities* presents the increases and decreases in net position for the current fiscal year regardless of when cash is received or paid. Increases and decreases in net position over time may serve as one indicator of whether the financial position of the District is improving or deteriorating but should be considered with additional factors as well.

Government-wide financial statements distinguish net position and the changes in net position between *governmental activities*, which are supported principally by taxes and intergovernmental revenues, and *business-type activities*, which are intended to recover all or a significant portion of their costs through user fees and charges. Most of the District's activities are reported as *governmental activities* as they are primarily financed by property taxes, state aid, and federal grants; however, the District purchased an office complex during fiscal year 2018 for future facility needs. Since approximately 37 percent of this facility was leased to tenants during the fiscal year, the rental activity for the complex is reported separately as a business-type entity in the government-wide financial statements. The government-wide financial statements can be found on pages 20-23 of this report.

Fund Financial Statements. The fund financial statements provide detailed information about the District's most significant funds as opposed to the District as a whole. Funds are accounting devices used to account for specific sources of funding and spending for particular purposes. State law and bond covenants require the District to establish some funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The District's funds include three types: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds. Most of the District's activities are reported in governmental funds. Governmental funds report on the modified accrual basis of accounting which focuses on 1) how cash and other financial resources can be readily converted to cash inflows and outflows and 2) the balances remaining at year-end available for future spending. The governmental fund statements provide a detailed short-term view of the District's operations and funds available to finance future operations. Because the focus and accounting methods are different for the governmental fund statements and the government-wide statements, reconciliation schedules are presented following each of the fund's financial statements. The governmental fund financial statements can be found on pages 24-30 of this report.

Proprietary Funds. Proprietary funds are used to account for operations that provide services and/or goods for a fee, whether to outside users or units within the District. Proprietary funds use the accrual basis of accounting similar to the government-wide financial statements. There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds report the same functions presented as *business-type activities* in the government-wide financial statements. Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. For a number of years, the District used an internal service fund to report activities for its self-funded workers' compensation insurance program. During fiscal year 2020, this fund represents only the residual claims from 2012-13 and prior, since the District began participation in a fully-insured workers' compensation program on July 1, 2013. The District's enterprise fund represents the transactions associated with the office complex purchase mentioned earlier. The rental activities of the complex are treated as an enterprise fund since it is partially leased to outside entities. The proprietary fund financial statements can be found on pages 32-34 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 District uses fiduciary funds to account for money raised by student activities. The fiduciary fund financial statement can be found on page 35 of this report.

Table I below provides a concise view of the major features of the District's financial statements including the portion of the District they cover and types of information they contain.

Table I				
Major Features of the District's Financial Statements				
	Government-wide Statements	Fund Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	Activities of the District that are not proprietary or fiduciary	Activities of the District that charge fees for services and/or goods	Activities for which the District is the agent for other parties
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities to be paid during the year or soon thereafter; no capital assets or long-term debt	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities to be paid during the year or soon thereafter; no capital assets or long-term debt
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Agency funds do not report revenues and expenditures

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-64 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 67-73 of this report.

The combining statements for the District's various non-major funds are presented immediately following the required supplementary information beginning on page 77.

The Texas Education Agency (TEA) requires that certain information be included in this report. Those schedules can be found on pages 99-103. The Federal and State Awards Section of the report can be found on pages 105-119.

Government-Wide Financial Analysis

In fiscal year 2018, the District adopted the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which superseded GASB Statement No. 45. Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. The effects of the adoption of this statement has no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the District's government-wide financial statements. More information on the District's OPEB plan is available in Note 1 and Note 11.

Net Position – Governmental Activities. For fiscal year 2020, the District's unrestricted net position reflects a deficit due to reporting the District's proportionate share of the net OPEB liability, Texas Public School Retired Employees Group Program (TRS-Care). While the total district liability is reported in the governmental activities, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors. Detailed information about the OPEB liability is provided in Note 11.

Table II provides details on the changes in the Net Position from fiscal year 2019 to fiscal year 2020. At the end of fiscal year 2020, the District's net position for all activities was approximately \$6 million (see Table II).

	Governmental Activities		Business-Type Activities		Totals		% Change
	2020	2019	2020	2019	2020	2019	
Assets & Deferred Outflows of Resources							
Current and other assets	\$ 360,189,773	\$ 328,751,866	\$ 911,187	\$ 379,552	\$ 361,100,960	\$ 329,131,418	9.71%
Capital assets	362,301,642	309,738,410	10,593,568	10,911,154	372,895,210	320,649,564	16.29%
Total assets	722,491,415	638,490,276	11,504,755	11,290,706	733,996,170	649,780,982	12.96%
Deferred outflows of resources	55,172,138	55,767,297	-	-	55,172,138	55,767,297	-1.07%
Total assets and deferred outflows of resources	777,663,553	694,257,573	11,504,755	11,290,706	789,168,308	705,548,279	11.85%
Liabilities & Deferred Inflows of Resources							
Other liabilities	81,067,041	61,560,186	221,106	156,428	81,288,147	61,716,614	31.71%
Long-term liabilities outstanding	645,987,750	617,695,328	34,469	34,469	646,022,219	617,729,797	4.58%
Total liabilities	727,054,791	679,255,514	255,575	190,897	727,310,366	679,446,411	7.04%
Deferred inflows of resources	55,850,849	35,084,039	-	-	55,850,849	35,084,039	59.19%
Total liabilities and deferred inflows of resources	782,905,640	714,339,553	255,575	190,897	783,161,215	714,530,450	9.61%
Net Position							
Net investment in capital assets	36,476,511	29,345,190	-	-	36,476,511	29,345,190	24.30%
Restricted	27,108,509	26,229,950	-	-	27,108,509	26,229,950	3.35%
Unrestricted	(68,827,107)	(75,657,120)	11,249,180	11,099,809	(57,577,927)	(64,557,311)	-10.81%
Total Net Position	\$ (5,242,087)	\$ (20,081,980)	\$ 11,249,180	\$ 11,099,809	\$ 6,007,093	\$ (8,982,171)	-166.88%

The largest portion of net position for the governmental activities was a negative \$68.8 million in unrestricted. If not for the \$112.7 million in GASB 75 liabilities (net of deferred outflows and deferred inflows), the District's unrestricted net position would be positive. Another area of net position includes approximately \$36.4 million for net investment in capital assets that includes capital assets less related outstanding debt to purchase those assets. The District's investment in capital assets includes land, buildings, furniture/equipment and construction in progress. Due to the nature of these assets, they are not available for future spending. Although the District's investment in capital assets is reported net of debt, it should be noted that the resources need to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$27.1 million is used predominately in food service and debt service and are not available for spending other than the purpose for which they are restricted.

Table III provides details for fiscal year 2020 governmental activities and business-type activities. Net position actually increased for fiscal year 2020 by approximately \$15 million.

	Governmental Activities		Business-Type Activities		Totals		% Change
	2020	2019	2020	2019	2020	2019	
Revenues:							
Program Revenues:							
Charges for services	\$ 7,509,011	\$ 8,865,484	\$ 1,438,793	\$ 1,448,414	\$ 8,947,804	\$ 10,313,898	-13.25%
Operating grants and contributions	69,049,089	58,815,424	-	-	69,049,089	58,815,424	17.40%
General Revenues:							
Property taxes	152,425,631	143,220,427	-	-	152,425,631	143,220,427	6.43%
State aid and unrestricted grants	89,229,475	84,293,478	-	-	89,229,475	84,293,478	5.86%
Investment earnings	4,506,863	4,636,977	13,155	8,009	4,520,018	4,644,986	-2.69%
Sale of real or personal property	-	-	-	-	-	-	-
Miscellaneous	794,375	1,674,563	-	-	794,375	1,674,563	-52.56%
Transfers	496,280	700,000	(496,280)	(700,000)	-	-	-
Total Revenues	324,010,724	302,206,353	955,668	756,423	324,966,392	302,962,776	7.26%
Expenses:							
Instruction, curriculum and media services	188,707,257	172,221,460	-	-	188,707,257	172,221,460	9.57%
Instructional and school leadership	20,194,372	18,897,314	-	-	20,194,372	18,897,314	6.86%
Student support services	21,238,880	19,580,472	-	-	21,238,880	19,580,472	8.47%
Food services	11,692,041	11,563,683	-	-	11,692,041	11,563,683	1.11%
Cocurricular/extracurricular activities	7,744,574	7,886,609	-	-	7,744,574	7,886,609	-1.80%
General administration	7,204,290	6,818,888	-	-	7,204,290	6,818,888	5.65%
Plant maintenance, security and data processing	33,390,414	30,966,249	-	-	33,390,414	30,966,249	7.83%
Community services	704,853	699,762	-	-	704,853	699,762	0.73%
Debt service	17,667,973	21,337,844	-	-	17,667,973	21,337,844	-17.20%
Capital outlay	-	-	-	-	-	-	-
Intergovernmental charges	626,177	594,827	-	-	626,177	594,827	5.27%
Total Expenses	309,170,831	290,567,108	-	-	309,170,831	290,567,108	6.40%
Business Type Activities							
Rental Property	-	-	806,297	816,346	806,297	816,346	-
Increase in net position	14,839,893	11,639,245	149,371	(59,923)	14,989,264	11,579,322	-
Beginning net position	(20,081,980)	(31,721,225)	11,099,809	11,159,732	(8,982,171)	(20,561,493)	-
Ending net position	\$ (5,242,087)	\$ (20,081,980)	\$ 11,249,180	\$ 11,099,809	\$ 6,007,093	\$ (8,982,171)	-166.88%

Revenues. Table III indicates fiscal year 2020 overall revenue increased around 7.3 percent due to increases in both State aid and property taxes. Investment earnings decreased due to interest rate declines. The revenue and expenses related to the office complex are recorded as business-type activities. The business-type activities consist primarily of rental income as tenants occupy approximately 37 percent of the facility. The District transferred \$496,280 to governmental activities from business-type activities. The funds were used for renovations in the portion of the facility utilized by District staff. Figures 1 and 2 depict the District's revenue sources for fiscal year 2020 and 2019. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants.

Figure 1

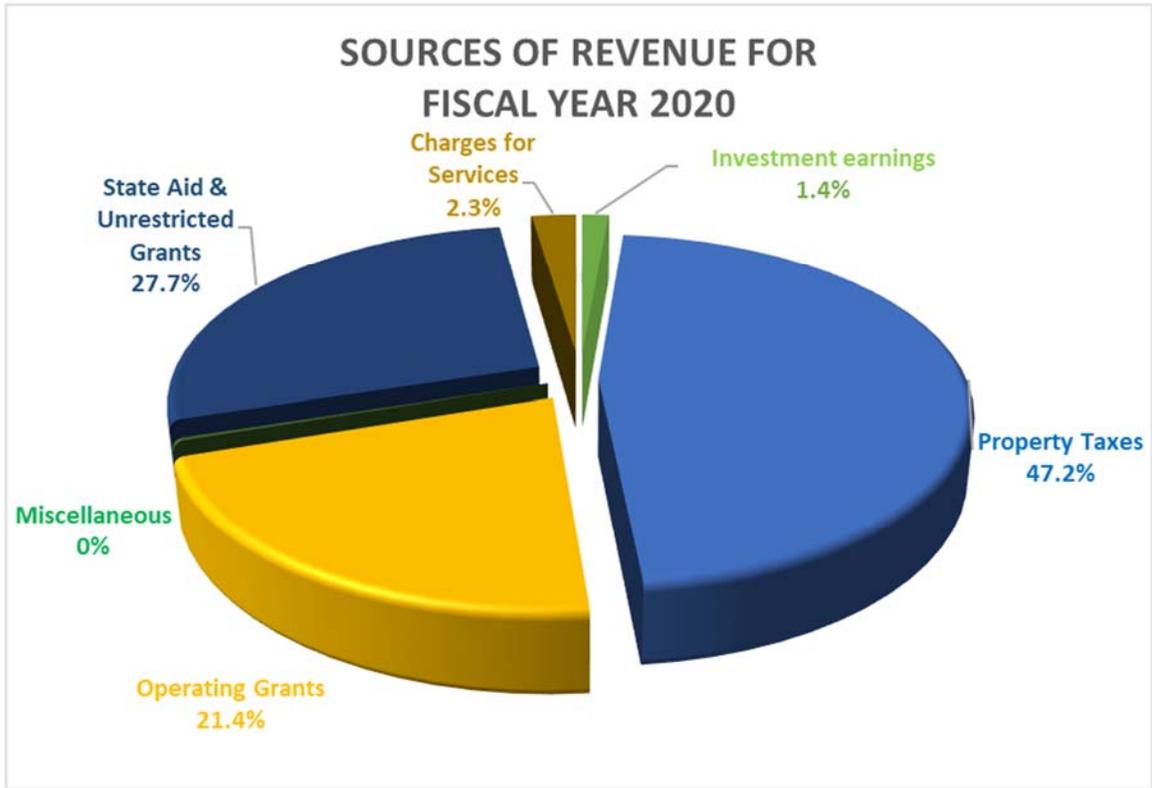
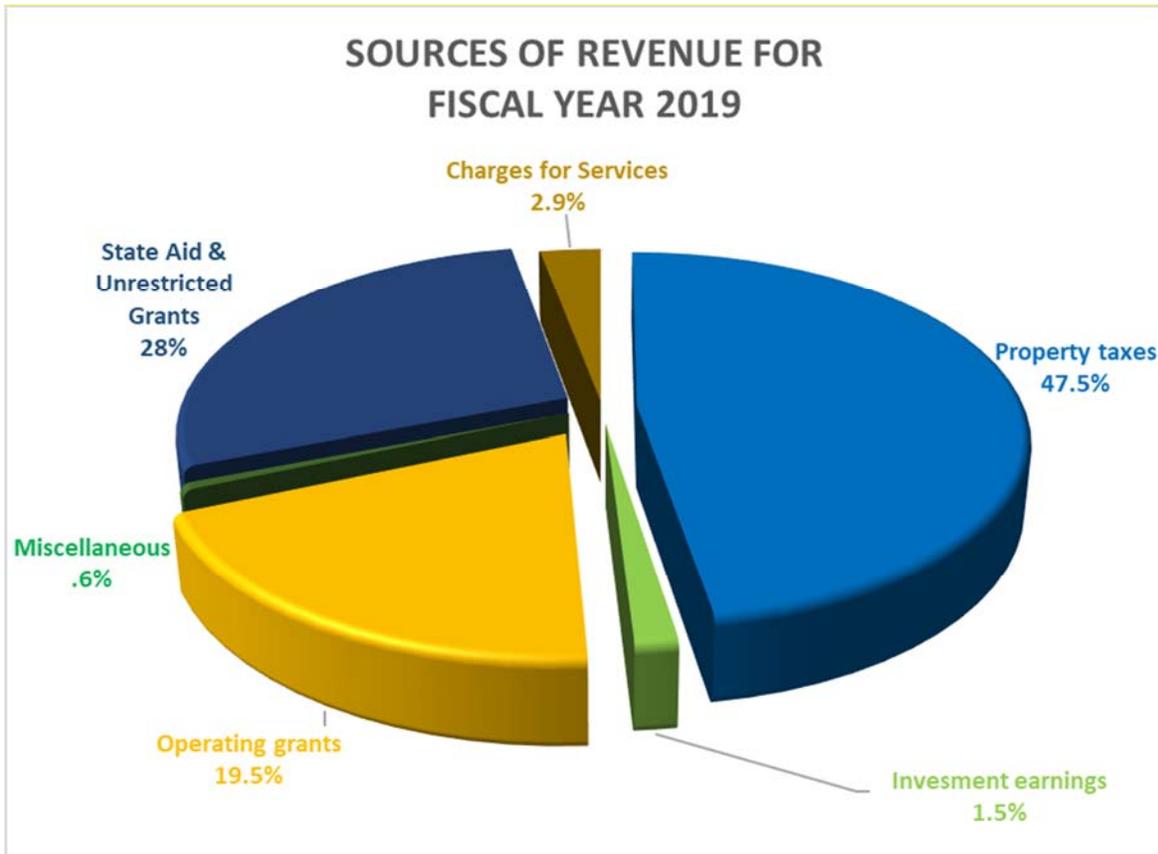


Figure 2

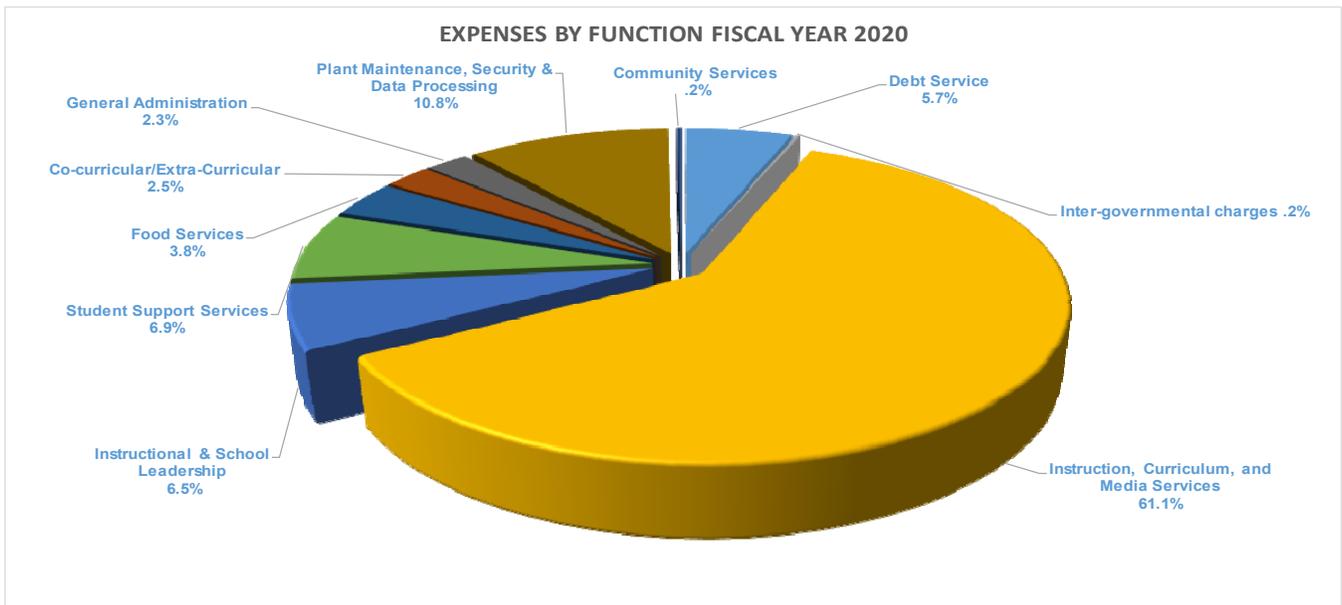


Expenses. Fiscal year 2020 expenses compared to fiscal year 2019 expenses increased by 6.4 percent. Expenses are shown in Table III by functional categories that reflect the purpose of the transaction. Various operating expenses are reflected in each functional category. Total expenses in the current fiscal year were \$309.2 million.

Increases in instructional, curriculum and media services, instructional and school leadership, and student support services were due to additional enrollment and program requirements in special program areas. Facility services increased due to the allocation of additional funds to facility repairs around the District.

Figure 3 graphically depicts the total expenses of the District by function, while Table IV presents the cost of the District's largest programs.

Figure 3



	Total Cost of Services		
	2020	2019	% Change
Instruction, Curriculum, & Media Services	\$ 188,707,257	\$ 172,221,460	9.57%
Maintenance, Security, & Data Processing	33,390,414	30,966,249	7.83%
Student Support Services	21,238,880	19,580,472	8.47%
Instruction and School Leadership	20,194,372	18,897,314	6.86%

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 and 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 fund balances of \$308,495,240 (as presented in the Balance Sheet on pages 24-25), an increase of \$15,611,183 from the prior year. General Fund expenditures were down significantly in fiscal year 2020 as a result of State mandated campus closures in March 2020 due to the COVID-19 pandemic. The District began offering online classes shortly after the closure in March and continued those online classes through the end of the school year in May 2020. Budget savings occurred in both lower facility and extracurricular costs.

The following non-spendable and restricted items, which total \$206,165,643 or 66.8 percent of fund balances, are either unavailable for new spending or limited to specific types of expenditures due to legal restrictions:

• Inventories & Prepaid Items	\$ 814,864
• Food Services	3,949,349
• Other Restricted Grants	41,498
• Debt service	28,860,799
• Capital projects	172,499,133

An additional 17.8 percent of fund balance, or \$54,810,571, has been committed by the District's Board of Trustees for specific purposes. While technically not available for legal expenditures, these funds are nonetheless at the control of the District. The committed purposes are:

• General Fund Reserves	\$ 32,381,935
• Legacy Fund	8,477,203
• Other Capital Projects	9,751,814
• Compensated Absences	2,600,000
• Campus Activity	1,521,378
• Other Special Revenue Funds	78,241

The General Fund is the primary operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. At the end of the current fiscal year, the total fund balance of the General Fund was \$83,109,915 which represents 40.42 percent of fiscal year 2020 General Fund expenditures. Of the total fund balance, the District's Board of Trustees elected to commit 15 percent of the fiscal year 2021 General Fund expenditure budget as the minimum reserve or committed fund balance along with \$2.6 million for future payments to employees for compensated absences. At June 30, 2020, the total committed amount was \$34,981,935.

The fund balance of the General Fund increased \$13,495,657 during the current fiscal year. This increase represents reduced spending as a result of the COVID-19 campus closures as well as incomplete facility and other one-time projects. The incomplete facility and one-time projects totaled approximately \$5.6 million.

The fund balance of the Debt Service Fund increased \$2.6 million from the prior year. Increased property values and previous bond refinancing opportunities allowed the District to prepay \$2.165 million of bond principal and interest during the fiscal year. The entire ending fund balance of \$28.86 million is restricted for the payment of debt service.

The District's Federal Special Revenue Funds ended the year with a combined fund balance of \$4.1 million. Revenues typically approximate expenditures in the special revenue funds as grant monies are generally earned when expended. The entire ending fund balance is restricted for the child nutrition program. The Child Nutrition Fund Balance decreased \$1.25 million from the prior year due to the State mandatory campus closure from COVID-19 in March 2020. Student meals were distributed to families outside at selected campuses through a drive-through process which greatly reduced the number of meals served.

The District's various special revenue funds ended the year with a combined fund balance of \$10.1 million. This represents an increase of \$1.2 million from the prior year. The increase during the year included over \$500,000 in interest and gas lease revenues from the Legacy Fund along with a net increase in the Campus Activity Fund of around \$700,000. The ending fund balance includes both committed and restricted categories.

Proprietary Funds. The District has two proprietary funds. One is an internal service fund to process the remaining claims from a self-funded workers' compensation program that ended on June 30, 2013. On July 1, 2013, the District moved to a fully-insured workers' compensation plan. This internal service fund exists to handle the residual claims for accidents that occurred prior to July 1, 2013. At year-end, the fund had \$613,019 in total net position representing an increase from the prior year of \$9,332.

An enterprise fund was established during fiscal year 2018 to process the operational revenue and expenses related to the office complex mentioned earlier. This complex, purchased during fiscal year 2018, is partially leased to outside entities and available for District operations. At year-end, the fund had approximately \$11.25 million in total net position, an increase of \$149,371 from the prior year as a result of revenues over expenditures.

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. The most significant General Fund expenditure amendments included the following: the rollover of \$1.4 million from fiscal year 2019 to fund incomplete facility improvement projects; \$1.2 million for a modular building project; \$4.3 million for instructional special program expenditures required from House Bill 3 (HB3) passed during the 86th Texas Legislative session; and \$2.2 million for year-end projects.

Budget amendments for General Fund revenues included both property tax and state foundation revenues. An amendment of \$3.1 million was approved early in the year to reflect actual certified property values and estimated funding for student enrollment. A \$4.6 million adjustment was also made to reflect additional State funds associated with the HB3 funding legislation not fully known until after the fiscal year started.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2020, the District had invested approximately \$372.9 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets increased approximately \$52.2 million from the prior year. The increase is a result of construction in progress associated with 2018 bond election.

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

Table V Capital Assets (Net of Depreciation)			
	2020	2019	% Change
Land	\$ 20,708,081	\$ 19,465,645	6.38%
Buildings and Improvements	276,672,031	285,864,059	-3.22%
Furniture and Equipment	14,216,099	11,528,415	23.31%
Construction-in-Progress	61,298,999	3,791,445	1516.77%
Totals	<u>\$372,895,210</u>	<u>\$ 320,649,564</u>	16.29%

Long-Term Debt. The District had \$674.3 million in long-term debt at year-end, an increase of \$32.1 million from the prior year. Total debt increased from the issuance of \$69.6 million in bonds. Major debt reductions include just over \$10 million in the liabilities related to the GASB 75 OBEB and GASB 68 pension liability along with \$19 million in bond principal payments during the year.

During fiscal year 2020, the District prepaid \$2.165 million in bond principal. Over \$18.4 million in bond principal payments have been prepaid by the District through fiscal year 2020, a savings of over \$11 million in interest costs to taxpayers. The District has also continued the practice of setting a maximum maturity for facility bonds of no longer than 25 years and an average five-year maturity for technology equipment purchases.

Table VI Long-Term Debt			
	Governmental Activities		
	2020	2019	% Change
Bonds Payable	\$ 440,974,598	\$ 397,327,083	10.99%
Accreted Interest	3,332,939	8,938,698	-62.71%
Bond Premiums	62,478,600	58,108,106	7.52%
Capital Leases	-	-	0.00%
Public Property Finance Contra	117,720	233,455	-49.57%
Compensated Absences	3,004,345	3,102,677	-3.17%
Net Pension Liability	77,013,305	81,687,805	-5.72%
Net OPEB Liability	87,331,784	92,718,411	-5.81%
Totals	<u>\$ 674,253,291</u>	<u>\$ 642,116,235</u>	5.00%

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

Bond Ratings. The bonds have a municipal bond rating of "AAA" by Standard & Poor's Ratings Services ("S&P") and "AAA" by Fitch Ratings (Fitch) based upon the Permanent School Fund Guarantee of the State of Texas ("PSF Guarantee"). The underlying or secondary credit ratings for the District are "AA" by S&P and "AA+" by Fitch.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2020 continued to be a challenging year for budget planning. The District conservatively projected property value increases at eight percent although growth during the last three years exceeded 10 percent. Actual certified value increases exceeded 11.5 percent and generated an additional \$2.9 million in tax revenue. State funding formulas were significantly changed as a result of the passage of HB3 in May 2019. The magnitude of the changes and the addition/deletion of special programs prevented the District from incorporating the new calculations into the 2020 adopted budget in June 2019. The specific effects of the formulas were not fully realized until later in the fiscal year as interpretations and clarifications from the Texas Education Agency (TEA) were provided. The District prepared a conservative budget providing a three percent employee compensation increase along with market driven adjustments. Other costs included required operational increases, additional staff in critical areas, and one-time instructional resources. The one-time classification limits the impact on future budgets in case revenue estimates are lower than expected.

Later in the year, as the HB3 funding formulas were clarified and projections made, the state revenue projection increased by \$3.6 million. Additional properties certified later in the year generated an additional \$1 million in projected revenue. The District was able to allocate these funds to support the increased special program needs of HB3 along with other one-time instructional program and facility needs. The COVID-19 closure and prudent spending during the year resulted in an increase in the General Fund balance of around \$13.4 million. The District continues to maintain a healthy General Fund balance reflecting 40.42 percent of fiscal year 2020 actual expenditures.

Budget planning for fiscal year 2021 included uncertainty not only in projecting property values but COVID-19 added additional concerns in relation to enrollment and its effects on the overall economy. Property values were projected at five percent and enrollment reductions of two percent were factored into the 2021 budget. Rather than include employee compensation increases in the 2021 budget, the Board of Trustees provided a \$500 one-time payment for all employees scheduled for November 2020. The one-time classification limits the impact on future budgets.

The budget also included additional staff in critical areas and additional teaching units based on special program needs. Other budgeted costs included required operational increases along with other one-time facility projects.

Unlike prior years, certified property values in July 2020 were lower than projected. By September 2020, the value increases were around 4.3 percent; however, as the tax assessor continues to certify properties during the fall of 2020, the District expects to reach the five percent growth estimate. As the 2021 school year began, enrollment was down around three percent. Most of the reduction occurred in the pre-kindergarten and kindergarten areas. Districts around Texas have experienced similar drops. Once a vaccine and medication for COVID-19 are available, the District expects those students to return to school. Hold harmless allowances from TEA for the fall of 2020, have allowed the District budget projections for the 2021 fiscal year to reach the adopted revenue budget.

Budgets underspent from the 2020 fiscal year have been rolled into the 2021 fiscal year to assist with one-time COVID-19 expenditures such as additional staff, online software, cleaning equipment, and personal protective equipment for staff and students. The Board of Trustees also included an additional \$1,000 one-time payment to all professional staff and an additional \$500 to all other staff from these rollover funds to support the additional workload for all staff, especially teachers during this difficult time.

Careful planning by the District during the preparation of the fiscal 2021 budget, allowed the District to provide competitive compensation for staff; continue strong instructional programs for students; and maintain a sufficient fund balance.

The maintenance and operations (M&O) tax rate under HB3 is calculated by TEA and reflects a decrease from \$0.97 to \$0.9664 per \$100 of property valuation. This is the maximum rate allowed without a tax ratification election. The rate is calculated based on property value growth and is slightly higher than expected due to the lower property values.

In regard to the Debt Service Fund, the District adopted a tax rate of \$0.4139 per \$100 of property value reflecting no increase over the prior year. The adopted tax rate is 1.35 cents lower than projected in the 2014 bond election and represents the rate promised to voters during the 2018 Bond election.

The District has prepaid over \$18.5 million in bond principal over the last seven years saving taxpayers \$11.8 million in interest payments as mentioned earlier.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, 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 Position
June 30, 2020

Exhibit A-1

Data Control Codes		Primary Government		Total
		Governmental Activities	Business-Type Activities	
ASSETS				
1110	Cash and cash equivalents	\$ 316,013	\$ 91,485	\$ 407,498
1120	Investments - current	298,935,700	789,942	299,725,642
1220	Property taxes receivable (delinquent)	9,438,316	-	9,438,316
1230	Allowance for uncollectible taxes	(2,482,265)	-	(2,482,265)
1240	Due from other governments	31,919,493	-	31,919,493
1250	Accrued interest	204,008	-	204,008
1290	Other receivables	1,555,003	-	1,555,003
1300	Inventories	578,809	-	578,809
1410	Prepaid items	236,055	29,760	265,815
	Capital assets:			
1510	Land	18,848,133	1,859,948	20,708,081
1520	Buildings, net	267,938,411	8,733,620	276,672,031
1530	Furniture and equipment, net	14,216,099	-	14,216,099
1580	Construction in progress	61,298,999	-	61,298,999
1910	Long-term investments	19,488,641	-	19,488,641
1700	Total assets	722,491,415	11,504,755	733,996,170
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred loss on bond refundings	5,246,654	-	5,246,654
1705	Deferred outflows - pension	36,946,298	-	36,946,298
1706	Deferred outflows - OPEB	12,979,186	-	12,979,186
1700	Total deferred outflows of resources	55,172,138	-	55,172,138
LIABILITIES				
2110	Accounts payable	19,214,482	19,968	19,234,450
2140	Accrued interest payable	7,453,192	-	7,453,192
2150	Payroll deductions & withholdings	2,094,804	-	2,094,804
2160	Accrued wages payable	23,059,917	-	23,059,917
2180	Due to other governments	13,535	-	13,535
2190	Due to student groups	554,210	-	554,210
2200	Accrued expenses	-	47,168	47,168
2300	Unearned revenue	411,360	153,970	565,330
	Noncurrent liabilities:			
2501	Due within one year	28,265,541	-	28,265,541
2502	Due in more than one year	481,642,661	-	481,642,661
2540	Net pension liability (District's share)	77,013,305	-	77,013,305
2545	Net OPEB liability (District's share)	87,331,784	-	87,331,784
2590	Other long term liabilities	-	34,469	34,469
2000	Total liabilities	727,054,791	255,575	727,310,366
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	17,499,536	-	17,499,536
2606	Deferred inflows - OPEB	38,351,313	-	38,351,313
2600	Total deferred inflows of resources	55,850,849	-	55,850,849
NET POSITION				
3200	Net investment in capital assets	36,476,511	-	36,476,511
3820	Restricted for federal and state programs	3,990,847	-	3,990,847
3850	Restricted for debt service	23,117,662	-	23,117,662
3900	Unrestricted	(68,827,107)	11,249,180	(57,577,927)
3000	TOTAL NET POSITION	\$ (5,242,087)	\$ 11,249,180	\$ 6,007,093

The Notes to the Financial Statements are an integral part of this statement.

This Page Intentionally Left Blank

Birdville Independent School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities:			
11	Instruction	\$ 175,326,494	\$ 1,286,114	\$ 32,825,893
12	Instruction resources and media services	3,213,665	-	118,858
13	Curriculum and instructional staff development	10,167,098	-	6,566,855
21	Instructional leadership	4,588,819	-	1,276,774
23	School leadership	15,605,553	-	68,171
31	Guidance, counseling and evaluation services	12,325,175	-	4,610,539
32	Social work services	309,417	-	-
33	Health services	3,257,975	-	-
34	Student (pupil) transportation	5,346,313	-	1,649,491
35	Food services	11,692,041	2,176,699	18,656,029
36	Extracurricular activities	7,744,574	4,046,198	1,759,928
41	General administration	7,204,290	-	58,170
51	Facilities maintenance and operations	23,160,670	-	521,267
52	Security and monitoring services	1,907,563	-	211,481
53	Data processing services	8,322,181	-	-
61	Community services	704,853	-	725,633
72	Debt service - interest on long-term debt	17,138,418	-	-
73	Debt service - bond issuance cost and fees	529,555	-	-
93	Payments to fiscal agents SSA	610,955	-	-
95	Payments to juvenile justice alternative education programs	15,222	-	-
	Total governmental activities	309,170,831	7,509,011	69,049,089
	Business-type activities			
	Rental Property	806,297	1,438,793	-
	Total business-type activities	806,297	1,438,793	-
TP	TOTAL PRIMARY GOVERNMENT	\$ 309,977,128	\$ 8,947,804	\$ 69,049,089
	General revenues:			
	Taxes:			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
SF	State aid - formula grants			
IE	Investment earnings			
MI	Miscellaneous local and intermediate revenue			
	Transfers			
TR	Total general revenues			
CN	Change in net position			
NB	Net position - beginning			
NE	NET POSITION ENDING			

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
6		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (141,214,487)	\$ -	\$ (141,214,487)
(3,094,807)	-	(3,094,807)
(3,600,243)	-	(3,600,243)
(3,312,045)	-	(3,312,045)
(15,537,382)	-	(15,537,382)
(7,714,636)	-	(7,714,636)
(309,417)	-	(309,417)
(3,257,975)	-	(3,257,975)
(3,696,822)	-	(3,696,822)
9,140,687	-	9,140,687
(1,938,448)	-	(1,938,448)
(7,146,120)	-	(7,146,120)
(22,639,403)	-	(22,639,403)
(1,696,082)	-	(1,696,082)
(8,322,181)	-	(8,322,181)
20,780	-	20,780
(17,138,418)	-	(17,138,418)
(529,555)	-	(529,555)
(610,955)	-	(610,955)
(15,222)	-	(15,222)
(232,612,731)	-	(232,612,731)
-	632,496	632,496
-	632,496	632,496
\$ (232,612,731)	\$ 632,496	\$ (231,980,235)
107,199,225	-	107,199,225
45,226,406	-	45,226,406
89,229,475	-	89,229,475
4,506,863	13,155	4,520,018
794,375	-	794,375
496,280	(496,280)	-
247,452,624	(483,125)	246,969,499
14,839,893	149,371	14,989,264
(20,081,980)	11,099,809	(8,982,171)
\$ (5,242,087)	\$ 11,249,180	\$ 6,007,093

Birdville Independent School District
Balance Sheet
Governmental Funds
June 30, 2020

Data Control Codes		10	20	50	60
		General Fund	Federal Special Revenue	Debt Service Fund	Capital Projects
ASSETS					
1110	Cash and cash equivalents	\$ 315,714	\$ -	\$ -	\$ -
1120	Investments- current	68,792,314	4,722,264	26,431,465	192,529,833
1220	Property taxes (delinquent)	7,118,028	-	2,320,288	-
1230	Allowance for uncollectible taxes	(1,872,032)	-	(610,233)	-
1240	Due from other governments	22,840,640	6,619,056	-	-
1250	Accrued Interest	85,788	-	-	62,167
1260	Due from other funds	9,648,799	-	1,663,032	1,135,875
1290	Other receivables	1,067,290	-	462,639	-
1300	Inventories	395,924	182,885	-	-
1410	Prepaid items	213,030	-	-	-
1910	Long-term investments	4,720,402	-	-	9,998,360
1000	TOTAL ASSETS	\$ 113,325,897	\$ 11,524,205	\$ 30,267,191	\$ 203,726,235
LIABILITIES					
2110	Accounts payable	\$ 1,365,133	\$ 77,042	\$ -	\$ 16,537,726
2150	Payroll deductions and withholdings	2,037,492	-	-	-
2160	Accrued wages payable	20,786,691	1,998,278	-	-
2170	Due to other funds	1,663,032	5,305,953	-	4,937,562
2180	Due to other governments	-	-	-	-
2190	Due to student groups	36,820	-	-	-
2300	Unearned revenue	-	10,698	-	-
2000	Total liabilities	25,889,168	7,391,971	-	21,475,288
DEFERRED INFLOWS OF RESOURCES					
2601	Deferred revenue - property taxes	4,326,814	-	1,406,392	-
2600	Total deferred inflows of resources	4,326,814	-	1,406,392	-
FUNDS BALANCES					
Nonspendable fund balance:					
3410	Inventories	395,924	182,885	-	-
3430	Prepaid items	213,030	-	-	-
Restricted fund balance:					
3450	Federal and state funds grant	-	3,949,349	-	-
3470	Capital acquisition and contractual obligation	-	-	-	172,499,133
3480	Retirement of long-term debt	-	-	28,860,799	-
Committed fund balance:					
3545	Other committed fund balance	34,981,935	-	-	9,751,814
Assigned fund balance:					
3590	Other assigned fund balance	31,556,790	-	-	-
3600	Unassigned fund balance	15,962,236	-	-	-
3000	Total fund balances	83,109,915	4,132,234	28,860,799	182,250,947
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 113,325,897	\$ 11,524,205	\$ 30,267,191	\$ 203,726,235

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Funds	98 Total Governmental Funds
\$ 299	\$ 316,013
5,789,493	298,265,369
-	9,438,316
-	(2,482,265)
2,459,797	31,919,493
56,053	204,008
588,758	13,036,464
25,074	1,555,003
-	578,809
23,025	236,055
4,769,879	19,488,641
<u>\$ 13,712,378</u>	<u>\$ 372,555,906</u>
\$ 1,234,581	\$ 19,214,482
-	2,037,492
274,948	23,059,917
1,129,917	13,036,464
13,535	13,535
517,390	554,210
400,662	411,360
<u>3,571,033</u>	<u>58,327,460</u>
-	5,733,206
<u>-</u>	<u>5,733,206</u>
-	578,809
23,025	236,055
41,498	3,990,847
-	172,499,133
-	28,860,799
10,076,822	54,810,571
-	31,556,790
-	15,962,236
<u>10,141,345</u>	<u>308,495,240</u>
<u>\$ 13,712,378</u>	<u>\$ 372,555,906</u>

Birdville Independent School District**Exhibit C-2**
 Reconciliation of the Governmental Funds Balance Sheet to the
 Statement of Net Position
 June 30, 2020

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 308,495,240
The District uses an internal service fund 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 fund are included in governmental activities in the statement of net position. The net effect is to increase net position.	613,019
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.	702,825,261
Accumulated depreciation is not reported in the fund financial statements.	(340,523,619)
Bonds and loans payable are not reported in the fund financial statements.	(441,092,318)
Interest accreted on capital appreciation bonds is not reported in the fund financial	(3,332,939)
Bond premiums on outstanding bonds payable are not reported in the fund financial statements.	(62,478,600)
Revenue from property taxes is reported as deferred revenue in the fund financial statements but is recognized as revenue in the government-wide financial statements.	5,733,206
Accrued liabilities for compensated absences are not recorded in the fund financial statements.	(3,004,345)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are recorded when due.	(7,453,192)
The deferred charge on bond refundings is not recorded in the fund financial statements, but is shown as a deferred outflow of resources in the government-wide financial statements.	5,246,654
Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability in the amount of \$77,013,305, deferred outflows of resources related to pension in the amount of \$36,946,298, and deferred inflows of resources related to pension in the amount of \$17,499,536 cumulatively resulting in a decrease in net position in the amount of \$57,566,543.	(57,566,543)
Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net OPEB liability in the amount of \$87,331,784, deferred outflows of resources related to OPEB in the amount of \$12,979,186, and deferred inflows of resources related to OPEB in the amount of \$38,351,313 cumulatively resulting in a decrease in net position in the amount of \$112,703,911.	(112,703,911)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (5,242,087)

The Notes to the Financial Statements are an integral part of this statement.

This Page Intentionally Left Blank

Birdville Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2020

Data Control Codes		10 General Fund	20 Federal Special Revenue	50 Debt Service Fund
REVENUES				
5700	Local and intermediate	\$ 108,459,867	\$ 2,245,740	\$ 45,566,961
5800	State program revenues	100,501,279	332,615	675,191
5900	Federal program revenues	5,405,420	23,842,501	-
5020	Total revenues	214,366,566	26,420,856	46,242,152
EXPENDITURES				
Current:				
0011	Instruction	117,882,867	10,696,885	-
0012	Instructional resources and media services	2,814,022	-	-
0013	Curriculum and instructional staff development	5,330,445	3,051,934	-
0021	Instructional leadership	3,120,346	581,138	-
0023	School leadership	13,440,668	3,603	-
0031	Guidance, counseling and evaluation services	8,120,284	2,380,934	-
0032	Social work services	271,501	-	-
0033	Health services	2,787,618	-	-
0034	Student (pupil) transportation	5,017,247	64,867	-
0035	Food services	-	10,147,486	-
0036	Extracurricular activities	5,034,694	9,450	-
0041	General administration	6,145,023	-	-
0051	Facilities maintenance and operations	19,489,944	256,671	-
0052	Security and monitoring services	1,182,957	114,173	-
0053	Data processing services	5,209,818	-	-
0061	Community services	245,667	317,127	-
Debt service:				
0071	Principal and interest on long-term debt	119,704	-	44,974,888
0073	Debt issuance costs	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	13,916	-	-
Intergovernmental:				
0093	Payments to fiscal agents SSA	560,955	50,000	-
0095	Payments to juvenile justice alternative education programs	15,222	-	-
0099	Other intergovernmental charges	752,314	-	-
6030	Total expenditures	197,555,212	27,674,268	44,974,888
1100	Excess (deficiency) of revenues over (under) expenditures	16,811,354	(1,253,412)	1,267,264
OTHER FINANCING SOURCES (USES)				
7911	Issuance of debt	-	-	-
7916	Premiums on issuance of debt	-	-	-
7917	Prepaid interest	-	-	1,390,057
7915	Transfers in	-	-	-
8911	Transfers out	(3,315,697)	-	-
7080	Total other financing sources (uses)	(3,315,697)	-	1,390,057
1200	Net change in fund balances	13,495,657	(1,253,412)	2,657,321
0100	Fund balance - July 1 (beginning)	69,614,258	5,385,646	26,203,478
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 83,109,915	\$ 4,132,234	\$ 28,860,799

The Notes to the Financial Statements are an integral part of this statement.

	60 Capital Projects	Nonmajor Funds	Total Governmental Funds
\$	2,660,234	\$ 5,878,930	\$ 164,811,732
	-	5,345,288	106,854,373
	2,609,165	-	31,857,086
	5,269,399	11,224,218	303,523,191
	39,516	7,157,948	135,777,216
	20,391	64,657	2,899,070
	-	519,946	8,902,325
	-	113,331	3,814,815
	-	33,480	13,477,751
	-	126,861	10,628,079
	-	-	271,501
	-	-	2,787,618
	416,289	832,330	6,330,733
	-	-	10,147,486
	-	947,819	5,991,963
	138,023	31,642	6,314,688
	1,762,052	26,861	21,535,528
	279,201	860	1,577,191
	2,609,165	-	7,818,983
	-	77,556	640,350
	-	-	45,094,592
	529,555	-	529,555
	74,035,493	-	74,049,409
	-	-	610,955
	-	-	15,222
	-	-	752,314
	79,829,685	9,933,291	359,967,344
	(74,560,286)	1,290,927	(56,444,153)
	62,810,000	-	62,810,000
	7,358,999	-	7,358,999
	-	-	1,390,057
	3,886,977	-	3,886,977
	-	(75,000)	(3,390,697)
	74,055,976	(75,000)	72,055,336
	(504,310)	1,215,927	15,611,183
	182,755,257	8,925,418	292,884,057
\$	182,250,947	\$ 10,141,345	\$ 308,495,240

Birdville Independent School District

Exhibit C-4

Reconciliation of the Government Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2020

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	\$ 15,611,183
The District uses an internal service fund to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. Recognition of the fund's investment earnings resulted in an increase net position.	9,332
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of recognizing the current year capital asset additions is an increase in government-wide net position.	72,173,782
Depreciation is not recognized as an expense in the 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 government-wide net position.	(19,610,550)
Current year long-term debt principal payments on bonds and loans payable are expenditures in the fund financial statements, but are shown as reductions of long-term debt in the government-wide financial statements.	19,278,220
The current year net decrease in accreted interest on capital appreciation bonds is not recorded in the fund financial statements. The net effect of the current year's change in accreted interest on capital appreciation bonds is to increase government-wide net position.	5,605,759
Current year amortization and reductions of the premium on bonds payable is not recorded in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	4,378,562
Current year amortization of the deferred loss on bond refundings is not reflected in the fund financial statements, but is shown as a reduction of the deferred charge in the government-wide financial statements.	(624,764)
The current year change in compensated absences has not been recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	98,332
Interest is accrued on outstanding debt in the government-wide financial statements, but interest is expended as due in the fund financial statements.	(681,603)
Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, however, such revenues are recognized when assessed net of an allowance for uncollectible amounts in the government-wide financial statements.	836,774
The current year proceeds from bonds payable is shown as other resources in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(62,810,000)
Premiums and prepaid interest on current year issuance of bonds payable is shown as other sources in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(8,749,056)
Changes related to the District's pension are recorded as decreases in deferred outflows of resources of \$2,303,295, increases in deferred inflows of \$11,735,293, and a increase in net pension liability of \$4,674,500, which nets to a cumulative decrease of (\$9,364,088).	(9,364,088)
Changes related to the District's OPEB are recorded increases in deferred outflows of resources of \$2,332,900, increases in deferred inflows of \$9,031,517, and a decrease in net OPEB liability of \$5,386,627, which cumulatively nets to a cumulative decrease of (\$1,311,990).	(1,311,990)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 14,839,893</u>

The Notes to the Financial Statements are an integral part of this statement.

This Page Intentionally Left Blank

Birdville Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit D-1

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,485	\$ -
Investments - current	789,942	670,331
Prepaid expenses and other assets	29,760	-
	<hr/>	<hr/>
Total current assets	911,187	670,331
Property and Equipment:		
Land	1,859,948	-
Buildings and improvements	9,527,585	-
	<hr/>	<hr/>
	11,387,533	-
Less accumulated depreciation	<hr/>	<hr/>
	(793,965)	-
Property and equipment, net	<hr/>	<hr/>
	10,593,568	-
TOTAL ASSETS	<hr/> <hr/>	<hr/> <hr/>
	11,504,755	670,331
LIABILITIES		
Current liabilities:		
Accounts payable	19,968	-
Accrued expenses	47,168	57,312
Unearned revenue	153,970	-
	<hr/>	<hr/>
Total current liabilities	221,106	57,312
Noncurrent liabilities:		
Other long-term liabilities	34,469	-
	<hr/>	<hr/>
Total Liabilities	255,575	57,312
NET POSITION		
Unrestricted net position	<hr/>	<hr/>
	11,249,180	613,019
TOTAL LIABILITIES AND NET POSITION	<hr/> <hr/>	<hr/> <hr/>
	\$ 11,504,755	\$ 670,331

The Notes to the Financial Statements are an integral part of this statement.

Birdville Independent School District**Exhibit D-2**

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Local and intermediate sources	\$ 1,438,793	\$ 387
Total operating revenues	1,438,793	387
OPERATING EXPENSES		
Contracted services	378,976	-
Supplies	627	-
Depreciation	317,586	-
Other operating costs	109,108	-
Total operating expenses	806,297	-
Operating Income	632,496	387
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	13,155	8,945
Total nonoperating revenues	13,155	8,945
Income before transfers	645,651	9,332
Transfers out	(496,280)	-
Total Transfers	(496,280)	-
Change in net position	149,371	9,332
Net position - July 1 (beginning)	11,099,809	603,687
NET POSITION - JUNE 30, 2020	\$ 11,249,180	\$ 613,019

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 Fiscal Year Ended June 30, 2020

Exhibit D-3

	Business-type Activities	Governmental Activities
	Enterprise	Internal
	Funds	Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and interfund services	\$ 1,513,228	\$ 50,017
Cash payments to suppliers for goods and services	(477,727)	(7,038)
Net cash provided by operating activities	1,035,501	42,979
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash received from (paid to) other funds	(700,688)	51,854
Transfers out	(496,280)	-
Net cash provided by (used in) non-capital financing activities	(1,196,968)	51,854
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales (purchases) of investments, net	157,439	(103,778)
Interest and dividends on investments	13,155	8,945
Net cash provided by (used in) investing activities	170,594	(94,833)
Net increase in cash and cash equivalents	9,127	-
Cash and cash equivalents at beginning of year	82,358	\$ -
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 91,485	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income:	632,496	387
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	317,586	-
Effect of increases and decreases in current assets and liabilities:		
Receivables	15,054	49,630
Prepaid expenses and other assets	5,687	-
Accounts payable	(1,371)	-
Accrued expenses	6,668	(7,038)
Unearned revenue	59,381	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,035,501	\$ 42,979

The Notes to the Financial Statements are an integral part of this statement.

Birdville Independent School District
Statement of Fiduciary Net Position – Agency Funds
June 30, 2020

Exhibit E-1

	Agency Funds
ASSETS	
Receivables	\$ 304,032
TOTAL ASSETS	<u>304,032</u>
LIABILITIES	
Accounts payable	37,159
Due to student groups	210,058
Due to faculty	56,815
TOTAL LIABILITIES	<u>\$ 304,032</u>

The Notes to the Financial Statements are an integral part of this statement.

Birdville Independent School District
Notes to the Basic Financial Statements

Note 1. Significant Accounting Policies

The Birdville Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees 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. 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 considered 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*. Based on these standards, management has determined that the District has no component units.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Birdville Independent School District's nonfiduciary 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*.

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.

Birdville Independent School District
Notes to the Basic Financial Statements

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 (with the exception of Agency Funds, which are custodial in nature and thus do not have a measurement focus). 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.

The Proprietary Fund Types 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. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included in the fund Statement of Net Position. Net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Agency Funds are custodial in nature, thus they do not have a measurement focus. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity.

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 unearned 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.

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.

Birdville Independent School District
Notes to the Basic Financial Statements

The Federal Special Revenue Funds - The District accounts for resources restricted to specific purposes by a federal grantor in the federal special revenue fund. Federal financial assistance is accounted for in these special revenue funds.

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.

Capital Projects Fund - The capital projects 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 fund types:

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 self-insurance fund that includes only the residual claims from 2012-13 and prior, since the District began participation in a fully-insured workers' compensation program on July 1, 2013.

Enterprise Fund - The enterprise fund is a proprietary fund used to account for the operations of a District owned facility partially leased to outside entities and partially used for District operations. The enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements. 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 not meeting this definition are reported as nonoperating revenues and expenses. Revenues are distinguished between operating and non-operating. Operating revenues are derived primarily from charges to lessees. Non-operating revenues earned during the year consist of earnings from temporary deposits and investments. All expenses are considered operating.

Fiduciary Funds:

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

Non-major 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. Some State and Local financial assistance is accounted for in a Special Revenue Fund and in certain cases unused balances must be returned to the grantor at the close of specified project periods.

E. Cash and Cash Equivalents

The District's cash and cash equivalents are 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.

Birdville Independent School District
Notes to the Basic Financial Statements

F. Investments

The District's general policy is to report money market investments, short-term participating interest-earning investment contracts and certain investment pools 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 June 30, 2020. 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. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions after the measurement date are recognized in the subsequent year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

I. Compensated Absences

Five vacation days may be carried over beginning June 1 and must be used by November 1 of the same year.

Birdville Independent School District
Notes to the Basic Financial Statements

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, was established as a cap for the compensation of unused paid leave at retirement or death. This capped amount is 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 of compensation reduced by 20 percent. If retirement does not occur prior to July 1, 2005, the employee shall have his or her capped amount of 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 as compensated absences in the government-wide financial statements.

J. Account Code Reporting

In accordance with the 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 FASRG. The Data Control Codes refer to the account code structure prescribed by TEA in the FASRG. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

K. 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 reasonably possible that adjustments may be made to the foundation revenue by the State.

Birdville Independent School District
Notes to the Basic Financial Statements

L. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of 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.

M. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the governmental column 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 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. 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	5-10
Office equipment	5-15
Computer equipment	3-10

N. Long-Term Liabilities

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, or proprietary fund type statement of net position. Bond premiums and discounts 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. Debt issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize 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. Debt issuance costs are reported as expenditures when incurred.

Birdville Independent School District
Notes to the Basic Financial Statements

O. Defined Benefit Pension Plan

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The Teacher Retirement System of Texas (TRS) administers the Plan. The fiduciary net position of the TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Post-Employment Benefits

The fiduciary net position of the TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms.

There are no investments as this is a pay-as you-go plan and all cash is held in a cash account. The General Fund and the National Breakfast and Lunch Program Fund have been used to liquidate other postemployment benefits liabilities.

Note 2. Fund Balance

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Birdville Independent School District
Notes to the Basic Financial Statements

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, the Board of Trustees delegated this authority to the Superintendent or the Superintendent's designee.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet and are described below:

General Fund

The General Fund has unassigned fund balance of \$15,962,236 at June 30, 2020. Inventories of \$395,924 and prepaid items of \$213,030 are considered nonspendable fund balance.

The Board of Trustees has adopted a resolution committing a portion of the General Fund fund balance equal to fifteen percent of General Fund operating expenditures in the following year's adopted budget.

This commitment was \$32,381,935 as of June 30, 2020. The District also committed General Fund fund balance of \$2,600,000 for future payments of compensated absences.

The District has assigned \$31,556,790 of General Fund fund balance as additional operating reserves.

Other Major Funds

The Federal Special Revenue Fund has nonspendable fund balances of \$182,885 related to inventories, and restricted fund balances of \$3,949,349 related to Federal grant restrictions related to the national breakfast and lunch program. The Debt Service Fund has restricted funds of \$28,860,799 at June 30, 2020 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has fund balance of \$172,499,133 restricted for future capital acquisitions and \$9,751,814 committed for future capital acquisitions.

Other Funds

Prepaid items of \$23,025 in the nonmajor funds are considered nonspendable fund balance. Special revenue funds fund balances of \$41,498 are restricted by state or other grant restrictions related to advanced placement initiatives.

The following special revenue funds fund balances have been committed by the District for the following purposes:

Campus activities	\$ 1,521,378
Other local special revenue funds	78,241
Legacy fund	8,477,203
	<hr/>
Total	<u>\$ 10,076,822</u>

Birdville Independent School District
Notes to the Basic Financial Statements

Note 3. Bonded Debt Payable

Bonded debt payable as of June 30, 2020 is as follows:

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding 7/1/2019	Issued Current Year	Refunded Current Year	Retired Current Year	Amount Outstanding 6/30/2020
Unlimited Tax School Building and Refunding Bonds Series 2002	3.88-5.54	\$ 15,673,486	\$ 3,857,879	\$ -	\$ -	\$ 1,928,281	\$ 1,929,598
Unlimited Tax School Building and Refunding Bonds Series 2007	3.26-5.50	95,507,115	2,165,000	-	-	2,165,000	-
Unlimited Tax Refunding Bonds Series 2012	3.00-5.00	21,616,597	10,370,000	-	-	5,030,000	5,340,000
Unlimited Tax School Building Bonds Series 2015A	2.00-5.00	91,975,000	86,585,000	-	-	375,000	86,210,000
Unlimited Tax Refunding Bonds Series 2015B	1.21-5.00	98,312,081	96,479,204	-	-	4,704,204	91,775,000
Unlimited Tax School Building Bonds Series 2016	2.00-5.00	41,785,000	40,235,000	-	-	690,000	39,545,000
Unlimited Tax School Building Bonds Series 2019	3.00-5.00	157,635,000	157,635,000	-	-	4,270,000	153,365,000
Unlimited Tax School Building Bonds Series 2020	2.38-5.00	62,810,000	-	62,810,000	-	-	62,810,000
Total bonded debt payable			<u>\$ 397,327,083</u>	<u>\$ 62,810,000</u>	<u>\$ -</u>	<u>\$ 19,162,485</u>	<u>\$ 440,974,598</u>

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

Fiscal Year Ending	Principal	Interest	Total
June 30			
2021	\$ 24,479,598	\$ 23,229,164	\$ 47,708,762
2022	28,910,000	18,671,387	47,581,387
2023	31,675,000	17,338,487	49,013,487
2024	27,420,000	15,754,737	43,174,737
2025	24,000,000	14,383,738	38,383,738
2026-2030	93,395,000	57,785,188	151,180,188
2031-2035	82,225,000	35,680,238	117,905,238
2036-2040	82,980,000	19,427,775	102,407,775
2041-2044	45,890,000	4,356,125	50,246,125
	<u>\$ 440,974,598</u>	<u>\$ 206,626,839</u>	<u>\$ 647,601,437</u>

Bonded debt payable is collateralized by revenue from the District's tax collections.

In February 2020, the District issued Unlimited Tax School Building Bonds, Series 2020 of \$62,810,000. The bonds bear interest rates from 2.38 percent to 5 percent, which is due and payable on February 1 and August 1 of each year. The bonds are scheduled to mature between 2021 and 2044. Proceeds from the bonds will be used for the construction, acquisition and equipment of school facilities in the District including the purchase of the necessary sites for school facilities.

Birdville Independent School District
Notes to the Basic Financial Statements

Note 4. Debt Refunding and Defeased Bonds Outstanding

As of June 30, 2020, there were no defeased bonds outstanding.

The District's deferred loss on bond refundings are as follows:

Balance - June 30, 2019	\$	5,871,418
Current year amortization		<u>(624,764)</u>
Balance - June 30, 2020	\$	<u>5,246,654</u>

Note 5. Public Property Finance Contract

The District has executed an agreement under the Public Property Finance Act to provide funds for the District to purchase buses. The agreement, dated December 1, 2015, provided for borrowing of \$569,086. The principal balance due on the contract as of June 30, 2020 was \$117,720. The contract calls for five annual principal payments plus semi-annual interest payments paid on the fifteenth of February and August. Remaining principal balance of \$117,720 and interest of \$2,001 is due to be paid in fiscal year ending June 30, 2021.

Note 6. Accumulated Unpaid Sick Leave Benefits

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

Balance, July 1, 2019	\$	3,102,677
New entrants and sick leave accruals		179,465
Payments to participants		<u>(277,797)</u>
Balance, June 30, 2020	\$	<u>3,004,345</u>

The General Fund has been used to liquidate the liability for compensated absences.

Note 7. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds and notes payable					
General obligation bonds	\$ 397,327,083	\$ 62,810,000	\$ 19,162,485	\$ 440,974,598	\$ 24,479,598
Accreted interest	8,938,698	675,297	6,281,056	3,332,939	3,332,939
Bond premiums	58,108,106	8,749,056	4,378,562	62,478,600	-
Public property finance contract	233,455	-	115,735	117,720	117,720
Compensated absences	3,102,677	179,465	277,797	3,004,345	335,284
Net pension liability	81,687,805	11,128,786	15,803,286	77,013,305	-
Net OPEB liability	92,718,411	9,431,666	14,818,293	87,331,784	-
	<u>\$ 642,116,235</u>	<u>\$ 92,974,270</u>	<u>\$ 60,837,214</u>	<u>\$ 674,253,291</u>	<u>\$ 28,265,541</u>

Birdville Independent School District
Notes to the Basic Financial Statements

Note 8. Capital Asset Activity

Capital asset activity in the General Fund for the District for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	\$ 17,605,697	\$ 900,584	\$ 347,600	\$ 5,748	\$ 18,848,133
Construction in progress	3,791,445	58,231,675	(665,783)	58,338	61,298,999
Total capital assets, not being depreciated	21,397,142	59,132,259	(318,183)	64,086	80,147,132
Capital assets, being depreciated					
Buildings and improvements	567,197,163	6,392,199	295,293	2,027,706	571,856,949
Furniture and equipment	44,084,880	6,713,410	22,890	-	50,821,180
Total capital assets, being depreciated	611,282,043	13,105,609	318,183	2,027,706	622,678,129
Less accumulated depreciation on					
Buildings and improvements	290,384,310	15,561,934	-	2,027,706	303,918,538
Furniture and equipment	32,556,465	4,048,616	-	-	36,605,081
Total accumulated depreciation	322,940,775	19,610,550	-	2,027,706	340,523,619
Total capital assets, being depreciated, net	288,341,268	(6,504,941)	318,183	-	282,154,510
Governmental activities capital assets, net	\$ 309,738,410	\$ 52,627,318	\$ -	\$ 64,086	\$ 362,301,642

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

Instruction	\$ 13,135,807
Instructional resources and media services	13,905
Guidance, counseling, and evaluation services	10,340
Student (pupil) transportation	324,457
Food services	749,916
Co-curricular/extracurricular activities	853,129
General administration	156,215
Facilities maintenance and operations	1,905,761
Security and monitoring services	241,303
Data processing services	2,218,542
Community services	1,175
Total depreciation expense	\$ 19,610,550

Birdville Independent School District
Notes to the Basic Financial Statements

Capital asset activity in the enterprise fund for the District for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	\$ 1,859,948	\$ -	\$ -	\$ -	\$ 1,859,948
Total capital assets, not being depreciated	1,859,948	-	-	-	1,859,948
Capital assets, being depreciated					
Buildings and improvements	9,527,585	-	-	-	9,527,585
Total capital assets, being depreciated	9,527,585	-	-	-	9,527,585
Less accumulated depreciation on					
Buildings and improvements	476,379	317,586	-	-	793,965
Total accumulated depreciation	476,379	317,586	-	-	793,965
Total capital assets, being depreciated, net	9,051,206	(317,586)	-	-	8,733,620
Business activities capital assets, net	\$ 10,911,154	\$ (317,586)	\$ -	\$ -	\$ 10,593,568

Depreciation expense of \$317,586 related to enterprise activities was charged to facilities maintenance and operations.

Note 9. 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.

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 following table:

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	none	none
U.S. Agency obligations	5 years	none	none
State and municipal securities	5 years	none	none
Certificates of deposit	5 years	none	none
Repurchase agreements	5 years	none	none
Commercial paper	270 days	none	none
Public funds investment pools	N/A	none	none

*The District's investment policy allows for a maximum maturity of twenty years for investments made from the District's Legacy Fund (a special revenue fund).

Birdville Independent School District
Notes to the Basic Financial Statements

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 cash equivalents as of June 30, 2020 are classified in the accompanying financial statements as follows:

Primary government	\$ 316,013
Business type activities	91,485
	<hr/>
	\$ 407,498
	<hr/> <hr/>

Cash and investments as of June 30, 2020 consist of the following:

Deposits with financial institutions	\$ 398,880
Petty cash	8,618
Investments - current	299,725,642
Investments - long-term	19,488,641
	<hr/>
	\$ 319,621,781
	<hr/> <hr/>

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. The District manages its exposure to interest rate risk by investing in investment pools which purchase a combination of shorter term investments with an average maturity of less than 120 days and by holding longer-term investments until maturity, 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's investment policy has no specific limitations with respect to this metric.

As of June 30, 2020, the District had the following current and long-term investments:

Account/Investment Type	Amount	Weighted Average Maturity
<hr/>	<hr/>	<hr/>
TexPool	\$ 280,245,462	33
Lone Star	589,172	50
MBIA Texas CLASS	2,389,036	51
Negotiable certificates of deposit	339,423	428
U.S. agency securities	25,712,970	212
State and municipal securities	9,938,220	569
	<hr/>	
	\$ 319,214,283	
	<hr/> <hr/>	

Birdville Independent School District
Notes to the Basic Financial Statements

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. The amounts held in bank and certificates of deposit are covered by FDIC insurance or pledged securities.

Account/Investment Type	Amount	Minimum Legal Rating	Rating as of June 30, 2020
TexPool	\$ 280,245,462	AAA/AAAm	AAAm
Lone Star	589,172	AAA/AAAm	AAA
MBIA Texas CLASS	2,389,036	AAA/AAAm	AAAm
Negotiable certificates of deposit	339,423	N/A	N/A
U.S. Agency securities	25,712,970	N/A	AA+
State and municipal securities	9,938,220	A or better	A - AAA

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 June 30, 2020, other than bank deposits, external investment pools, and securities guaranteed by the U.S. Government, the District did not have five percent 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 June 30, 2020, the District's deposits with financial institutions were 100 percent covered by federal depository insurance or by pledged securities.

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

- A. Depository: Frost Bank
- B. Security pledged as of the date of the highest combined balance on deposit was \$21,106,996.
- C. Largest cash, savings and time deposit combined account balance amounted to \$18,349,908 and occurred during the month of December 2019.
- D. Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

Birdville Independent School District

Notes to the Basic Financial Statements

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 position 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 Texas CLASS 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 three 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.

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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

The Texpool, Lone Star and MBIA Texas CLASS investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool.

The investment pools meet the criteria to be recorded at amortized cost, which in most cases approximates fair value. The objective of the external investment pools is to maintain a stable \$1.00 net asset value. The investment pools have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than five percent of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Investment Pools measured at amortized cost are exempt from fair value reporting.

Birdville Independent School District
Notes to the Basic Financial Statements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value Measurements Using			
	Balance at 6/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Negotiable certificates of deposit	\$ 339,423	\$ -	\$ 339,423	\$ -
U.S. Agency securities	25,712,970	-	25,712,970	-
State and municipal securities	9,938,220	-	9,938,220	-
Total	\$ 35,990,613	\$ -	\$ 35,990,613	\$ -

The fair value of the negotiable certificates of deposit, U.S. Agency securities and state and municipal securities at June 30, 2020 was determined based on level 2 inputs. The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Note 10. Defined Benefit Pension Plan

Plan Description

The District participates in a cost-sharing multiple employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

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

Total pension liability	\$ 209,961,325,288
Less: plan fiduciary net position	<u>(157,978,199,075)</u>
Net pension liability	<u>\$ 51,983,126,213</u>
Net position as percent age of total pension liability	75.24%

Birdville Independent School District
Notes to the Basic Financial Statements

Benefits Provided

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

Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than six percent of the member's annual compensation and a state contribution rate of not less than six percent and not more than ten percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-employer contributing entity (state)	6.8%	7.5%
Employers (District)	6.8%	7.5%
Employers (District - Non-OASDI)*	1.5%	1.5%

*SB12 requires an increase in employer contributions by public school districts, charter schools and regional education service centers. Prior to SB12, only those employers not participating in social security were required to pay a 1.5% contribution (Non-OASDI surcharge). Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution irrespective of participation in social security.

The contribution amounts for the District's fiscal year 2020 as follows:

Employer contributions	\$	5,185,449
Member contributions		12,441,694
NECE on-behalf contributions		6,922,430

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Birdville Independent School District
Notes to the Basic Financial Statements

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during the fiscal year reduced by the amounts described below which are paid by the employers. Employers, including public schools, are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source or from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5 percent of member's salary.

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation, rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation date	August 31, 2018, rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate	2.63%*
Last year ending August 31 in projection period	2116
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None
Active mortality rates	**

*Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

**Based on 90% of the RP 2014 Employing Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Health Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projective scale U-MP.

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

Birdville Independent School District
Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	FY 2019 Target Allocation*	New Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
Global equity:			
U.S.	18.0%	18.00%	6.40%
Non-U.S. developed	13.0%	13.00%	6.30%
Emerging markets	9.0%	9.00%	7.30%
Directional hedge funds	4.0%	0.00%	0.00%
Private equity	13.0%	14.00%	8.40%
Stable value:			
U.S. treasuries	11.0%	16.00%	3.10%
Stable value hedge funds	4.0%	5.00%	4.50%
Absolute return	0.0%	0.00%	0.00%
Real return:			
Global inflation linked bonds	3.0%	0.00%	0.00%
Real Estate	14.0%	15.00%	8.50%
Energy and natural resources	5.0%	6.00%	7.30%
Commodities	0.0%	0.00%	0.00%
Risk parity:			
Risk parity	5.0%	8.00%	5.8%/6.5%****
Asset Allocation Leverage			2.50%
Cash	1%	2.00%	
Asset Allocation Leverage	-	-6.00%	2.70%
Totals	100.0%		7.23%

* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

** New target allocation based on the Strategic Asset Allocation dated 10/1/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

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

Birdville Independent School District
Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.25 percent) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 118,380,638	\$ 77,013,305	\$ 43,497,781

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

At June 30, 2020, the District reported a liability of \$77,013,305 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 77,013,305
State's proportionate share that is associated with the District	102,814,965
Total	\$ 179,828,270

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018, rolled forward to August 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 30, 2018 through August 31, 2019.

At August 31, 2019, the District's proportion of the collective net pension liability was 0.148151 percent, a decrease of .00026 percent from its proportionate share of 0.148409 percent at August 31, 2018.

Changes since the Prior Actuarial Valuation

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended June 30, 2020, the District recognized pension expense of \$25,514,870 and revenue of \$16,150,782 for support provided by the State.

Birdville Independent School District
Notes to the Basic Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 323,525	\$ (2,674,024)
Changes in actuarial assumptions	23,893,309	(9,873,846)
Difference between projected and actual investment earnings	4,630,063	(3,856,761)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,268,542	(1,094,905)
Contributions paid to TRS subsequent to the measurement date	4,830,859	-
	<u> </u>	<u> </u>
Total	<u><u>\$ 36,946,298</u></u>	<u><u>\$ (17,499,536)</u></u>

Reported deferred outflows of resources in the amount of \$4,830,859 are a result of District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	
<u> </u>	
2021	\$ 3,652,262
2022	2,779,628
2023	3,848,237
2024	3,765,482
2025	1,285,157
Thereafter	<u>(714,863)</u>
	<u><u>\$ 14,615,903</u></u>

Note 11. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

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

Birdville Independent School District
Notes to the Basic Financial Statements

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

The premium rates for the optional health insurance are based on years of service of the member. The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree* and spouse	529	689
Retiree* and children	468	408
Retiree and Family	1,020	999

* or surviving spouse

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than .25 percent or not more than .75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>2020</u>	<u>2019</u>
Active Employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

* Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

Birdville Independent School District
Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2020 are as follows:

District contributions	\$	1,310,632
Member contributions		1,006,192
NECE on-behalf contributions (state)		1,741,432

In addition, the State of Texas contributed \$691,332, \$585,781 and \$462,686 in 2020, 2019 and 2018, respectively, for on-behalf payments for Medicare Part D.

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

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019:

Valuation date	August 31, 2018, rolled forward to August 31, 2019
Actuarial cost method	Individual Entry Age Normal
Inflation	2.30%
Discount rate	2.63%
Aging factors	Based on plan specific experience
Election rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Healthcare trend rates	Initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Ad hoc postemployment benefit changes	None

The impact of the Cadillac Tax is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30%
- Premium date submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

Birdville Independent School District
Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 2.63 percent was used to measure the total OPEB liability as of August 31, 2019. There was a decrease of 1.06 percent in the discount rate since the August 31, 2018 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

Asset Class	FY 2019 Target Allocation*	New Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
Global equity:			
U.S.	18.0%	18.00%	6.40%
Non-U.S. developed	13.0%	13.00%	6.30%
Emerging markets	9.0%	9.00%	7.30%
Directional hedge funds	4.0%	0.00%	0.00%
Private equity	13.0%	14.00%	8.40%
Stable value:			
U.S. treasuries	11.0%	16.00%	3.10%
Stable value hedge funds	4.0%	5.00%	4.50%
Absolute return	0.0%	0.00%	0.00%
Real return:			
Global inflation linked bonds	3.0%	0.00%	0.00%
Real Estate	14.0%	15.00%	8.50%
Energy and natural resources	5.0%	6.00%	7.30%
Commodities	0.0%	0.00%	0.00%
Risk parity:			
Risk parity	5.0%	8.00%	5.8%/6.5%*****
Asset Allocation Leverage			2.50%
Cash	1%	2.00%	
Asset Allocation Leverage	-	-6.00%	2.70%
Totals	100.0%		7.23%

* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

** New target allocation based on the Strategic Asset Allocation dated 10/1/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

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

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

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.63 percent) in measuring the Net OPEB Liability.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
District's Proportionate share of the Net OPEB Liability	\$ 105,437,486	\$ 87,331,784	\$ 73,167,677

Birdville Independent School District
Notes to the Basic Financial Statements

Healthcare Cost Trend Rates The following table presents the District’s proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1 percent lower or 1 percent higher than the assumed health-care cost trend rate:

	1% Decrease	Current Discount Rate	1% Increase
District’s Proportionate share of the Net OPEB Liability	71,242,206	87,331,784	108,884,431

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$87,331,784 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s proportionate share of the net OPEB liability	\$ 87,331,784
State’s proportionate share of the net OPEB liability associated with the District	116,044,407
Total	\$ 203,376,191

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At the measurement date of August 31, 2019, the employer’s proportion of the collective net OPEB liability was 0.184668 percent which was a decrease of 0.001025 percent from its proportion measured as of August 31, 2018.

Changes Since the Prior Measurement Date – The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

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

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$5,675,597 and revenue of \$3,058,454 for support provided by the State.

Birdville Independent School District
Notes to the Basic Financial Statements

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,284,366	\$ (14,290,920)
Changes of assumptions	4,850,600	(23,490,107)
Net difference between projected and actual earnings on pension plan investments	11,332	(1,910)
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	2,688,047	(568,376)
District contributions after measurement date	1,144,841	-
Totals	<u>\$ 12,979,186</u>	<u>\$ (38,351,313)</u>

OPEB reported deferred outflows of resources in the amount of \$1,144,841 are a result of district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

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

Year Ending June 30,	
2021	\$ (4,507,447)
2022	(4,507,447)
2023	(4,510,497)
2024	(4,512,241)
2025	(4,511,763)
Thereafter	<u>(3,967,573)</u>
Total	<u>\$ (26,516,968)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2018, June 30, 2019, and June 30, 2020, the subsidy payments received by the TRS-Care on behalf of the District were \$462,686, \$585,781 and \$691,332, respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

Note 12. 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.

Birdville Independent School District
Notes to the Basic Financial Statements

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, 2000, the District again maintained a self-insured workers' compensation plan. Effective July 1, 2013, the District once again fully insured its workers' compensation risk. For the self-insured plan, stop-loss coverage was 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. Unpaid claims related to the period prior to July 1, 2013 are recorded as a liability.

The claims liability of \$57,312 reported in the self-insurance fund at June 30, 2020 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 June 30, 2020 and 2019 are as follows:

	2020	2019
Liability, beginning of year	\$ 64,350	\$ 22,614
Current year claims and changes in estimates	(387)	51,854
Claim payments	(6,651)	(10,118)
Liability, end of year	<u>\$ 57,312</u>	<u>\$ 64,350</u>

Note 13. Commitments and Contingencies

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 collectability 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 14. Due from Other Governments

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 June 30, 2020, are summarized below. All federal grants shown below are passed through the State of Texas and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Total
General	\$ 22,840,640	\$ -	\$ 22,840,640
Federal special revenue	-	6,619,056	6,619,056
Nonmajor	2,459,797	-	2,459,797
Total	<u>\$ 25,300,437</u>	<u>\$ 6,619,056</u>	<u>\$ 31,919,493</u>

Birdville Independent School District
Notes to the Basic Financial Statements

Note 15. Unearned Revenue

Unearned revenue at June 30, 2020 consisted of the following:

Fund	Federal Special Revenue Fund	Nonmajor Fund	Enterprise Fund	Total
Grant funds	\$ -	\$ 152,184	\$ -	\$ 152,184
State funding	-	248,478	-	248,478
Federal funding	10,698	-	-	10,698
Rental payments	-	-	153,970	153,970
Total	<u>\$ 10,698</u>	<u>\$ 400,662</u>	<u>\$ 153,970</u>	<u>\$ 565,330</u>

Note 16. Interfund Balances and Activities

Interfund balances at June 30, 2020 consisted of the following individual fund balances:

	Due To	Due From	Purpose
General fund			
Federal special revenue fund	\$ -	\$ 5,305,953	Investment maturities and reimbursement of expenditures
Nonmajor fund	-	541,159	Investment maturities and reimbursement of expenditures
Debt service fund	1,663,032	-	Investment maturity and pending tax collection transfers
Capital projects fund	-	3,801,687	Investment maturity and transfer in for year-end projects
Total general fund	1,663,032	9,648,799	
Debt service funds			
General fund	-	1,663,032	Investment maturity and pending tax collection transfers
Capital projects fund			
General fund	4,937,562	1,135,875	Investment maturity and transfer in for year-end projects
Federal special revenue fund			
General fund	5,305,953	-	Investment maturities and reimbursement of expenditures
Nonmajor Funds			
General fund	1,129,917	588,758	Investment maturities and reimbursement of expenditures
Total Nonmajor Funds	1,129,917	588,758	
Totals	\$ 13,036,464	\$ 13,036,464	

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

Birdville Independent School District
Notes to the Basic Financial Statements

During the year ended June 30, 2020, the District transferred \$496,280 from the District's Enterprise Fund, which was all to the District's capital projects funds. The District transferred \$3,315,697 from general fund and \$75,000 from nonmajor funds to capital project funds to commit funds for capital projects.

Note 17. Instructional Materials Allotment

In May 2011, Senate Rule 6, repealed the technology allotment used by Texas schools and created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA instructional material purchases must be made through TEA's online registration system. Instructional materials acquired through the IMA totaling \$875,857 are recorded as revenues in the State Instructional Materials Fund.

Ownership of textbooks previously purchased by the state and utilized by the District was transferred to the District. The majority of these textbooks were sold or otherwise disposed of in accordance with TEA guidelines. At June 30, 2020, the remainder of the textbooks, in possession of the District, have minimal value and are not otherwise reflected elsewhere in these statements.

Note 18. Construction Commitments

As of June 30, 2020, the District had entered into several construction contracts for various construction projects totaling \$178,201,960. At June 30, 2020, there was \$130,561,370 of remaining costs under these contracts.

Note 19. Subsequent Events

The District has evaluated subsequent events that occurred after June 30, 2020, through November 6, 2020, the date which the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements, except as follows:

COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the District has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The District is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. However, as the 2021 school year began, the District's enrollment was down around three percent. Most of the reduction occurred in the pre-kindergarten and kindergarten areas. Hold harmless allowances from TEA for the fall of 2020, have allowed the District budget projections for the 2021 fiscal year to reach the adopted revenue budget thus far in the 2020-2021 school year.

Required Supplementary Information

This Page Intentionally Left Blank

Birdville Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2020

Exhibit G-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 106,567,144	\$ 110,537,293	\$ 108,459,867	\$ (2,077,426)
5800	State program revenues	100,055,968	103,873,277	100,501,279	(3,371,998)
5900	Federal program revenues	4,800,000	4,800,000	5,405,420	605,420
5020	Total revenues	211,423,112	219,210,570	214,366,566	(4,844,004)
EXPENDITURES					
Current:					
0011	Instruction	126,163,644	126,847,647	117,882,867	8,964,780
0012	Instructional resources and media services	2,969,406	3,022,451	2,814,022	208,429
0013	Curriculum and instructional staff development	5,443,109	6,072,539	5,330,445	742,094
0021	Instructional leadership	3,066,451	3,240,960	3,120,346	120,614
0023	School leadership	13,539,060	13,905,002	13,440,668	464,334
0031	Guidance, counseling and evaluation services	8,185,422	8,435,271	8,120,284	314,987
0032	Social work services	446,194	446,208	271,501	174,707
0033	Health services	2,924,215	3,095,508	2,787,618	307,890
0034	Student (pupil) transportation	5,256,875	5,821,893	5,017,247	804,646
0036	Extracurricular activities	5,673,597	5,825,439	5,034,694	790,745
0041	General administration	7,175,070	7,185,382	6,145,023	1,040,359
0051	Facilities maintenance and operations	22,390,949	24,564,193	19,489,944	5,074,249
0052	Security and monitoring services	1,228,946	1,367,112	1,182,957	184,155
0053	Data processing services	5,025,295	5,835,251	5,209,818	625,433
0061	Community services	289,230	328,923	245,667	83,256
Debt service:					
0071	Principal and interest on long-term debt	121,649	121,649	119,704	1,945
Capital outlay:					
0081	Facilities acquisition and construction	-	14,028	13,916	112
Intergovernmental:					
0093	Payments to fiscal agent SSA	577,000	577,000	560,955	16,045
0095	Payments to juvenile justice alternative education program	50,000	50,000	15,222	34,778
0097	Payments to tax increment fund	122,000	-	-	-
0099	Other intergovernmental charges	775,000	775,000	752,314	22,686
6030	Total expenditures	211,423,112	217,531,456	197,555,212	19,976,244
1100	Excess (deficiency) of revenues over (under) Expenditures	-	1,679,114	16,811,354	15,132,240
OTHER FINANCING SOURCES (USES)					
8911	Transfers out	-	(3,315,697)	(3,315,697)	-
7080	Total other financing sources (uses)	-	(3,315,697)	(3,315,697)	-
1200	Net change in fund balances	-	(1,636,583)	13,495,657	15,132,240
0100	Fund balance - July 1 (beginning)	69,614,258	69,614,258	69,614,258	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 69,614,258	\$ 67,977,675	\$ 83,109,915	\$ 15,132,240

Birdville Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System of Texas
For the Last Six Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.14815058%	0.14840880%	0.14737013%	0.15221500%	0.15805076%	0.11684070%
District's proportionate share or net pension liability	\$ 77,013,305	\$ 81,687,805	\$ 47,121,030	\$ 57,519,786	\$ 55,871,258	\$ 31,209,767
State's proportionate share of the net pension liability associated with the District	102,814,965	113,232,127	68,174,989	86,004,619	82,444,446	71,390,585
TOTALS	<u>\$ 179,828,270</u>	<u>\$ 194,919,932</u>	<u>\$ 115,296,019</u>	<u>\$ 143,524,405</u>	<u>\$ 138,315,704</u>	<u>\$ 102,600,352</u>
District's covered payroll	\$ 155,077,804	\$ 152,239,652	\$ 149,392,854	\$ 148,703,880	\$ 144,396,132	\$ 141,661,698
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.66%	53.66%	31.54%	38.68%	38.69%	22.03%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for Year 2020, August 31, 2018 for Year 2019, August 31, 2017 for Year 2018, August 31, 2016 for 2017 and August 31, 2015 for 2016.

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

Birdville Independent School District
 Schedule of District Contributions
 Teacher Retirement System of Texas
 For the Last Six Fiscal Years

Exhibit G-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,723,500	\$ 3,443,297	\$ 3,152,523	\$ 3,211,300	\$ 4,654,113	\$ 4,258,222
Contribution in relation to the contractually required contribution	<u>(3,723,500)</u>	<u>(3,443,297)</u>	<u>(3,152,523)</u>	<u>(3,211,300)</u>	<u>(4,654,113)</u>	<u>(4,258,222)</u>
CONTRIBUTIONS DEFICIENCY (EXCESS)	<u>\$ -</u>					
District's covered payroll	\$ 162,135,791	\$ 154,589,354	\$ 151,667,872	\$ 149,392,854	\$ 148,703,880	\$ 144,396,132
Contributions as a percentage of covered payroll	2.30%	2.23%	2.08%	2.15%	3.13%	2.95%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for Year 2020, August 31, 2018 for Year 2019, August 31, 2017 for Year 2018, August 31, 2016 for 2017 and August 31, 2015 for 2016.

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

Birdville Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.18466805330%	0.18569339350%	0.18009116910%
District's proportionate share of net OPEB liability	\$ 87,331,784	\$ 92,718,411	\$ 78,314,894
State's proportionate share of the net OPEB liability associated with the District	<u>116,044,407</u>	<u>127,991,692</u>	<u>114,520,097</u>
Total	<u>\$ 203,376,191</u>	<u>\$ 220,710,103</u>	<u>\$ 192,834,991</u>
District's covered-employee payroll	<u>\$ 155,077,804</u>	<u>\$ 152,239,652</u>	<u>\$ 149,392,854</u>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	56%	61%	52%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

*Note: Only three years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2020, 2019 and 2018 is not available.

Birdville Independent School District
 Schedule of District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 Last Three Fiscal Years*

Exhibit G-5

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,357,316	\$ 983,474	\$ 962,118
Contribution in relation to the contractually required contribution	<u>(1,357,316)</u>	<u>(983,474)</u>	<u>(962,118)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	<u>\$ 162,135,791</u>	<u>\$ 154,589,354</u>	<u>\$ 151,667,872</u>
Contributions as a percentage of covered-employee payroll	0.84%	0.64%	0.63%

*Note: Only three years of data is presented in accordance with GASB Standard No. 75
 as the data for the years other than 2020, 2019 and 2018 is not available.

Birdville Independent School District

Notes to Required Supplementary Information

Year Ended June 30, 2020

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 Exhibits J-2 and J-3.

The following procedures are followed in establishing the budgetary data:

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 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 days public notice of the meeting must be given.
3. Prior to July 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.
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. Expenditures should not exceed the budget in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

Budget Amendments

During the year, numerous budget amendments are approved by the Board in order to redistribute the budget to align specific amounts to meet projected actual expenditures.

The Board also approves appropriations of fund balance to meet budgetary needs that may arise after the original budget is approved. Significant changes between the original and final budgets in the General Fund include the following:

1. Budget revenue increase to reflect increased tax values and state revenue in the amount of \$7.7 million as a result of increased property values and clarification of new funding formulas after the fiscal year started.
2. Budget expenditure increase to reflect rollover of open purchase orders related to unfinished projects from the fiscal year ended June 30, 2019 in the amount of \$1.4 million; increase of \$1.2 million for Modular Building project; increase of \$4.3 million for HB3 instructional special program needs; increase of \$105,000 for band uniforms; and increase of \$2.2 million for year-end projects.

Birdville Independent School District
Notes to Required Supplementary Information
Year Ended June 30, 2020

Pension Liability

Pension Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Pension Changes of Assumptions

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

1. The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
2. With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Other Post-Employment Benefits

Other Post-Employment Benefits Changes of Benefit Terms and Assumptions

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

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

This Page Intentionally Left Blank

Other Supplementary Information

This Page Intentionally Left Blank

Combining Statements

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Data Control Codes	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials Fund	429 Other State Special Revenue Funds
ASSETS				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
1240	14,589	-	1,462,324	-
1250	-	-	-	-
1260	-	41,498	-	109,227
1290	-	-	-	-
1410	-	-	-	-
1910	-	-	-	-
1000	TOTAL ASSETS			
	<u>\$ 14,589</u>	<u>\$ 41,498</u>	<u>\$ 1,462,324</u>	<u>\$ 109,227</u>
LIABILITIES				
2110	\$ 1,118	\$ -	\$ 1,168,211	\$ -
2160	-	-	22,246	-
2170	13,471	-	258,332	-
2180	-	-	13,535	-
2190	-	-	-	-
2300	-	-	-	109,227
2000	Total liabilities			
	<u>14,589</u>	<u>-</u>	<u>1,462,324</u>	<u>109,227</u>
FUND BALANCES				
Nonspendable fund balance:				
3430	-	-	-	-
Restricted fund balance				
3450	-	41,498	-	-
Committed fund balance				
3545	-	-	-	-
3000	Total fund balances			
	<u>-</u>	<u>41,498</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 14,589</u>	<u>\$ 41,498</u>	<u>\$ 1,462,324</u>	<u>\$ 109,227</u>

435 SSA Regional Day School - Deaf	461 Campus Activity Funds	481 Other Grants	489 Other Local Special Revenue Funds	492 Athletic Competition
\$ -	\$ -	\$ -	\$ -	\$ -
-	2,055,060	-	52,735	-
150,554	-	832,330	-	-
-	-	-	-	-
238,924	-	-	140,738	-
-	-	-	-	-
-	23,025	-	-	-
-	-	-	-	-
<u>\$ 389,478</u>	<u>\$ 2,078,085</u>	<u>\$ 832,330</u>	<u>\$ 193,473</u>	<u>\$ -</u>
\$ 1,962	\$ 217	\$ -	\$ 1,200	\$ -
248,265	-	-	4,437	-
-	16,139	832,330	9,645	-
-	-	-	-	-
-	517,326	-	-	-
139,251	-	-	146,260	-
<u>389,478</u>	<u>533,682</u>	<u>832,330</u>	<u>161,542</u>	<u>-</u>
-	23,025	-	-	-
-	-	-	-	-
-	1,521,378	-	31,931	-
<u>-</u>	<u>1,544,403</u>	<u>-</u>	<u>31,931</u>	<u>-</u>
<u>\$ 389,478</u>	<u>\$ 2,078,085</u>	<u>\$ 832,330</u>	<u>\$ 193,473</u>	<u>\$ -</u>

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Exhibit H-1 (Cont'd)

<u>Data Control Codes</u>	<u>494</u> Career Tech	<u>497</u> Birdville Education Foundation	<u>498</u> Legacy Fund	<u>Total</u> Nonmajor Governmental Funds	
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 299	\$ 299
1120	Investments-current	-	-	3,681,698	5,789,493
1240	Due from other governments	-	-	-	2,459,797
1250	Accrued interest	-	-	56,053	56,053
1260	Due from other funds	46,310	12,061	-	588,758
1290	Other receivables	-	-	25,074	25,074
1410	Prepaid items	-	-	-	23,025
1910	Long-term investments	-	-	4,769,879	4,769,879
1000	TOTAL ASSETS	<u>\$ 46,310</u>	<u>\$ 12,061</u>	<u>\$ 8,533,003</u>	<u>\$ 13,712,378</u>
LIABILITIES					
2110	Accounts payable	\$ -	\$ 6,137	\$ 55,736	\$ 1,234,581
2160	Accrued wages payable	-	-	-	274,948
2170	Due to other funds	-	-	-	1,129,917
2180	Due to other governments	-	-	-	13,535
2190	Due to student groups	-	-	64	517,390
2300	Unearned revenues	-	5,924	-	400,662
2000	Total liabilities	-	12,061	55,800	3,571,033
FUND BALANCES					
Nonspendable fund balance:					
3430	Prepays	-	-	-	23,025
Restricted fund balance					
3450	Federal or state funds grants	-	-	-	41,498
Committed fund balance					
3545	Other committed fund balance	46,310	-	8,477,203	10,076,822
3000	Total fund balances	46,310	-	8,477,203	10,141,345
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 46,310</u>	<u>\$ 12,061</u>	<u>\$ 8,533,003</u>	<u>\$ 13,712,378</u>

This Page Intentionally Left Blank

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

<u>Data Control Codes</u>	<u>385 Visually Impaired SSVI</u>	<u>397 Advanced Placement Incentives</u>	<u>410 Instructional Materials Fund</u>
REVENUES			
5700 Local and intermediate sources	\$ -	\$ -	\$ -
5800 State program revenues	16,313	32,820	3,866,458
5020 Total revenues	16,313	32,820	3,866,458
EXPENDITURES			
Current:			
0011 Instruction	16,313	-	3,536,037
0012 Instructional resources and media services	-	-	-
0013 Curriculum and instructional staff development	-	12,535	330,421
0021 Instructional leadership	-	-	-
0023 School leadership	-	-	-
0031 Guidance, counseling and evaluation services	-	-	-
0034 Student (pupil) transportation	-	-	-
0036 Extracurricular activities	-	-	-
0041 General administration	-	-	-
0051 Facilities maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	-
0061 Community services	-	-	-
6030 Total expenditures	16,313	12,535	3,866,458
1100 Excess (deficiency) of revenues over (under) expenditures	-	20,285	-
OTHER FINANCING SOURCES (USES)			
8911 Transfers out (use)	-	-	-
7080 Total other financing sources (uses)	-	-	-
1200 Net change in fund balance	-	20,285	-
0100 Fund balance - July 1 (beginning)	-	21,213	-
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ 41,498	\$ -

Exhibit H-2

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	481 Other Grants	489 Other Local Special Revenue Funds	492 Athletic Competition
\$ -	\$ 1,182,653	\$ 3,614,510	\$ -	\$ 220,929	\$ 22,935
45,337	552,030	-	832,330	-	-
45,337	1,734,683	3,614,510	832,330	220,929	22,935
-	1,541,331	1,696,171	-	151,815	-
14	-	42,828	-	1,161	-
4,550	515	110,139	-	61,786	-
-	113,331	-	-	-	-
-	-	31,852	-	1,628	-
40,773	74,916	1,565	-	9,607	-
-	-	-	832,330	-	-
-	4,542	920,221	-	981	22,075
-	-	-	-	-	-
-	-	6,861	-	20,000	-
-	-	-	-	-	860
-	48	77,508	-	-	-
45,337	1,734,683	2,887,145	832,330	246,978	22,935
-	-	727,365	-	(26,049)	-
-	-	-	-	(75,000)	-
-	-	-	-	(75,000)	-
-	-	727,365	-	(101,049)	-
-	-	817,038	-	132,980	-
\$ -	\$ -	\$ 1,544,403	\$ -	\$ 31,931	\$ -

Birdville Independent School District

Exhibit H-2 (Cont'd)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

<u>Data Control Codes</u>	<u>494</u>	<u>497</u>	<u>498</u>	<u>Total</u>
	<u>Career Tech</u>	<u>Birdville Education Foundation</u>	<u>Legacy Fund</u>	<u>Nonmajor Governmental Funds</u>
REVENUES				
5700 Local and intermediate sources	\$ -	\$ 104,284	\$ 733,619	\$ 5,878,930
5800 State program revenues	-	-	-	5,345,288
5020 Total revenues	-	104,284	733,619	11,224,218
EXPENDITURES				
Current:				
0011 Instruction	-	83,630	132,651	7,157,948
0012 Instructional resources and media services	-	20,654	-	64,657
0013 Curriculum and instructional staff development	-	-	-	519,946
0021 Instructional leadership	-	-	-	113,331
0023 School leadership	-	-	-	33,480
0031 Guidance, counseling and evaluation services	-	-	-	126,861
0034 Student (pupil) transportation	-	-	-	832,330
0036 Extracurricular activities	-	-	-	947,819
0041 General administration	-	-	31,642	31,642
0051 Facilities maintenance and operations	-	-	-	26,861
0052 Security and monitoring services	-	-	-	860
0061 Community services	-	-	-	77,556
6030 Total expenditures	-	104,284	164,293	9,933,291
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	569,326	1,290,927
OTHER FINANCING SOURCES (USES)				
8911 Transfers out (use)	-	-	-	(75,000)
7080 Total other financing sources (uses)	-	-	-	(75,000)
1200 Net change in fund balance	-	-	569,326	1,215,927
0100 Fund balance - July 1 (beginning)	46,310	-	7,907,877	8,925,418
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ 46,310	\$ -	\$ 8,477,203	\$ 10,141,345

This Page Intentionally Left Blank

Birdville Independent School District
Combining Balance Sheet – Capital Projects Fund
For the Fiscal Year Ended June 30, 2020

<u>Data Control Codes</u>	650	651
	Local Capital Projects	2018 Capital Projects
ASSETS		
1120 Investments-current	\$ 1,042,556	\$ 150,180
1250 Accrued interest	-	-
1260 Due from other funds	-	-
1910 Long-term investments	-	-
	<hr/>	<hr/>
1000 Total assets	<u>\$ 1,042,556</u>	<u>\$ 150,180</u>
LIABILITIES		
2110 Accounts payable	\$ -	\$ 2,554
2171 Due to other funds	-	-
	<hr/>	<hr/>
2000 Total liabilities	<u>-</u>	<u>2,554</u>
FUND BALANCES		
Restricted fund balance:		
3470 Capital acquisition and contractual obligation	-	-
Committed fund balance:		
3545 Other committed fund balance	1,042,556	147,626
	<hr/>	<hr/>
3000 Total fund balances	<u>1,042,556</u>	<u>147,626</u>
4000 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,042,556</u></u>	<u><u>\$ 150,180</u></u>

652	653	690	694	
2019 Capital Projects	General Fund Year 2020	2018 Bond Program	Other Bond Funded Projects	Total Capital Projects
\$ 3,279,311	\$ 5,653,220	\$ 179,857,198	\$ 2,547,368	\$ 192,529,833
-	-	62,167	-	62,167
1,121,397	14,478	-	-	1,135,875
-	-	9,998,360	-	9,998,360
<u>\$ 4,400,708</u>	<u>\$ 5,667,698</u>	<u>\$ 189,917,725</u>	<u>\$ 2,547,368</u>	<u>\$ 203,726,235</u>
\$ 620,311	\$ 886,463	\$ 14,376,579	\$ 651,819	\$ 16,537,726
-	-	4,937,562	-	4,937,562
<u>620,311</u>	<u>886,463</u>	<u>19,314,141</u>	<u>651,819</u>	<u>21,475,288</u>
-	-	170,603,584	1,895,549	172,499,133
<u>3,780,397</u>	<u>4,781,235</u>	<u>-</u>	<u>-</u>	<u>9,751,814</u>
<u>3,780,397</u>	<u>4,781,235</u>	<u>170,603,584</u>	<u>1,895,549</u>	<u>182,250,947</u>
<u>\$ 4,400,708</u>	<u>\$ 5,667,698</u>	<u>\$ 189,917,725</u>	<u>\$ 2,547,368</u>	<u>\$ 203,726,235</u>

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances – Capital Projects Fund
For the Fiscal Year Ended June 30, 2020

<u>Data Control Codes</u>	<u>650 Local Capital Projects</u>	<u>651 2018 Capital Projects</u>
REVENUES		
5700 Local and intermediate sources	\$ 20,537	\$ 7,743
5900 Federal program revenues	-	-
5020 Total revenues	20,537	7,743
EXPENDITURES		
Current:		
0011 Instruction	-	-
0012 Instructional resources and media services	-	20,391
0034 Student (pupil) transportation	-	-
0041 General administration	-	2,554
0051 Facilities maintenance and operations	-	524,363
0052 Security and monitoring services	-	-
0053 Data processing services	-	-
0073 Debt Issuance Costs	-	-
Capital outlay:		
0081 Facilities acquisition and construction	-	60,392
6030 Total expenditures	-	607,700
1100 Excess (deficiency) of revenues over (under) expenditures	20,537	(599,957)
OTHER FINANCING SOURCES (USES)		
7911 Issuance of debt	-	-
7916 Premiums on issuance of debt	-	-
7915 Transfers in	-	-
7080 Total other financing sources (uses)	-	-
1200 Net change in fund balance	20,537	(599,957)
0100 Fund balance - July 1 (beginning)	1,022,019	747,583
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ 1,042,556	\$ 147,626

652 2019 Capital Projects	653 General Fund Year 2020	690 2018 Bond Program	694 Bond Funded Projects	Total Capital Projects
\$ 82,699	\$ 67,831	\$ 2,349,131	\$ 132,293	\$ 2,660,234
-	-	2,609,165	-	2,609,165
82,699	67,831	4,958,296	132,293	5,269,399
39,516	-	-	-	39,516
-	-	-	-	20,391
-	416,289	-	-	416,289
-	135,469	-	-	138,023
1,035,628	130,216	71,845	-	1,762,052
-	279,201	-	-	279,201
-	-	2,609,165	-	2,609,165
-	-	529,555	-	529,555
3,580,087	1,441,118	60,625,616	8,328,280	74,035,493
4,655,231	2,402,293	63,836,181	8,328,280	79,829,685
(4,572,532)	(2,334,462)	(58,877,885)	(8,195,987)	(74,560,286)
-	-	62,810,000	-	62,810,000
-	-	7,358,999	-	7,358,999
571,280	3,315,697	-	-	3,886,977
571,280	3,315,697	70,168,999	-	74,055,976
(4,001,252)	981,235	11,291,114	(8,195,987)	(504,310)
7,781,649	3,800,000	159,312,470	10,091,536	182,755,257
\$ 3,780,397	\$ 4,781,235	\$ 170,603,584	\$ 1,895,549	\$ 182,250,947

Birdville Independent School District

Combining Balance Sheet – Federal Special Revenue Fund

For the Fiscal Year Ended June 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Program	220 Adult Education Federal	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS					
1120	Investments-current	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	851,732	52,304	1,071,305	32,906
1300	Inventories	-	-	-	-
1000	TOTAL ASSETS	\$ 851,732	\$ 52,304	\$ 1,071,305	\$ 32,906
LIABILITIES					
2110	Accounts payable	\$ 19,968	\$ 209	\$ -	\$ -
2160	Accrued wages payable	484,505	18,385	647,876	20,842
2170	Due to other funds	347,259	33,710	423,429	12,064
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	851,732	52,304	1,071,305	32,906
FUND BALANCES					
Nonspendable fund balance:					
3410	Inventories	-	-	-	-
Restricted fund balance:					
3450	Federal or state funds grants	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 851,732	\$ 52,304	\$ 1,071,305	\$ 32,906

Exhibit H-5

226 IDEA - B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	266 ESSER
\$ -	\$ 4,722,264	\$ -	\$ -	\$ -	\$ -	\$ -
52,795	106,658	42,479	140,366	132,652	377,393	3,674,917
-	182,885	-	-	-	-	-
<u>\$ 52,795</u>	<u>\$ 5,011,807</u>	<u>\$ 42,479</u>	<u>\$ 140,366</u>	<u>\$ 132,652</u>	<u>\$ 377,393</u>	<u>\$ 3,674,917</u>
\$ -	\$ 8,184	\$ 4,291	\$ 5,112	\$ -	\$ 38,932	\$ -
-	588,525	22,455	91,898	47,727	47,849	-
52,795	281,155	15,733	43,356	84,925	290,612	3,674,917
-	1,709	-	-	-	-	-
52,795	879,573	42,479	140,366	132,652	377,393	3,674,917
-	182,885	-	-	-	-	-
-	3,949,349	-	-	-	-	-
	4,132,234	-	-	-	-	-
<u>\$ 52,795</u>	<u>\$ 5,011,807</u>	<u>\$ 42,479</u>	<u>\$ 140,366</u>	<u>\$ 132,652</u>	<u>\$ 377,393</u>	<u>\$ 3,674,917</u>

Birdville Independent School District
 Combining Balance Sheet – Federal Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

Exhibit H-5 (Cont'd)

Data Control Codes		289 Other Federal Special Revenue Funds	315 SSA IDEA, PART B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	Total
ASSETS					
1120	Investments-current	\$ -	\$ -	\$ -	\$ 4,722,264
1240	Due from other governments	57,694	24,537	1,318	6,619,056
1300	Inventories	-	-	-	182,885
1000	TOTAL ASSETS	\$ 57,694	\$ 24,537	\$ 1,318	\$ 11,524,205
LIABILITIES					
2110	Accounts payable	\$ -	\$ -	\$ 346	\$ 77,042
2160	Accrued wages payable	15,102	13,114	-	1,998,278
2170	Due to other funds	33,603	11,423	972	5,305,953
2300	Unearned revenues	8,989	-	-	10,698
2000	Total liabilities	57,694	24,537	1,318	7,391,971
FUND BALANCES					
Nonspendable fund balance					
3410	Inventories	-	-	-	182,885
Restricted fund balance					
3450	Federal or state funds grants	-	-	-	3,949,349
3000	Total fund balances	-	-	-	4,132,234
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 57,694	\$ 24,537	\$ 1,318	\$ 11,524,205

This Page Intentionally Left Blank

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Federal Special Revenue Fund For the Fiscal Year Ended June 30, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	220 Adult Education Federal	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-	-
5900 Federal program revenues	4,395,644	356,066	4,667,119	126,274
5020 Total revenues	4,395,644	356,066	4,667,119	126,274
EXPENDITURES				
Current:				
0011 Instruction	3,169,146	242,146	2,355,483	126,274
0013 Curriculum and instructional staff development	824,393	9,679	-	-
0021 Instructional leadership	204,390	100,241	-	-
0023 School leadership	3,603	-	-	-
0031 Guidance, counseling and evaluation services	-	-	2,196,769	-
0034 Student (pupil) transportation	-	-	64,867	-
0035 Food services	-	-	-	-
0036 Extracurricular activities	9,450	-	-	-
0051 Facilities maintenance and operations	-	4,000	-	-
0052 Security and monitoring services	-	-	-	-
0061 Community services	184,662	-	-	-
0093 Payment to fiscal agent/member districts of SSA	-	-	50,000	-
6030 Total expenditures	4,395,644	356,066	4,667,119	126,274
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
1200 Net change in fund balance	-	-	-	-
0100 Fund balance - July 1 (beginning)	-	-	-	-
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ -	\$ -	\$ -

Exhibit H-6

226	240	244	255	263	265	266
IDEA - Part B Preschool	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning	ESSER
\$ -	\$ 2,245,740	\$ -	\$ -	\$ -	\$ -	\$ -
-	332,615	-	-	-	-	-
52,795	6,315,719	282,650	579,960	507,755	2,901,214	3,228,851
52,795	8,894,074	282,650	579,960	507,755	2,901,214	3,228,851
52,795	-	28,227	-	220,529	1,160,973	3,228,851
-	-	254,423	578,061	221,871	1,145,852	-
-	-	-	1,899	205	274,403	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10,147,486	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	252,671	-
-	-	-	-	-	-	-
-	-	-	-	65,150	67,315	-
-	-	-	-	-	-	-
52,795	10,147,486	282,650	579,960	507,755	2,901,214	3,228,851
-	(1,253,412)	-	-	-	-	-
-	(1,253,412)	-	-	-	-	-
-	5,385,646	-	-	-	-	-
\$ -	\$ 4,132,234	\$ -	\$ -	\$ -	\$ -	\$ -

Birdville Independent School District

Exhibit H-6 (Cont'd)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Federal Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

<u>Data Control Codes</u>	<u>289 Other Federal Special Revenue Funds</u>	<u>315 SSA IDEA, Part B Discretionary</u>	<u>340 SSA - IDEA C Deaf- Early Intervention</u>	<u>Total Federal Grant Revenues</u>
REVENUES				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ 2,245,740
5800 State program revenues	-	-	-	332,615
5900 Federal program revenues	347,033	79,562	1,859	23,842,501
5020 Total revenues	347,033	79,562	1,859	26,420,856
EXPENDITURES				
Current:				
0011 Instruction	31,040	79,562	1,859	10,696,885
0013 Curriculum and instructional staff development	17,655	-	-	3,051,934
0021 Instructional leadership	-	-	-	581,138
0023 School leadership	-	-	-	3,603
0031 Guidance, counseling and evaluation services	184,165	-	-	2,380,934
0034 Student (pupil) transportation	-	-	-	64,867
0035 Food services	-	-	-	10,147,486
0036 Extracurricular activities	-	-	-	9,450
0051 Facilities maintenance and operations	-	-	-	256,671
0052 Security and monitoring services	114,173	-	-	114,173
0061 Community services	-	-	-	317,127
0093 Payment to fiscal agent/member districts of SSA	-	-	-	50,000
6030 Total expenditures	347,033	79,562	1,859	27,674,268
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-	(1,253,412)
1200 Net change in fund balance	-	-	-	(1,253,412)
0100 Fund balance - July 1 (beginning)	-	-	-	5,385,646
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ -	\$ -	\$ 4,132,234

This Page Intentionally Left Blank

This Page Intentionally Left Blank

TEA Required Schedules

Birdville Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Fiscal Year Ended June 30, 2020

Year Ended June 30,	Tax Rates		(3) Assessed / Appraised Value for School Tax Purposes
	(1) Maintenance	(2) Debt Service	
2011 and prior years	\$ Various	\$ Various	\$ Various
2012	1.0400	0.3950	7,018,286,448
2013	1.0400	0.3950	7,179,065,201
2014	1.0400	0.3950	7,356,610,245
2015	1.0400	0.3950	7,729,615,278
2016	1.0400	0.4139	7,655,135,278
2017	1.0400	0.4139	8,451,129,156
2018	1.0400	0.4139	9,474,869,141
2019	1.0400	0.4139	10,364,461,281
2020 (School year under audit)	0.9700	0.4139	11,557,915,321
1000 TOTALS			

Exhibit J-1

(10) Beginning Balance 7/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2020
\$ 2,923,326	\$ -	\$ 14,772	\$ 3,791	\$ 534	\$ 2,905,297
202,800	-	4,315	1,639	84	196,930
254,894	-	4,802	1,824	1	248,269
460,081	-	4,819	1,831	(6,024)	447,407
405,827	-	6,544	2,486	(6,552)	390,245
461,750	-	10,444	4,157	(9,042)	438,107
508,761	-	38,875	15,471	(42,436)	411,979
562,684	-	(6,792)	(2,703)	(160,669)	411,510
2,940,048	-	1,168,247	464,940	(414,066)	892,795
-	151,920,990	104,314,232	44,510,981	-	3,095,777
<u>\$ 8,720,171</u>	<u>\$ 151,920,990</u>	<u>\$ 105,560,258</u>	<u>\$ 45,004,417</u>	<u>\$ (638,170)</u>	<u>\$ 9,438,316</u>

Birdville Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – Child Nutrition Program

For the Fiscal Year Ended June 30, 2020

Exhibit J-2

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 3,018,370	\$ 2,584,153	\$ 2,245,740	\$ (338,413)
5800	State program revenues	190,000	424,217	332,615	(91,602)
5900	Federal program revenues	8,661,933	7,261,933	6,315,719	(946,214)
5020	Total revenues	11,870,303	10,270,303	8,894,074	(1,376,229)
EXPENDITURES					
0035	Food services	11,676,941	11,729,667	10,147,486	1,582,181
6030	Total expenditures	11,676,941	11,729,667	10,147,486	1,582,181
1200	Net change in fund balances	193,362	(1,459,364)	(1,253,412)	205,952
0100	Fund balance - July 1 (beginning)	5,385,646	5,385,646	5,385,646	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 5,579,008	\$ 3,926,282	\$ 4,132,234	\$ 205,952

Birdville Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – Debt Service Fund

For the Fiscal Year Ended June 30, 2020

Exhibit J-3

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Total local and intermediate sources	\$ 44,477,342	\$ 45,908,370	\$ 45,566,961	\$ (341,409)
5800	State program revenues	-	688,382	675,191	(13,191)
5020	Total revenues	44,477,342	46,596,752	46,242,152	(354,600)
EXPENDITURES					
Debt service:					
0071	Principal and interest on long term debt	44,135,289	45,054,180	44,974,888	79,292
6030	Total expenditures	44,135,289	45,054,180	44,974,888	79,292
1100	Excess of revenues over expenditures	342,053	1,542,572	1,267,264	(275,308)
OTHER FINANCING SOURCES (USES)					
7917	Prepaid Interest	-	-	1,390,057	1,390,057
	Total other financing sources (uses)	-	-	1,390,057	1,390,057
1200	Net change in fund balance	342,053	1,542,572	2,657,321	1,114,749
0100	Fund balance - July 1 (beginning)	26,203,478	26,203,478	26,203,478	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 26,545,531	\$ 27,746,050	\$ 28,860,799	\$ 1,114,749

This Page Intentionally Left Blank

Federal and State Awards Section

This Page Intentionally Left Blank



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

Board of Trustees
Birdville Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Birdville Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

CPAs AND ADVISORS | WEAVER.COM

Board of Trustees
Birdville Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 6, 2020



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

Board of Trustees
Birdville Independent School District

Report on Compliance for Each Major Federal and State Program

We have audited Birdville Independent School District's (the District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and *Texas Governor's Office of Budget and Planning, Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular* (UGMS) that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2020. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and UGMS. Those standards the Uniform Guidance and UGMS, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 6, 2020

Birdville Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures 6/30/2020
US Department of Defense			
<u>Direct Funding</u>			
Junior ROTC	12.000	220902	\$ 252,490
TOTAL US Department of Defense			252,490
 U.S. DEPARTMENT OF EDUCATION			
<u>Passed Thru Workforce Solutions for Tarrant County</u>			
Adult Education (ABE)-Federal	84.002	19-SPC-AEL-003	356,065
<u>Passed Thru State Department of Education</u>			
ESEA, Title I, Part A-Improving Basic Programs	84.010A	20610101220902	4,437,429
ESEA, Title I, Part A-Improving Basic Programs	84.010A	19610101220902	113,049
Total CFDA Number 84.010A			<u>4,550,478</u>
 HIGH COST FUND	 84.027A ¹	 66002006	 52,795
IDEA-Part B, Formula	84.027A ¹	20660001220902600	4,840,735
SSA-IDEA-Part B, Discretionary	84.027A ¹	206600012209026673	82,522
Total CFDA Number 84.027A			<u>4,923,257</u>
 IDEA-B Preschool	 84.173A ¹	 206610012209026000	 <u>130,972</u>
Total Special Education Cluster (IDEA)			5,107,024
SSA-IDEA-C ECI	84.181A	203911012209023000	1,660
SSA-IDEA-C ECI	84.181A	193911012209023000	199
Total CFDA Number 84.181A			<u>1,859</u>
Carl D. Perkins Basic Formula Grant	84.048A	2040006220902	262,017
Carl D. Perkins Basic Formula Grant	84.048A	19420006220902	1,803
Perkins Reserve Grant-Career Clusters	84.048A	184200557110005	98
Perkins Reserve Grant-Industry Certification	84.048A	184200567110001	28,193
Total CFDA Number 84.048A			<u>292,111</u>
Title IV, Part B-21st Century Community Learning Center	84.287C	206950247110002	1,469,722
Title IV, Part B-21st Century Community Learning Center	84.287C	196950247110002	135,721
Title IV, Part B-21st Century Community Learning Center	84.287C	206950267110006	1,224,902
Title IV, Part B-21st Century Community Learning Center	84.287C	196950267110006	126,233
Total CFDA Number 84.287C			<u>2,956,578</u>
ESEA Title III, Part A-English Language Acquisition	84.365A	20671001220902	479,739
ESEA Title III, Part A-English Language Acquisition	84.365A	19671001220902	46,119
Total CFDA Number 84.365A			<u>525,858</u>
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	20694501220902	599,260
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	19694501220902	2,204
Total CFDA Number 84.367aA			<u>601,464</u>
Summer School LEP	84.369A	695519	8,375
ESEA, Title IV, Part A, Subpart 1	84.424A	20680101220902	319,641
ESEA, Title IV, Part A, Subpart 1	84.424A	19680101220902	31,510
Total CFDA Number 84.424A			<u>351,151</u>
ESSER GRANT (CARES ACT)	84.425D	20521001220902	<u>3,674,917</u>
 TOTAL U.S. DEPARTMENT OF EDUCATION			 <u>18,425,880</u>

Birdville Independent School District
 Schedule of Expenditures of Federal Awards – Continued
 Year Ended June 30, 2020

Federal Grantor Agency	Federal CFDA Number	Grant Number	Expenditures, Indirect Costs and Refunds
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Thru the State Department of Agriculture</i>			
School Breakfast Program	10.553 ²	71402001	1,034,647
National School Lunch Program-Cash Assistance	10.555 ²	71302001	4,549,019
National School Lunch Program-Cash Assistance- Summer Seamless Option (COVID-19)	10.555 ²	52302001	601,715
National School Lunch Program-Non-Cash Assistance	10.555 ²	71302001	882,408
Total CFDA Number 10.555			<u>6,033,142</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>7,067,789</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 25,746,159</u>
School Health & Related Services (SHARS) ⁽³⁾			\$ 3,501,762
E-rate Program ⁽³⁾			2,609,165
Total Federal Revenues, Reconciled to Exhibit C-3			<u>\$ 31,857,086</u>

¹ Reported as Special Education Cluster (IDEA, Part B), as required by Compliance Supplement August 2020

² Reported as Child Nutrition Cluster, as required by Compliance Supplement August 2020

³ SHARS and the E-rate Program are not considered federal financial assistance subject to requirements in accordance with Uniform Guidance

Birdville Independent School District
 Schedule of Expenditures of State Awards
 Year Ended June 30, 2020

<u>State Grantor/ Passed through Grantor/ Program Title</u>	<u>Contract Number</u>	<u>State Expenditures 6/30/2020</u>
Texas Commission on Environmental Quality (TCEQ)		
Texas Volkswagen Environmental Mitigation Program (TxVEMP)	582-19-97358-VW	\$ 832,330
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		<u>832,330</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u><u>\$ 832,330</u></u>

Birdville Independent School District

Notes to the Schedule of Expenditures of Federal and State Awards Year Ended June 30, 2020

Note 1. Basis of Presentation

Birdville Independent School District (the District) utilizes the fund types specified in the Texas Education Agency's Financial Accounting System Resource Guide.

The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards include the federal and state grant activity of the District and is presented using the current financial resources measurement focus and the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information in the schedule of expenditures of state awards is presented in accordance with the requirements of the Texas Governor's Office of Budget and Planning, Uniform Grant Management Standards, which include the State of Texas Single Audit Circular (UGMS).

Federal and state grants are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly when such funds are received, they are recorded as unearned revenues until earned.

Uniform Guidance allows non-federal entities such as the District the opportunity to elect to charge a de minimis rate of ten percent of modified direct costs as its indirect cost rate that may be used indefinitely. The District chose not to utilize the de minimis rate in the current year.

Note 2. Basis of Funding

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

Note 3. Like-Kind Goods Received

Under the Commodity Supplement (CFDA 10.555), the District received like kind goods during the year. The monetary value of these goods was \$882,408 for the year ended June 30, 2020.

Birdville Independent School District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number:

10.553, 10.555 Child Nutrition Cluster
 84.425D ESSER Grant (CARES Act)

Dollar threshold used to distinguish between type A and type B programs? \$772,385

Auditee qualified as low-risk auditee? X Yes _____ No

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

State Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with in accordance with UGMS?

Yes No

Identification of major programs:

Texas Volkswagen Environmental Mitigation Program (TxVEMP)

Dollar threshold used to distinguish between type A and type B programs?

\$300,000

Auditee qualified as low-risk auditee?

Yes No

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section II – Financial Statement Findings

There were no matters reported.

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section III – Federal and State Award Findings and Questioned Costs

There were no matters reported.

Birdville Independent School District
Schedule of Prior Year Audit Findings
Year Ended June 30, 2020

Section IV – Prior Year Audit Findings

None noted.