

# Birdville Independent School District

Annual Financial Report

For the Fiscal Year Ended June 30, 2021



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**Birdville Independent School District**  
 Annual Financial Report  
 For the Fiscal Year Ended June 30, 2021  
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# Introductory Section

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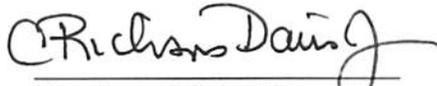
CERTIFICATE OF BOARD

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, 2021, at a meeting of the Board of Trustees of such school district on the 18 day of November, 2021.

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

  
\_\_\_\_\_  
Signature of Board President

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# Financial Section

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## 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, 2021, 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, 2021, 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

***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement no. 84, Fiduciary Activities. Beginning net position in the custodial fund has been restated as a result of the implementation of this standard. Our opinions are not modified with respect to this matter.

***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) is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining statements, Texas Education Agency required schedules and the schedule of expenditures of federal 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Board of Trustees  
Birdville Independent School District

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021, 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 16, 2021

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## 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, 2021. 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 \$207.5 million combined governmental fund balance, a decrease of \$101.0 million from the prior year. The decrease was the result of significant progress made toward the completion of the construction of four new schools. This lowered the capital projects restricted fund balance by \$105.4 million.
- Of the combined governmental fund balance at year-end, the District had \$56.1 million of committed fund balance, \$100.2 million in restricted fund balance, \$34.2 million in assigned fund balance, and \$16.0 million of unassigned fund balance. The remainder pertained to non-spendable balances of \$980 thousand.
- As of June 30, 2021, the General Fund had \$86.5 million in total fund balance, which represented 42.7 percent of fiscal year 2021 expenditures. The District committed \$32.9 million (15% of fiscal year 2022 budgeted expenditures for other purposes) and \$2.6 million for compensated absences. The District assigned \$34.1 million in fund balance for future financial needs. Of the remainder, \$16.0 million of unassigned fund balance was also available for future spending and current cash flow needs.
- At June 30, 2021, the District's net position was \$23.2 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 29.4 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 21-23 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 2021, 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 statements can be found on pages 35-36 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		
		Governmental 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"> <li>•Statement of Net Position</li> <li>•Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance Sheet</li> <li>•Statement of Revenues, Expenditures and Changes in Fund Balance</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of Net Position</li> <li>•Statement of Revenues, Expenses and Changes in Fund Net Position</li> <li>•Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of Fiduciary Net Position</li> <li>•Statement of Changes in Fiduciary Net Position</li> </ul>
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	All revenues and expenses during the year, regardless of when cash is received or paid

**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 37-66 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 69-75 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 80.

The Texas Education Agency (TEA) requires that certain information be included in this report. Those schedules can be found on pages 98-101. The Federal Awards Section of the report can be found on pages 105-115.

## 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 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 10.

**Net Position – Governmental Activities.** For fiscal year 2021, 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 10.

Table II provides details on the changes in the Net Position from fiscal year 2020 to fiscal year 2021. At the end of fiscal year 2021, the District's net position for all activities was \$23.2 million (see Table II).

	Governmental Activities		Business-Type Activities		Totals		% Change
	2021	2020	2021	2020	2021	2020	
<b>Assets &amp; Deferred Outflows of Resources</b>							
Current and other assets	\$ 259,774,178	\$ 360,189,773	\$ 1,790,504	\$ 911,187	\$ 261,564,682	\$ 361,100,960	-27.56%
Capital assets	479,491,997	362,301,642	10,275,982	10,593,568	489,767,979	372,895,210	31.34%
Total assets	739,266,175	722,491,415	12,066,486	11,504,755	751,332,661	733,996,170	2.36%
Deferred outflows of resources	41,420,031	55,172,138	-	-	41,420,031	55,172,138	-24.93%
Total assets and deferred outflows of resources	780,686,206	777,663,553	12,066,486	11,504,755	792,752,692	789,168,308	0.45%
<b>Liabilities &amp; Deferred Inflows of Resources</b>							
Other liabilities	82,393,700	81,067,041	167,656	221,106	82,561,356	81,288,147	1.57%
Long-term liabilities outstanding	620,520,878	645,987,750	34,469	34,469	620,555,347	646,022,219	-3.94%
Total liabilities	702,914,578	727,054,791	202,125	255,575	703,116,703	727,310,366	-3.33%
Deferred inflows of resources	66,390,954	55,850,849	-	-	66,390,954	55,850,849	18.87%
Total liabilities and deferred inflows of resources	769,305,532	782,905,640	202,125	255,575	769,507,657	783,161,215	-1.74%
<b>Net Position</b>							
Net investment in capital assets	47,976,749	36,476,511	10,275,982	-	58,252,731	36,476,511	59.70%
Restricted	27,375,282	27,108,509	-	-	27,375,282	27,108,509	0.98%
Unrestricted	(63,971,357)	(68,827,107)	1,588,379	11,249,180	(62,382,978)	(57,577,927)	8.35%
Total Net Position	\$ 11,380,674	\$ (5,242,087)	\$ 11,864,361	\$ 11,249,180	\$ 23,245,035	\$ 6,007,093	286.96%

The largest portion of net position for the governmental activities was a negative \$64.0 million in unrestricted. If not for the \$110.5 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 \$48.0 million for investment in 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 needed 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 \$27.4 million is used predominately in food service and debt service and is not available for spending other than the purpose for which it is restricted.

Table III provides details for fiscal year 2021 governmental activities and business-type activities. Net position actually increased for fiscal year 2021 by approximately \$5.6 million.

	Governmental Activities		Business-Type Activities		Totals		% Change
	2021	2020	2021	2020	2021	2020	
<b>Revenues:</b>							
Program Revenues:							
Charges for services	\$ 3,434,296	\$ 7,509,011	\$ 1,354,107	\$ 1,438,793	\$ 4,788,403	\$ 8,947,804	-46.49%
Operating grants and contributions	61,223,175	69,049,089	-	-	61,223,175	69,049,089	-11.33%
General Revenues:							
Property taxes	158,583,258	152,425,631	-	-	158,583,258	152,425,631	4.04%
State aid and unrestricted grants	84,206,036	89,229,475	-	-	84,206,036	89,229,475	-5.63%
Investment earnings	358,116	4,506,863	943	13,155	359,059	4,520,018	-92.06%
Miscellaneous	845,087	794,375	-	-	845,087	794,375	6.38%
Transfers	-	496,280	-	(496,280)	-	-	
<b>Total Revenues</b>	<b>308,649,968</b>	<b>324,010,724</b>	<b>1,355,050</b>	<b>955,668</b>	<b>310,005,018</b>	<b>324,966,392</b>	<b>-4.60%</b>
<b>Expenses:</b>							
Instruction, curriculum and media services	176,229,771	188,707,257	-	-	176,229,771	188,707,257	-6.61%
Instructional and school leadership	18,718,183	20,194,372	-	-	18,718,183	20,194,372	-7.31%
Student support services	21,233,628	21,238,880	-	-	21,233,628	21,238,880	-0.02%
Food services	10,237,548	11,692,041	-	-	10,237,548	11,692,041	-12.44%
Cocurricular/extracurricular activities	6,657,075	7,744,574	-	-	6,657,075	7,744,574	-14.04%
General administration	7,397,789	7,204,290	-	-	7,397,789	7,204,290	2.69%
Plant maintenance, security and data processing	34,411,809	33,390,414	-	-	34,411,809	33,390,414	3.06%
Community services	640,180	704,853	-	-	640,180	704,853	-9.18%
Debt service	15,932,248	17,667,973	-	-	15,932,248	17,667,973	-9.82%
Intergovernmental charges	568,976	626,177	-	-	568,976	626,177	-9.13%
<b>Total Expenses</b>	<b>292,027,207</b>	<b>309,170,831</b>	<b>-</b>	<b>-</b>	<b>292,027,207</b>	<b>309,170,831</b>	<b>-5.55%</b>
<b>Business Type Activities</b>							
Rental Property	-	-	739,869	806,297	739,869	806,297	-8.24%
Increase in net position	16,622,761	14,839,893	615,181	149,371	17,237,942	14,989,264	
Beginning net position	(5,242,087)	(20,081,980)	11,249,180	11,099,809	6,007,093	(8,982,171)	
Ending net position	<u>\$ 11,380,674</u>	<u>\$ (5,242,087)</u>	<u>\$ 11,864,361</u>	<u>\$ 11,249,180</u>	<u>\$ 23,245,035</u>	<u>\$ 6,007,093</u>	-286.96%

**Revenues.** Table III indicates fiscal year 2021 overall revenue decreased by 15.0 million or 4.6 percent due to decreases in operating grants and contributions, State funding, and investment earnings. 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 29.4 percent of the facility.

Figures 1 and 2 depict the District's revenue sources for fiscal year 2021 and 2020. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants.

Figure 1

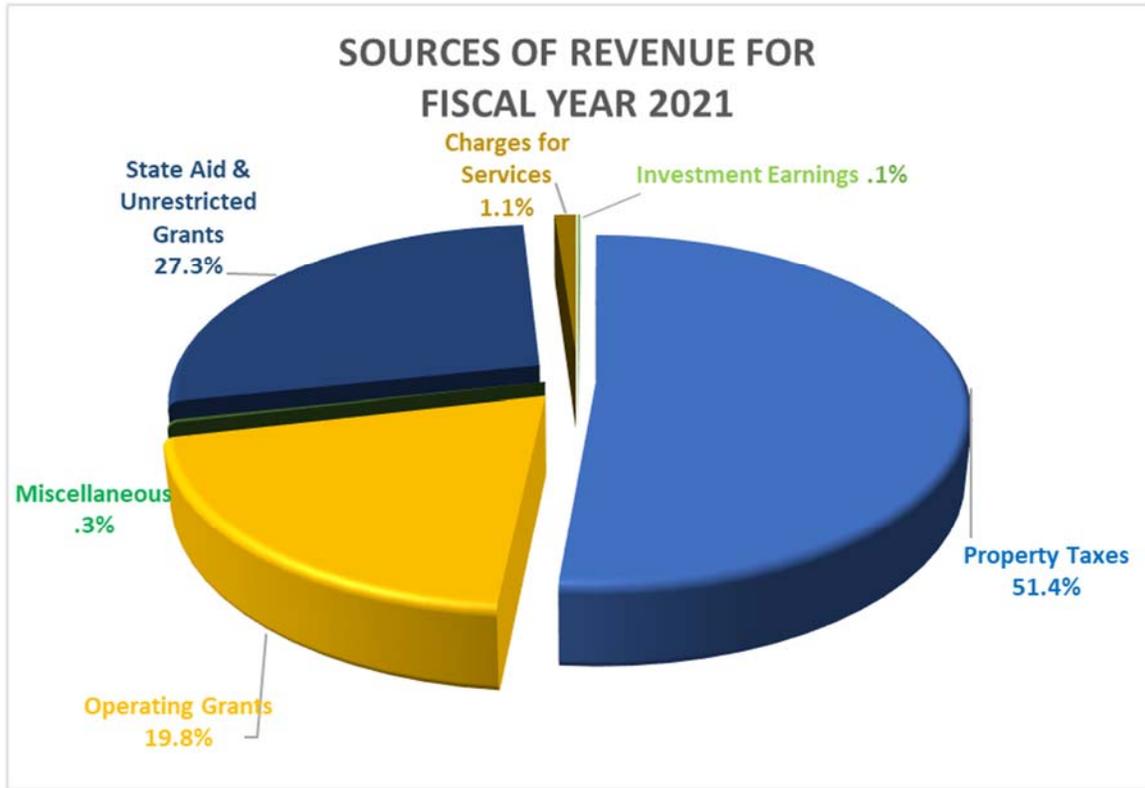
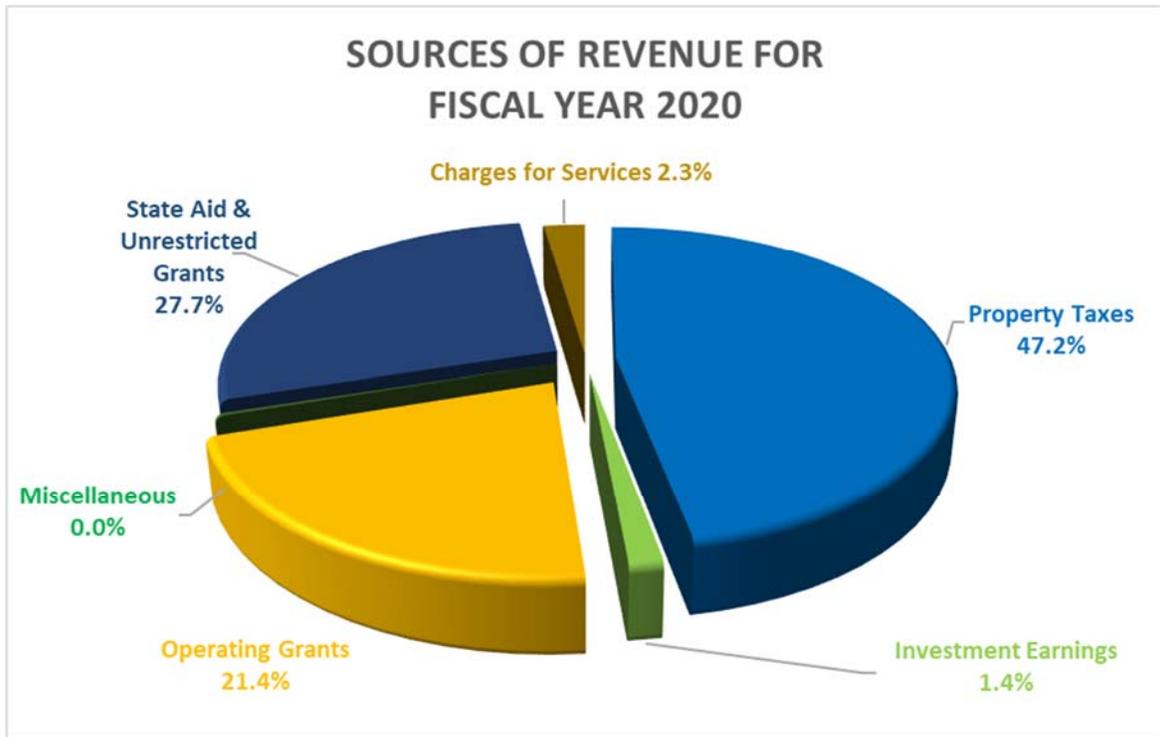


Figure 2

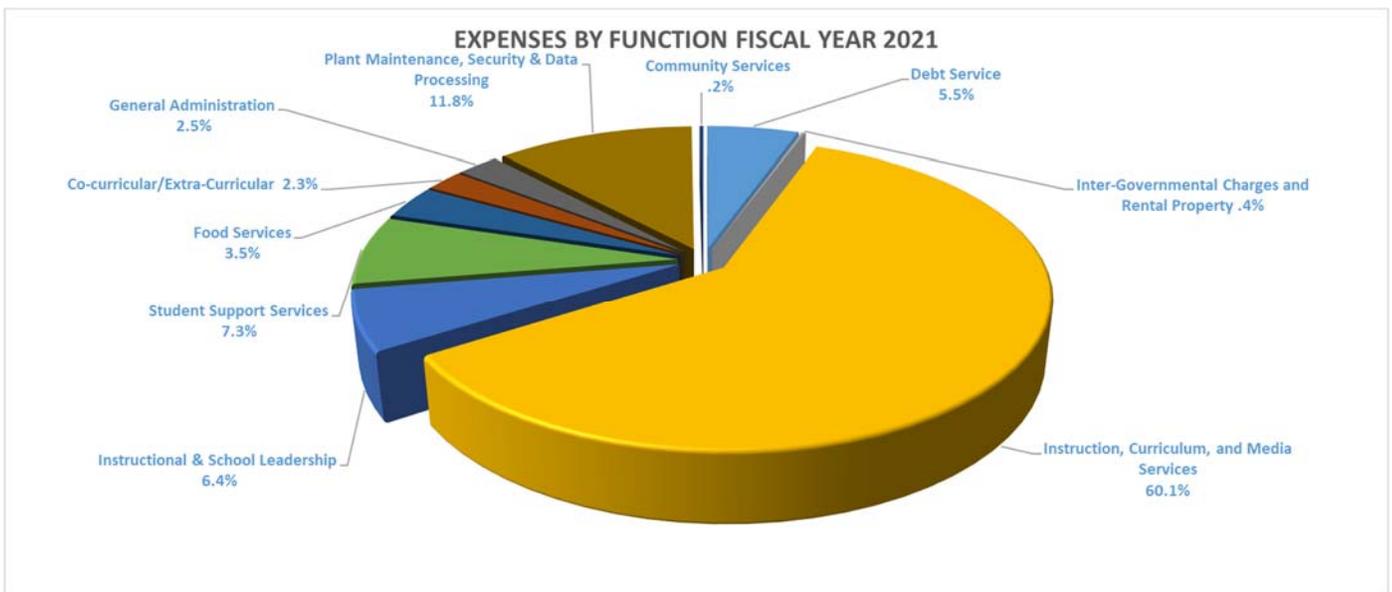


**Expenses.** Fiscal year 2021 expenses compared to fiscal year 2020 expenses decreased by 5.6 percent. Expenses are shown in Table III by functional categories that reflect the purpose of the transaction. Various operating expenses are reflected in each functional category. Total expenses in the current fiscal year were \$292.0 million.

Decreases in instructional services, instructional and school leadership, and student support services were due to a loss of enrollment due to the COVID-19 pandemic. Instructional services were greatly reduced due to 40 percent of the District’s students participating in online instruction. Normal instructional activities and events did not occur due to COVID-19 closures. Facility services increased due the purchase of additional cleaning supplies and PPE needed for District staff.

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		
	2021	2020	% Change
Instruction, Curriculum, & Media Services	\$ 176,229,771	\$ 188,707,257	-6.61%
Maintenance, Security, & Data Processing	34,411,809	33,390,414	3.06%
Student Support Services	21,233,628	21,238,880	-0.02%
Instruction and School Leadership	18,718,183	20,194,372	-7.31%

**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 \$207.5 million (as presented in the Balance Sheet on pages 24-25), a decrease of \$101.0 million from the prior year. General Fund expenditures were higher in fiscal year 2021 by \$6.0 million based on the increased cost of COVID-19 safety and cleaning protocols based on the District's transition back from online classes to on-site classes and operation activities.

The following non-spendable and restricted items, which total \$101,220,625 or 48.8 percent of fund balances, are either unavailable for new spending or limited to specific types of expenditures due to legal restrictions:

• Inventories & Prepaid Items	\$ 979,607
• Food Services	2,667,015
• Other Restricted Grants	24,053
• Debt Service	30,460,220
• Capital Projects	<u>67,089,730</u>
<b>Total</b>	<b>101,220,625</b>

An additional 17.8 percent of fund balance, or \$56,140,452, 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	\$ 32,936,774
• Legacy Fund	8,499,869
• Other Capital Projects	10,583,874
• Compensated Absences	2,600,000
• Campus Activity	1,441,694
• Other Special Revenue Funds	<u>78,241</u>
<b>Total</b>	<b>\$56,140,452</b>

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 \$86.5 million which represents 42.5 percent of fiscal year 2021 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 expenditures budget as the minimum reserve or committed fund balance of \$32.9 million to be combined with \$2.6 million for future payments for compensated absences. At June 30, 2021, the total committed fund balance was \$35.5 million.

The District underspent revenues by \$9.4 million for the year. This excess is related to continued underspending due to COVID-19. The Board of Trustees allocated \$6 million of this excess to facility projects and transferred those funds to a Capital Projects Fund prior to year-end. After applying the Capital Projects fund transfer, the General Fund balance increased \$3.4 million for the current fiscal year.

The fund balance of the Debt Service Fund increased \$1.6 million from the prior year. The rise in property values attributed to the increase in fund balance along with prepaid bond interest from the 2021 bond issuance during the year. The entire ending fund balance of \$30.5 million is restricted for the payment of debt service.

The Capital Projects Fund decreased around \$104.6 million during the year as the District completed construction of four new campuses during the summer of 2021.

The District's Nonmajor Funds ended the fiscal year with a fund balance of \$12.9 million, which was a \$1.4 million decrease compared to the prior year fund balance of \$14.3 million. Revenues typically approximate expenditures in these funds as grant monies are generally earned when expended. The entire restricted fund balance of \$2.7 million is restricted for the Child Nutrition Program. This is a reduction of \$1.2 million compared to the prior year. This reduction in fund balance is attributed to 40 percent of students participating in online instruction and not participating in the National School Lunch program.

**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 \$614,477 in total net position representing a slight increase from the prior year of \$1,458.

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 \$11.86 million in total net position, an increase of \$615,181 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 submitted amendments during the course of the budget year to the Board of Trustees for approval. The most significant General Fund expenditure amendment totaled the rollover of \$10.7 million from fiscal year 2020. This budget amendment included incomplete projects remaining from the 2019-20 fiscal year as well as underspent budgets due to COVID-19. These underspent budgets were used to fund special program areas, PPE, and two one-time retention bonuses for all employees which were paid during November 2020 and February 2021.

### Capital Assets and Debt Administration

**Capital Assets.** As of June 30, 2021, the District had invested approximately \$489.8 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets increased approximately \$116.9 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.

	2021	2020	%
			Change
Land	\$ 21,027,566	\$ 20,708,081	1.54%
Buildings and Improvements	277,724,878	276,672,031	0.38%
Furniture and Equipment	13,572,558	14,216,099	-4.53%
Construction-in-Progress	177,442,977	61,298,999	189.47%
<b>Totals</b>	<b>\$ 489,767,979</b>	<b>\$ 372,895,210</b>	<b>31.34%</b>

**Long-Term Debt.** The District had \$649.6 million in long-term debt at year-end, a decrease of \$24.7 million or 3.7 percent from the prior year. Major debt reductions included just over \$21.0 million in the liabilities related to the GASB 75 OPEB and GASB 68 pension liability along with \$3.3 million in accreted interest payments during the year.

During fiscal year 2021, the District has 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.

<b>Table VI</b>			
<b>Long-Term Debt</b>			
	<b>Governmental Activities</b>		
	2021	2020	%
			Change
Bonds Payable	\$ 440,840,000	\$ 440,974,598	-0.03%
Accreted Interest	-	3,332,939	-100.00%
Bond Premiums	62,456,608	62,478,600	-0.04%
Public Property Finance Contract	-	117,720	-100.00%
Compensated Absences	2,930,121	3,004,345	-2.47%
Net Pension Liability	74,224,260	77,013,305	-3.62%
Net OPEB Liability	69,137,196	87,331,784	-20.83%
Totals	<u>\$ 649,588,185</u>	<u>\$ 674,253,291</u>	-3.66%

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**

Budget planning for fiscal year 2021 included uncertainty not only in projecting property values but also with COVID-19 concerns related to enrollment and its continued effects on the overall economy. Final property values grew as expected at around five percent. Enrollment, estimated to drop around two percent, actually dropped by three percent. With enrollment dropping around the State, the State TEA held districts harmless from enrollment drops utilizing ESSER funds, supplementing actual revenue with calculations based on prior year enrollment data. These hold harmless funds increased revenues above projections allowing the Board to provide two one-time retention bonuses to all staff. The one-time classification limited the impact on future budgets.

In January 2021, the COVID-19 vaccine became available to individuals 16 and older. As more people received a vaccination, the cases of COVID-19 dropped. Businesses began to open, and students returned to in-person learning. The District received good news in the spring 2021 from their demographer regarding the potential for increased enrollment for the 2022 fiscal year. While the projections were not up to the 2020 counts, they were an improvement over the 2021 year.

These higher enrollment numbers and the conservative budget in place for 2021 provided additional funds during 2022 budget planning for the District's staffing and compensation increases. The Board of Trustees approved a three percent compensation increase for all staff and even provided market adjustments to select groups identified from a recent salary study. In addition, lower spending during 2021 due to COVID-19 provided funds for one-time facility, fine arts, and athletic needs. Even with funds allocated for these one-time expenditures, the District was able to increase General Fund balance for 2021 by around \$3.35 million to \$86.5 million. This represents around 42.5 percent of the 2021 General Fund expenditures.

COVID-19 cases dropped significantly in May and June 2021 as final budgets were approved by the Board of Trustees for 2022, supporting the more optimistic enrollment projections. Unfortunately, the Delta Variant reversed this trend later in the summer just before school started. Although vaccines were available for students over 12, they were not available for younger students when school started in August 2021. As a result, the District's enrollment dropped around 500 students compared with projections in the K-5 grades as parents opted for alternative learning through homeschooling, online campuses, and private schools. Attendance was also impacted for the first six weeks' period as COVID-19 cases rose among students. These enrollment losses and lower attendance issues are occurring state-wide. Thankfully, COVID-19 cases among students in the second six weeks' period have dropped significantly, improving attendance. To support districts, the State TEA has added additional attendance waiver provisions to offset the attendance losses and may add more assistance to districts later in the year. The District will be using available ESSER funds to offset the revenue losses for the 2022 year. ESSER funds are also available to support District operations in the 2023 fiscal year providing time for the District to regain lost students as COVID-19 cases stabilize and to trim budgets. The District projects no negative impact on the General Fund balance for 2022.

Certified property values for 2022 increased just under six percent, slightly higher than projections. The maintenance and operations (M&O) tax rate under HB3 is calculated by TEA and reflects a decrease from \$0.9664 to \$0.9241 per \$100 of property valuation. This is the maximum rate allowed without a tax ratification election.

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 Board was able to approve a bond principal prepayment of \$2.975 million for the 2022 fiscal year due to increased property values. The District has prepaid over \$21.4 million in bond principal over the last seven years saving taxpayers \$14.2 million in interest payments.

### **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.

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# Basic Financial Statements

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**Birdville Independent School District**  
Statement of Net Position  
June 30, 2021

**Exhibit A-1**

Data Control Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 4,481,081	\$ 60,224	\$ 4,541,305
1120	Investments - current	210,373,464	1,681,777	212,055,241
1220	Property taxes receivable (delinquent)	9,064,038	-	9,064,038
1230	Allowance for uncollectible taxes	(2,563,394)	-	(2,563,394)
1240	Due from other governments	26,297,500	-	26,297,500
1250	Accrued interest	102,409	-	102,409
1290	Other receivables	1,988,050	5,252	1,993,302
1300	Inventories	890,338	-	890,338
1410	Prepaid items	89,269	43,251	132,520
	Capital assets:			
1510	Land	19,167,618	1,859,948	21,027,566
1520	Buildings, net	269,308,844	8,416,034	277,724,878
1530	Furniture and equipment, net	13,572,558	-	13,572,558
1580	Construction in progress	177,442,977	-	177,442,977
1910	Long-term investments	9,051,423	-	9,051,423
1000	Total assets	739,266,175	12,066,486	751,332,661
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred loss on bond refundings	4,691,630	-	4,691,630
1705	Deferred outflows - pension	25,366,371	-	25,366,371
1706	Deferred outflows - OPEB	11,362,030	-	11,362,030
1700	Total deferred outflows of resources	41,420,031	-	41,420,031
<b>LIABILITIES</b>				
2110	Accounts payable	19,954,348	29,314	19,983,662
2140	Accrued interest payable	7,372,662	-	7,372,662
2150	Payroll deductions & withholdings	1,821,800	-	1,821,800
2160	Accrued wages payable	23,313,582	-	23,313,582
2190	Due to student groups	609,172	-	609,172
2200	Accrued expenses	-	53,834	53,834
2300	Unearned revenue	254,829	84,508	339,337
	Noncurrent liabilities:			
2501	Due within one year	29,067,307	-	29,067,307
2502	Due in more than one year	477,159,422	-	477,159,422
2540	Net pension liability (District's share)	74,224,260	-	74,224,260
2545	Net OPEB liability (District's share)	69,137,196	-	69,137,196
2590	Other long term liabilities	-	34,469	34,469
2000	Total liabilities	702,914,578	202,125	703,116,703
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred inflows - pension	13,702,182	-	13,702,182
2606	Deferred inflows - OPEB	52,688,772	-	52,688,772
2600	Total deferred inflows of resources	66,390,954	-	66,390,954
<b>NET POSITION</b>				
3200	Net investment in capital assets	47,976,749	10,275,982	58,252,731
3820	Restricted for federal and state programs	2,691,068	-	2,691,068
3850	Restricted for debt service	24,684,214	-	24,684,214
3900	Unrestricted	(63,971,357)	1,588,379	(62,382,978)
3000	<b>TOTAL NET POSITION</b>	<b>\$ 11,380,674</b>	<b>\$ 11,864,361</b>	<b>\$ 23,245,035</b>

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

**Birdville Independent School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Data Control Codes	Functions/Programs	Program Revenues		
		1	3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	<b>PRIMARY GOVERNMENT</b>			
	Governmental activities:			
11	Instruction	\$ 162,424,704	\$ 1,235,178	\$ 29,465,568
12	Instructional resources and media services	3,052,307	-	25,743
13	Curriculum and instructional staff development	10,752,760	-	6,148,055
21	Instructional leadership	4,109,083	-	1,366,114
23	School leadership	14,609,100	-	27,625
31	Guidance, counseling and evaluation services	12,759,367	-	4,544,115
32	Social work services	356,835	-	72,359
33	Health services	3,043,517	-	172
34	Student (pupil) transportation	5,073,909	-	915,205
35	Food services	10,237,548	627,585	15,843,486
36	Extracurricular activities	6,657,075	1,571,533	653,520
41	General administration	7,397,789	-	47,387
51	Facilities maintenance and operations	24,128,635	-	552,753
52	Security and monitoring services	1,999,001	-	811,526
53	Data processing services	8,284,173	-	-
61	Community services	640,180	-	663,406
72	Debt service - interest on long-term debt	15,682,669	-	-
73	Debt service - bond issuance cost and fees	249,579	-	-
93	Payments to fiscal agents SSA	560,333	-	86,141
95	Payments to juvenile justice alternative education programs	8,643	-	-
	Total governmental activities	292,027,207	3,434,296	61,223,175
	Business-type activities:			
	Rental Property	739,869	1,354,107	-
	Total business-type activities	739,869	1,354,107	-
TP	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 292,767,076</b>	<b>\$ 4,788,403</b>	<b>\$ 61,223,175</b>
	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			
TR	Total general revenues			
CN	Change in net position			
NB	Net position - beginning			
NE	<b>NET POSITION ENDING</b>			

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
\$ (131,723,958)	\$ -	\$ (131,723,958)
(3,026,564)	-	(3,026,564)
(4,604,705)	-	(4,604,705)
(2,742,969)	-	(2,742,969)
(14,581,475)	-	(14,581,475)
(8,215,252)	-	(8,215,252)
(284,476)	-	(284,476)
(3,043,345)	-	(3,043,345)
(4,158,704)	-	(4,158,704)
6,233,523	-	6,233,523
(4,432,022)	-	(4,432,022)
(7,350,402)	-	(7,350,402)
(23,575,882)	-	(23,575,882)
(1,187,475)	-	(1,187,475)
(8,284,173)	-	(8,284,173)
23,226	-	23,226
(15,682,669)	-	(15,682,669)
(249,579)	-	(249,579)
(474,192)	-	(474,192)
(8,643)	-	(8,643)
(227,369,736)	-	(227,369,736)
-	614,238	614,238
-	614,238	614,238
\$ (227,369,736)	\$ 614,238	\$ (226,755,498)
111,157,525	-	111,157,525
47,425,733	-	47,425,733
84,206,036	-	84,206,036
358,116	943	359,059
845,087	-	845,087
243,992,497	943	243,993,440
16,622,761	615,181	17,237,942
(5,242,087)	11,249,180	6,007,093
\$ 11,380,674	\$ 11,864,361	\$ 23,245,035

**Birdville Independent School District**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

Data Control Codes		10	50	60
		General Fund	Debt Service Fund	Capital Projects
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 4,479,646	\$ -	\$ -
1120	Investments- current	79,126,653	29,035,738	91,304,580
1220	Property taxes (delinquent)	6,837,773	2,226,265	-
1230	Allowance for uncollectible taxes	(1,933,785)	(629,609)	-
1240	Due from other governments	16,645,506	-	-
1250	Accrued Interest	45,780	-	8,831
1260	Due from other funds	7,271,676	620,832	99,254
1290	Other receivables	1,352,598	589,558	-
1300	Inventories	729,707	-	-
1410	Prepaid items	47,452	-	-
1910	Long-term investments	780,329	-	4,993,110
1000	<b>TOTAL ASSETS</b>	<u>\$ 115,383,335</u>	<u>\$ 31,842,784</u>	<u>\$ 96,405,775</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ 1,120,594	\$ -	\$ 18,577,626
2150	Payroll deductions and withholdings	1,769,262	-	-
2160	Accrued wages payable	21,088,626	-	-
2170	Due to other funds	620,832	-	154,545
2190	Due to others	7,759	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>24,607,073</u>	<u>-</u>	<u>18,732,171</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Deferred revenue - property taxes	<u>4,314,495</u>	<u>1,382,564</u>	<u>-</u>
2600	Total deferred inflows of resources	<u>4,314,495</u>	<u>1,382,564</u>	<u>-</u>
<b>FUND BALANCES</b>				
Non-spendable fund balance:				
3410	Inventories	729,707	-	-
3430	Prepaid items	47,452	-	-
Restricted fund balance:				
3450	Federal and state funds grant	-	-	-
3470	Capital acquisition and contractual obligation	-	-	67,089,730
3480	Retirement of long-term debt	-	30,460,220	-
Committed fund balance:				
3545	Other committed fund balance	35,536,774	-	10,583,874
Assigned fund balance:				
3590	Other assigned fund balance	34,170,881	-	-
3600	Unassigned fund balance	<u>15,976,953</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>86,461,767</u>	<u>30,460,220</u>	<u>77,673,604</u>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 115,383,335</u>	<u>\$ 31,842,784</u>	<u>\$ 96,405,775</u>

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

Nonmajor Funds	98 Total Governmental Funds
\$ 1,435	\$ 4,481,081
10,239,478	209,706,449
-	9,064,038
-	(2,563,394)
9,651,994	26,297,500
47,798	102,409
857,598	8,849,360
45,894	1,988,050
160,631	890,338
41,817	89,269
3,277,984	9,051,423
<u>\$ 24,324,629</u>	<u>\$ 267,956,523</u>
\$ 256,128	\$ 19,954,348
-	1,769,262
2,224,956	23,313,582
8,073,983	8,849,360
601,413	609,172
254,829	254,829
<u>11,411,309</u>	<u>54,750,553</u>
-	5,697,059
-	5,697,059
160,631	890,338
41,817	89,269
2,691,068	2,691,068
-	67,089,730
-	30,460,220
10,019,804	56,140,452
-	34,170,881
-	15,976,953
<u>12,913,320</u>	<u>207,508,911</u>
<u>\$ 24,324,629</u>	<u>\$ 267,956,523</u>

**Birdville Independent School District****Exhibit C-2**
 Reconciliation of the Governmental Funds Balance Sheet to the  
 Statement of Net Position  
 June 30, 2021

<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>	\$ 207,508,911
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.	614,477
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.	839,544,730
Accumulated depreciation is not reported in the fund financial statements.	(360,052,733)
Bonds and loans payable are not reported in the fund financial statements.	(440,840,000)
Bond premiums on outstanding bonds payable are not reported in the fund financial statements.	(62,456,608)
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.	5,697,059
Accrued liabilities for compensated absences are not recorded in the fund financial statements.	(2,930,121)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are recorded when due.	(7,372,662)
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.	4,691,630
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 \$74,224,260, deferred outflows of resources related to pension in the amount of \$25,366,371 and deferred inflows of resources related to pension in the amount of \$13,702,182 cumulatively resulting in a decrease in net position in the amount of \$62,560,071.	(62,560,071)
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 \$69,137,196, deferred outflows of resources related to OPEB in the amount of \$11,362,030, and deferred inflows of resources related to OPEB in the amount of \$52,688,772 cumulatively resulting in a decrease in net position in the amount of \$110,463,938.	(110,463,938)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 11,380,674</u>

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

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**Birdville Independent School District**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

<u>Data Control Codes</u>		<u>10 General Fund</u>	<u>50 Debt Service Fund</u>	<u>60 Capital Projects</u>
<b>REVENUES</b>				
5700	Local and intermediate	\$ 112,164,483	\$ 47,447,842	\$ 163,197
5800	State program revenues	95,344,021	1,145,997	-
5900	Federal program revenues	5,440,751	-	-
5020	Total revenues	<u>212,949,255</u>	<u>48,593,839</u>	<u>163,197</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	119,984,606	-	-
0012	Instructional resources and media services	2,858,587	-	-
0013	Curriculum and instructional staff development	6,391,606	-	-
0021	Instructional leadership	2,938,057	-	-
0023	School leadership	13,512,479	-	-
0031	Guidance, counseling and evaluation services	9,154,413	-	-
0032	Social work services	293,712	-	-
0033	Health services	2,817,615	-	-
0034	Student (pupil) transportation	4,372,507	-	785,687
0035	Food services	-	-	-
0036	Extracurricular activities	5,293,772	-	152,342
0041	General administration	6,729,743	-	1,070
0051	Facilities maintenance and operations	20,961,789	-	604,271
0052	Security and monitoring services	1,385,135	-	22,884
0053	Data processing services	5,307,278	-	139,864
0061	Community services	222,673	-	-
Debt service:				
0071	Principal and interest on long-term debt	119,721	47,723,013	-
0073	Debt issuance costs	-	-	249,579
Capital outlay:				
0081	Facilities acquisition and construction	17,249	-	137,465,361
Intergovernmental:				
0093	Payments to fiscal agents SSA	509,325	-	-
0095	Payments to juvenile justice alternative education programs	8,643	-	-
0099	Other intergovernmental charges	716,689	-	-
6030	Total expenditures	<u>203,595,599</u>	<u>47,723,013</u>	<u>139,421,058</u>
1100	Excess (deficiency) of revenues over (under) expenditures	9,353,656	870,826	(139,257,861)
<b>OTHER FINANCING SOURCES (USES)</b>				
7911	Issuance of debt	-	-	24,345,000
7916	Premiums on issuance of debt	-	-	3,953,714
7917	Prepaid interest	-	728,595	-
7915	Transfers in	-	-	6,713,704
8911	Transfers out	(6,001,804)	-	(331,900)
7080	Total other financing sources (uses)	(6,001,804)	728,595	34,680,518
1200	Net change in fund balances	3,351,852	1,599,421	(104,577,343)
0100	Fund balance - July 1 (beginning)	<u>83,109,915</u>	<u>28,860,799</u>	<u>182,250,947</u>
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<u>\$ 86,461,767</u>	<u>\$ 30,460,220</u>	<u>\$ 77,673,604</u>

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

Nonmajor Funds	Total Governmental Funds
\$ 3,731,477	\$ 163,506,999
2,734,182	99,224,200
28,090,280	33,531,031
<hr/>	<hr/>
34,555,939	296,262,230
15,935,424	135,920,030
14,942	2,873,529
3,568,559	9,960,165
792,943	3,731,000
16,035	13,528,514
2,637,573	11,791,986
42,000	335,712
100	2,817,715
531,219	5,689,413
9,196,148	9,196,148
379,327	5,825,441
27,505	6,758,318
320,838	21,886,898
471,040	1,879,059
-	5,447,142
385,065	607,738
-	47,842,734
-	249,579
1,167,480	138,650,090
50,000	559,325
-	8,643
-	716,689
<hr/>	<hr/>
35,536,198	426,275,868
<hr/>	<hr/>
(980,259)	(130,013,638)
-	24,345,000
-	3,953,714
-	728,595
-	6,713,704
(380,000)	(6,713,704)
<hr/>	<hr/>
(380,000)	29,027,309
(1,360,259)	(100,986,329)
14,273,579	308,495,240
<hr/>	<hr/>
\$ 12,913,320	\$ 207,508,911
<hr/>	<hr/>

# 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, 2021

<b>TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS</b>	\$ (100,986,329)
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.	1,458
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.	137,588,608
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.	(20,398,253)
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.	24,597,319
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.	3,332,939
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.	4,704,301
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.	(555,025)
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.	74,224
Interest is accrued on outstanding debt in the government-wide financial statements, but interest is expended as due in the fund financial statements.	80,530
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.	(36,147)
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.	(24,345,000)
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.	(4,682,309)
Changes related to the District's pension are recorded as decreases in deferred outflows of resources of \$11,579,927, decreases in deferred inflows of \$3,797,354, and a decrease in net pension liability of \$2,789,045, which nets to a cumulative decrease of (\$4,993,528).	(4,993,528)
Changes related to the District's OPEB are recorded decreases in deferred outflows of resources of \$1,615,154, increases in deferred inflows of \$14,337,459 and a decrease in net OPEB liability of \$18,194,588, which cumulatively nets to a cumulative increase of \$2,239,973.	2,239,973
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 16,622,761</b>

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

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**Birdville Independent School District**  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

**Exhibit D-1**

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 60,224	\$ -
Investments - current	1,681,777	667,015
Receivables	5,252	-
Prepaid expenses and other assets	43,251	-
	<hr/>	<hr/>
Total current assets	1,790,504	667,015
Property and equipment:		
Land	1,859,948	-
Buildings and improvements	9,527,585	-
	<hr/>	<hr/>
	11,387,533	-
Less accumulated depreciation	(1,111,551)	-
	<hr/>	<hr/>
Property and equipment, net	10,275,982	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 12,066,486</b>	<b>\$ 667,015</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 29,314	\$ -
Accrued expenses	53,834	52,538
Unearned revenue	84,508	-
	<hr/>	<hr/>
Total current liabilities	167,656	52,538
Noncurrent liabilities:		
Other long-term liabilities	34,469	-
	<hr/>	<hr/>
Total Liabilities	202,125	52,538
<b>NET POSITION</b>		
Net investment in capital assets	10,275,982	-
Unrestricted net position	1,588,379	614,477
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 12,066,486</b>	<b>\$ 667,015</b>
	<hr/> <hr/>	<hr/> <hr/>

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, 2021

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
<b>OPERATING REVENUES</b>		
Local and intermediate sources	\$ 1,354,107	\$ 865
Total operating revenues	1,354,107	865
<b>OPERATING EXPENSES</b>		
Contracted services	267,804	-
Depreciation	317,586	-
Other operating costs	154,479	-
Total operating expenses	739,869	-
Operating income	614,238	865
<b>NONOPERATING REVENUES</b>		
Earnings from temporary deposits and investments	943	593
Total nonoperating revenues	943	593
Change in net position	615,181	1,458
Net position - July 1 (beginning)	11,249,180	613,019
<b>NET POSITION - JUNE 30, 2021</b>	<u>\$ 11,864,361</u>	<u>\$ 614,477</u>

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, 2021

**Exhibit D-3**

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and interfund services	\$ 1,279,393	\$ 865
Cash payments to suppliers for goods and services	(419,762)	(4,774)
Net cash provided by (used in) operating activities	859,631	(3,909)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (purchases) of investments, net	(891,835)	3,316
Interest and dividends on investments	943	593
Net cash provided by (used in) investing activities	(890,892)	3,909
Net decrease in cash and cash equivalents	(31,261)	-
Cash and cash equivalents at beginning of year	91,485	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 60,224</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income:	\$ 614,238	\$ 865
Adjustments to reconcile change in operating income to net cash provided by (used in) operating activities		
Depreciation	317,586	-
Effect of increases and decreases in current assets and liabilities:		
Receivables	(5,252)	-
Prepaid expenses and other assets	(13,491)	-
Accounts payable	9,346	-
Accrued expenses	6,666	(4,774)
Unearned revenue	(69,462)	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 859,631</b>	<b>\$ (3,909)</b>

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

**Birdville Independent School District**  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2021

**Exhibit E-1**

	<u>Custodial Fund Student Activity</u>
<b>ASSETS</b>	
Receivables	\$ 629,410
Total assets	<u>629,410</u>
<b>LIABILITIES</b>	
Accounts payable	7,973
Due to others	<u>270,417</u>
Total liabilities	<u>278,390</u>
<b>NET POSITION</b>	
Restricted for other purposes	<u>\$ 351,020</u>
	<u>\$ 629,410</u>

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

**Birdville Independent School District**  
Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
June 30, 2021

**Exhibit E-2**

	<b>Custodial Fund Student Activity</b>
<b>ADDITIONS</b>	
Revenue from student activities	\$ 448,927
Total additions	448,927
<b>DEDUCTIONS</b>	
Student event rentals and other contracted services	129,514
Student uniforms and other apparel	70,195
Supplies	42,479
Student awards	20,420
Student meals for travel and events	28,002
Student cocurricular event registration	38,028
Scholarships	21,430
Miscellaneous	14,711
Total deductions	364,779
Net change in fiduciary net position	84,148
Net position - beginning of year	-
Cumulative effect of adoption of GASB 84	266,872
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	<b>266,872</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 351,020</b>

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. 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.

Custodial funds account for resources held for others in a custodial capacity. The funds are used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported as agency funds. The District reports additions to and deductions from custodial funds. The custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting. Reporting is oriented towards providing accountability for the sources, uses, and balances or resources held in trust for others, therefore, the additions and deductions in fiduciary balances are reported. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the funds' statements of net position. The funds' equity is segregated into restricted net position and unrestricted net position.

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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**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 and state funding under the Foundation School Program. 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.

Debt Service Fund - The debt service fund is utilized to account for the accumulation of resources for, 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:

Fiduciary Funds - The District accounts for resources held for others in a custodial capacity in an custodial fund. The District's Custodial 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 Federal, 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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**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.

**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, 2021. 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 materials 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:

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

**P. Other Post-Employment Benefits**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) 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 Child Nutrition Program Fund have been used to liquidate other postemployment benefits liabilities.

**Q. GASB Pronouncements implemented by the District**

GASB Statement No. 84, Fiduciary Activities. This Statement was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Due to the above, net position related to the custodial funds was restated by \$266,872.

**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.

## Birdville Independent School District

### Notes to the Basic Financial Statements

- **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.
- **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 \$15,976,953 at June 30, 2021. Inventories of \$729,707 and prepaid items of \$47,452 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 \$32,936,774 as of June 30, 2021. The District also committed General Fund fund balance of \$2,600,000 for future payments of compensated absences.

The District has assigned \$31,300,000 of General Fund fund balance as additional operating reserves. Additionally, \$2,870,881 was assigned due to utilization to balance the fiscal year 2021-2022 budget.

#### **Other Major Funds**

The Debt Service Fund has restricted funds of \$30,460,220 at June 30, 2021 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has fund balance of \$67,089,730 restricted for future capital acquisitions and \$10,583,874 committed for future capital acquisitions.

#### **Other Funds**

Nonspendable fund balances of \$160,631 related to inventories, and restricted fund balances of \$2,667,015 related to Federal grant restrictions related to the national breakfast and lunch program. Prepaid items of \$41,817 in the nonmajor funds are considered nonspendable fund balance. Special revenue funds fund balances of \$24,053 are restricted by state or other grant restrictions related to advanced placement initiatives.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

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

Campus activities	\$ 1,441,694
Other local special revenue funds	31,931
Career tech	46,310
Legacy fund	8,499,869
	<hr/>
Total	<u><u>\$ 10,019,804</u></u>

**Note 3. Bonded Debt Payable**

Bonded debt payable as of June 30, 2021 is as follows:

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding 7/1/2020	Issued Current Year	Refunded Current Year	Retired Current Year	Amount Outstanding 6/30/2021
Unlimited Tax School Building and Refunding Bonds Series 2002	3.88-5.54	\$ 15,673,486	\$ 1,929,598	\$ -	\$ -	\$ 1,929,598	\$ -
Unlimited Tax Refunding Bonds Series 2012	3.00-5.00	21,616,597	5,340,000	-	-	5,340,000	-
Unlimited Tax School Building Bonds Series 2015A	2.00-5.00	91,975,000	86,210,000	-	-	820,000	85,390,000
Unlimited Tax Refunding Bonds Series 2015B	1.21-5.00	98,312,081	91,775,000	-	-	9,415,000	82,360,000
Unlimited Tax School Building Bonds Series 2016	2.00-5.00	41,785,000	39,545,000	-	-	360,000	39,185,000
Unlimited Tax School Building Bonds Series 2019	3.00-5.00	157,635,000	153,365,000	-	-	1,185,000	152,180,000
Unlimited Tax School Building Bonds Series 2020	2.38-5.00	62,810,000	62,810,000	-	-	5,430,000	57,380,000
Unlimited Tax School Building Bonds Series 2021	2.00-5.00	24,345,000	-	24,345,000	-	-	24,345,000
Total bonded debt payable			<u>\$ 440,974,598</u>	<u>\$ 24,345,000</u>	<u>\$ -</u>	<u>\$ 24,479,598</u>	<u>\$ 440,840,000</u>

**Birdville Independent School District**  
Notes to the Basic Financial Statements

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

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 28,910,000	\$ 19,642,559	\$ 48,552,559
2023	31,675,000	18,298,988	49,973,988
2024	27,420,000	16,715,237	44,135,237
2025	26,795,000	15,344,238	42,139,238
2026	28,105,000	14,096,837	42,201,837
2027-2031	101,745,000	55,089,688	156,834,688
2032-2036	81,310,000	32,500,644	113,810,644
2037-2041	79,820,000	15,977,112	95,797,112
2042-2044	35,060,000	2,629,144	37,689,144
	<u>\$ 440,840,000</u>	<u>\$ 190,294,447</u>	<u>\$ 631,134,447</u>

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

**Note 4. Debt Refunding and Defeased Bonds Outstanding**

As of June 30, 2021, there were no defeased bonds outstanding.

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

Balance - June 30, 2020	\$ 5,246,654
Current year amortization	<u>(555,024)</u>
Balance - June 30, 2021	<u><u>\$ 4,691,630</u></u>

**Note 5. 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, 2020	\$ 3,004,345
New entrants and sick leave accruals	442,442
Payments to participants	<u>(516,666)</u>
Balance, June 30, 2021	<u><u>\$ 2,930,121</u></u>

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

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**Note 6. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds and notes payable					
General obligation bonds	\$ 440,974,598	\$ 24,345,000	\$ 24,479,598	\$ 440,840,000	\$ 28,910,000
Accreted interest	3,332,939	182,462	3,515,401	-	-
Bond premiums	62,478,600	4,682,309	4,704,301	62,456,608	-
Public property finance contract	117,720	-	117,720	-	-
Compensated absences	3,004,345	442,442	516,666	2,930,121	157,307
Net pension liability	77,013,305	7,411,514	10,200,559	74,224,260	-
Net OPEB liability	87,331,784	3,703,783	21,898,371	69,137,196	-
	<u>\$ 674,253,291</u>	<u>\$ 40,767,510</u>	<u>\$ 65,432,616</u>	<u>\$ 649,588,185</u>	<u>\$ 29,067,307</u>

**Note 7. Capital Asset Activity**

Capital asset activity in the governmental funds of the District for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	\$ 18,848,133	\$ 293,210	\$ 26,275	\$ -	\$ 19,167,618
Construction in progress	61,298,999	129,342,726	(13,198,748)	-	177,442,977
Total capital assets, not being depreciated	<u>80,147,132</u>	<u>129,635,936</u>	<u>(13,172,473)</u>	<u>-</u>	<u>196,610,595</u>
Capital assets, being depreciated					
Buildings and improvements	571,856,949	4,302,243	12,955,481	-	589,114,673
Furniture and equipment	50,821,180	3,650,429	216,992	869,139	53,819,462
Total capital assets, being depreciated	<u>622,678,129</u>	<u>7,952,672</u>	<u>13,172,473</u>	<u>869,139</u>	<u>642,934,135</u>
Less accumulated depreciation on					
Buildings and improvements	303,918,538	15,887,291	-	-	319,805,829
Furniture and equipment	36,605,081	4,510,962	-	869,139	40,246,904
Total accumulated depreciation	<u>340,523,619</u>	<u>20,398,253</u>	<u>-</u>	<u>869,139</u>	<u>360,052,733</u>
Total capital assets, being depreciated, net	<u>282,154,510</u>	<u>(12,445,581)</u>	<u>13,172,473</u>	<u>-</u>	<u>282,881,402</u>
Governmental activities capital assets, net	<u>\$ 362,301,642</u>	<u>\$ 117,190,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,491,997</u>

**Birdville Independent School District**  
Notes to the Basic Financial Statements

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

Instruction	\$ 12,839,083
Instructional resources and media services	13,905
Guidance, counseling, and evaluation services	10,340
Student (pupil) transportation	363,505
Food services	687,188
Co-curricular/extracurricular activities	893,157
General administration	162,493
Facilities maintenance and operations	2,754,875
Security and monitoring services	326,434
Data processing services	2,345,429
Community services	1,844
	<hr/>
Total depreciation expense	<u>\$ 20,398,253</u>

Capital asset activity in the enterprise fund for the District for the year ended June 30, 2021 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	<u>1,859,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,859,948</u>
Capital assets, being depreciated					
Buildings and improvements	9,527,585	-	-	-	9,527,585
Total capital assets, being depreciated	<u>9,527,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,527,585</u>
Less accumulated depreciation on					
Buildings and improvements	793,965	317,586	-	-	1,111,551
Total accumulated depreciation	<u>793,965</u>	<u>317,586</u>	<u>-</u>	<u>-</u>	<u>1,111,551</u>
Total capital assets, being depreciated, net	<u>8,733,620</u>	<u>(317,586)</u>	<u>-</u>	<u>-</u>	<u>8,416,034</u>
Business activities capital assets, net	<u>\$ 10,593,568</u>	<u>\$ (317,586)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,275,982</u>

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

**Note 8. Deposits and Investments**

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

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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. 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).

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, 2021 are classified in the accompanying financial statements as follows:

Primary government	\$ 4,481,081
Business type activities	60,224
	\$ 4,541,305
	\$ 4,541,305

Cash and investments as of June 30, 2021 consist of the following:

Deposits with financial institutions	\$ 4,531,305
Petty cash	10,000
Investments - current	212,055,241
Investments - long-term	9,051,423
	\$ 225,647,969
	\$ 225,647,969

**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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

As of June 30, 2021, the District had the following current and long-term investments:

Account/Investment Type	Amount	Weighted Average Maturity
TexPool	\$ 181,837,323	29
Lone Star	589,511	47
MBIA TexasCLASS	2,393,152	81
Negotiable certificates of deposit	7,454,174	246
U.S. agency securities	20,463,089	288
State and municipal securities	8,369,415	487
	\$ 221,106,664	

**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, 2021
TexPool	\$ 181,837,323	AAA/AAAm	AAAm
Lone Star	589,511	AAA/AAAm	AAA
MBIA TexasCLASS	2,393,152	AAA/AAAm	AAAm
Negotiable certificates of deposit	7,454,174	N/A	N/A
U.S. Agency securities	20,463,089	N/A	AA+
State and municipal securities	8,369,415	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, 2021, 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.

## **Birdville Independent School District**

### Notes to the Basic Financial Statements

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, 2021, 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 \$29,842,516.
- C. Largest cash, savings and time deposit combined account balance amounted to \$22,529,042 and occurred during the month of October 2020.
- D. Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

#### **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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

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.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

	Balance at 6/30/2021	Fair Value Measurements Using		
		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	\$ 7,454,174	\$ -	\$ 7,454,174	\$ -
U.S. Agency securities	20,463,089	-	20,463,089	-
State and municipal securities	8,369,415	-	8,369,415	-
<b>Total</b>	<b>\$ 36,286,678</b>	<b>\$ -</b>	<b>\$ 36,286,678</b>	<b>\$ -</b>

The fair value of the negotiable certificates of deposit, U.S. Agency securities and state and municipal securities at June 30, 2021 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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**Note 9. 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 Annual Comprehensive 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\\_caftr.aspx](http://www.trs.texas.gov/Pages/about_archive_caftr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**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.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2020	2021
Member	7.7%	7.7%
Non-employer contributing entity (state)	7.5%	7.5%
Employers (District)	7.5%	7.5%
Employers (District - Non-OASDI)*	1.6%	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 2021 are as follows:

Employer Contributions	\$	5,718,129
Member Contributions		12,505,993
NECE On-behalf Contributions		8,369,797

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

As the non-employer contributing entity for public education and junior colleges, 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 (public school, junior college, other entities or the State of Texas as the employer for senior universities and, medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source or from non-educational and general, or local funds.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

- 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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member’s salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

**Actuarial Assumptions**

The actuarial valuation of the total pension liability was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020, and was determined using the following actuarial methods and assumptions:

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 as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2119
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	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 Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection 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 geometric real rates of return for each major asset class included in TRS’s target asset allocation as of August 31, 2020, are summarized below:

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Geometric Real Rate of Return**</b>	<b>Expected Contribution to Long Term Portfolio Returns</b>
Global equity:			
U.S.	18.00%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government Bonds	16.00%	-0.07%	-0.05%
Absolute return	0.00%	1.80%	0.00%
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real Estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
<b>Totals</b>	<b>100.0%</b>		<b>7.33%</b>

\* Target allocations are based on the FY2020 policy model

\*\* Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**Discount Rate Sensitivity Analysis**

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	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	\$ 114,452,480	\$ 74,224,260	\$ 41,539,712

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

At June 30, 2021, the District reported a liability of \$74,224,260 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	\$ 74,224,260
State's proportionate share that is associated with the District	108,644,453
<b>Total</b>	<b>\$ 182,868,713</b>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2019, rolled forward to August 31, 2020. 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, 2019 through August 31, 2020.

At August 31, 2020, the District's proportion of the collective net pension liability was 0.13859 percent, a decrease of .0096 percent from its proportionate share of 0.148151 percent at August 31, 2019.

**Change of Assumptions Since the Prior Measurement Date**

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

**Change of Benefit Terms Since the Prior Measurement Date**

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, 2021, the District recognized pension expense of \$18,061,043 and revenue of \$13,067,515 for support provided by the State.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

At June 30, 2021, 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
Differences between expected and actual economic experience	\$ 135,528	\$ (2,071,402)
Changes in actuarial assumptions	17,222,669	(7,322,959)
Difference between projected and actual investment earnings	1,502,606	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,623,848	(4,307,821)
Contributions paid to TRS subsequent to the measurement date	4,881,720	-
<b>Total</b>	<b>\$ 25,366,371</b>	<b>\$ (13,702,182)</b>

Contributions paid to TRS subsequent to the measurement dates will be recognized as a reduction of the pension liability in the year ended June 30, 2022 and are reported as deferred outflows of resources in the amount of \$4,881,720. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized on pension expense as follows:

Year Ending June 30,	
2022	\$ 2,029,116
2023	2,936,120
2024	2,863,845
2025	554,838
2026	(1,387,670)
Thereafter	(213,780)
	<u>\$ 6,782,469</u>

**Note 10. 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 Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 a basic health insurance coverage (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS – Care 3\_

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 is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

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 employer. 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>2021</u>	<u>2020</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 remitted by employers	1.25%	1.25%

**Birdville Independent School District**  
 Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2021 are as follows:

District contributions	\$	1,382,343
Member contributions		1,057,401
NECE on-behalf contributions (state)		1,857,512

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 \$2.2 million in fiscal year 2020.

**Actuarial Assumptions**

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

**Birdville Independent School District**  
Notes to the Basic Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.33%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

**Discount Rate**

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 0.3% in the discount rate since the August 31, 2019 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.”

**Discount Rate Sensitivity Analysis**

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
	<hr/>	<hr/>	<hr/>
District’s proportionate share of the Net OPEB Liability	\$ 82,964,478	\$ 69,137,196	\$ 58,215,629

**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 healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District’s proportionate share of the Net OPEB Liability	\$ 56,476,232	\$ 69,137,196	\$ 85,999,812

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

At June 30, 2021, the District reported a liability of \$69,137,196 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	\$ 69,137,196
State’s proportionate share of the net OPEB liability associated with the District	92,903,819
<b>Total</b>	<b>\$ 162,041,015</b>

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of August 31, 2019 rolled forward to August 31, 2020. The District’s proportion of the net OPEB liability was based on the District’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020, the employer’s proportion of the collective net OPEB liability was 0.1818705167 percent which was a decrease of 0.0027975 percent from its proportion measured as of August 31, 2019.

**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 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress’ repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

**Change of Benefit Terms Since the Prior Measurement Date**

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

For the fiscal year ended June 30, 2021, the District recognized negative OPEB expense of \$1,520,143 and revenue of \$645,089 for support provided by the State.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

At June 30, 2021, the District reported its proportionate share of the TRS's 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	\$ 3,619,996	\$ (31,640,716)
Changes of assumptions	4,264,327	(18,985,431)
Net difference between projected and actual earnings on pension plan investments	22,467	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	2,306,141	(2,062,625)
District contributions after measurement date	1,149,099	-
Totals	<u>\$ 11,362,030</u>	<u>\$ (52,688,772)</u>

The deferred outflow of resources relating to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The net amounts of the remaining balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2022	\$ (7,001,178)
2023	(7,004,181)
2024	(7,005,899)
2025	(7,005,429)
2026	(5,158,744)
Thereafter	<u>(9,300,410)</u>
Total	<u>\$ (42,475,841)</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, 2019, June 30, 2020, and June 30, 2021, the subsidy payments received by the TRS-Care on behalf of the District were \$585,781, \$691,332 and \$785,993, respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

**Note 11. 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 \$52,538 reported in the self-insurance fund at June 30, 2021 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, 2021 and 2020 are as follows:

	2021	2020
Liability, beginning of year	\$ 57,312	\$ 64,350
Current year claims and changes in estimates	(628)	(387)
Claim payments	(4,146)	(6,651)
Liability, end of year	<u>\$ 52,538</u>	<u>\$ 57,312</u>

**Note 12. 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 13. 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, 2021, 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	Federal and State Entitlements
General	\$ 16,645,506
Nonmajor	9,651,994
Total	<u>\$ 26,297,500</u>

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**Note 14. Unearned Revenue**

Unearned revenue at June 30, 2021 consisted of the following:

Fund	Nonmajor Fund	Enterprise Fund	Total
Grant funds	\$ 65,288	\$ -	\$ 65,288
State funding	188,666	-	188,666
Federal funding	875	-	875
Rental payments	-	84,508	84,508
Total	<u>\$ 254,829</u>	<u>\$ 84,508</u>	<u>\$ 339,337</u>

**Note 15. Interfund Balances and Activities**

Interfund balances at June 30, 2021 consisted of the following individual fund balances:

	Due To	Due From	Purpose
General fund			
Nonmajor fund	\$ -	\$ 7,216,385	Investment maturities and reimbursement of expenditures
Debt service fund	620,832	-	Investment maturity and pending tax collection transfers
Capital projects fund	-	55,291	Investment maturity and transfer in for year-end projects
Total general fund	<u>620,832</u>	<u>7,271,676</u>	
Debt service fund			
General fund	-	620,832	Investment maturity and pending tax collection transfers
Capital projects fund			
General fund	<u>154,545</u>	<u>99,254</u>	Investment maturity and transfer in for year-end projects
Nonmajor Funds			
General fund	8,073,983	857,598	Investment maturities and reimbursement of expenditures
Total Nonmajor Funds	<u>8,073,983</u>	<u>857,598</u>	
Totals	<u>\$ 8,849,360</u>	<u>\$ 8,849,360</u>	

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

During the year ended June 30, 2021, the District transferred \$6,001,804 from general fund and \$380,000 from nonmajor funds to capital project funds to commit funds for capital projects.

**Birdville Independent School District**  
Notes to the Basic Financial Statements

**Note 16. 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 \$970,680 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, 2021, the remainder of the District's textbooks have minimal value and are not otherwise reflected elsewhere in these statements.

**Note 17. Construction Commitments**

As of June 30, 2021, the District had entered into several construction contracts for various construction projects totaling \$175,724,476. At June 30, 2021, there was \$28,186,904 of remaining costs under these contracts.

**Note 18. COVID-19**

Although the COVID-19 pandemic has improved with the vaccine availability, it continues to have an impact on the District operational activities and the overall economy. The 2021-22 school year currently includes a drop in projected enrollment of around two percent. When budgets were developed in May and June 2021, cases from the COVID-19 pandemic had significantly declined. A surge later in the summer due to the Delta Variant created a drop in elementary enrollment since vaccines were not currently available for children under 12. COVID-19 cases in District students had increased in the first six weeks' period but have since declined significantly. Student attendance has also improved. The District will be using Federal ESSER funds to offset any state revenue losses due to the lower enrollment. The District is unable to accurately predict how COVID-19 will affect the results of its future operations because the virus's severity and the duration of the pandemic are uncertain. With the vaccine for younger students projected availability in November 2021, the District expects future enrollment to increase back to normal levels as parents' confidence regarding student safety improves, thus improving the revenue outlook.

## Required Supplementary Information

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**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, 2021**

**Exhibit G-1**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 113,924,257	\$ 112,951,597	\$ 112,164,483	\$ (787,114)
5800	State program revenues	96,071,236	99,996,985	95,344,021	(4,652,964)
5900	Federal program revenues	5,075,000	5,292,710	5,440,751	148,041
5020	Total revenues	215,070,493	218,241,292	212,949,255	(5,292,037)
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	128,970,565	131,325,957	119,984,606	11,341,351
0012	Instructional resources and media services	2,946,796	2,995,597	2,858,587	137,010
0013	Curriculum and instructional staff development	6,323,522	7,326,884	6,391,606	935,278
0021	Instructional leadership	3,545,515	3,651,563	2,938,057	713,506
0023	School leadership	13,677,181	14,051,794	13,512,479	539,315
0031	Guidance, counseling and evaluation services	9,040,234	10,132,113	9,154,413	977,700
0032	Social work services	324,361	352,773	293,712	59,061
0033	Health services	3,023,511	3,136,756	2,817,615	319,141
0034	Student (pupil) transportation	4,964,613	5,153,660	4,372,507	781,153
0036	Extracurricular activities	5,387,248	5,915,150	5,293,772	621,378
0041	General administration	6,901,474	7,011,441	6,729,743	281,698
0051	Facilities maintenance and operations	22,059,264	23,768,970	20,961,789	2,807,181
0052	Security and monitoring services	1,373,707	1,513,868	1,385,135	128,733
0053	Data processing services	5,430,341	5,596,003	5,307,278	288,725
0061	Community services	324,584	326,516	222,673	103,843
Debt service:					
0071	Principal and interest on long-term debt	121,649	121,649	119,721	1,928
Capital outlay:					
0081	Facilities acquisition and construction	40,000	41,523	17,249	24,274
Intergovernmental:					
0093	Payments to fiscal agent SSA	577,000	519,325	509,325	10,000
0095	Payments to juvenile justice alternative education program	50,000	25,000	8,643	16,357
0097	Payments to tax increment fund	-	-	-	-
0099	Other intergovernmental charges	798,000	798,000	716,689	81,311
6030	Total expenditures	215,879,565	223,764,542	203,595,599	20,168,943
1100	Excess (deficiency) of revenues over (under) Expenditures	(809,072)	(5,523,250)	9,353,656	14,876,906
<b>OTHER FINANCING SOURCES (USES)</b>					
8911	Transfers out	-	(6,001,804)	(6,001,804)	-
7080	Total other financing sources (uses)	-	(6,001,804)	(6,001,804)	-
1200	Net change in fund balances	(809,072)	(11,525,054)	3,351,852	14,876,906
0100	Fund balance - July 1 (beginning)	83,109,915	83,109,915	83,109,915	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 82,300,843</b>	<b>\$ 71,584,861</b>	<b>\$ 86,461,767</b>	<b>\$ 14,876,906</b>

## 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 Seven Fiscal Years

	<u>2021</u>	<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 (asset)	0.13858679%	0.14815058%	0.14840880%	0.14737013%	0.15221500%	0.15805076%	0.11684070%
District's proportionate share or net pension liability (asset)	\$ 74,224,260	\$ 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 (asset) associated with the District	108,644,453	102,814,965	113,232,127	68,174,989	86,004,619	82,444,446	71,390,585
<b>TOTALS</b>	<b>\$ 182,868,713</b>	<b>\$ 179,828,270</b>	<b>\$ 194,919,932</b>	<b>\$ 115,296,019</b>	<b>\$ 143,524,405</b>	<b>\$ 138,315,704</b>	<b>\$ 102,600,352</b>
District's covered payroll	163,010,578	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	45.53%	49.66%	53.66%	31.54%	38.68%	38.69%	22.03%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	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, 2020 for Year 2021, August 31, 2019 for Year 2020, August 31, 2018 for Year 2019, August 31, 2017 for 2018, August 31, 2016 for 2017 and August 31, 2015 for 2016.

Note: In accordance with GASB 68, Paragraph 138, only seven 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 Seven Fiscal Years

**Exhibit G-3**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,707,250	\$ 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>(3,707,250)</u>	<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>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>						
District's covered payroll	\$ 162,513,120	\$ 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	2.28%	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, 2020 for Year 2021, August 31, 2019 for Year 2020, August 31, 2018 for Year 2019, August 31, 2017 for 2018, August 31, 2016 for 2017 and August 31, 2015 for 2016.

Note: In accordance with GASB 68, Paragraph 138, only seven 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 Four Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.18187051670%	0.18466805330%	0.18569339350%	0.18009116910%
District's proportionate share of net OPEB liability	\$ 69,137,196	\$ 87,331,782	\$ 92,718,411	\$ 78,314,894
State's proportionate share of the net OPEB liability associated with the District	<u>92,903,819</u>	<u>116,044,407</u>	<u>127,991,692</u>	<u>114,520,097</u>
<b>TOTAL</b>	<u>\$ 162,041,015</u>	<u>\$ 203,376,189</u>	<u>\$ 220,710,103</u>	<u>\$ 192,834,991</u>
District's covered-employee payroll	<u>\$ 163,010,578</u>	<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	42%	56%	61%	52%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

\*Note: Only four years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2021, 2020, 2019 and 2018 are not available.

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

**Exhibit G-5**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,369,166	\$ 1,357,316	\$ 983,474	\$ 962,118
Contribution in relation to the contractually required contribution	<u>(1,369,166)</u>	<u>(1,357,316)</u>	<u>(983,474)</u>	<u>(962,118)</u>
Contribution deficiency (excess)	-	-	-	-
District's covered-employee payroll	\$ 162,513,120	\$ 162,135,791	\$ 154,589,354	\$ 151,667,872
Contributions as a percentage of covered-employee payroll	0.84%	0.84%	0.64%	0.63%

\*Note: Only four years of data is presented in accordance with GASB Standard No. 75  
 as the data for the years other than 2021, 2020, 2019 and 2018 are not available.

## **Birdville Independent School District**

Notes to Required Supplementary Information

Year Ended June 30, 2021

### **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 state revenue in the amount of \$2.6 million as a result of clarification of new funding formulas after the fiscal year started.
2. Budget expenditures increase to reflect the rollover of \$4.1 million from fiscal year 2020 to fund incomplete facility improvement and other year-end projects.

**Birdville Independent School District**  
Notes to Required Supplementary Information  
Year Ended June 30, 2021

**Net Pension Liability and Net OPEB Liability**

The following factors significantly affect trends in the amounts reported for the District’s proportionate share of the net pension liability and net OPEB liability:

**Changes in actuarial assumptions and inputs**

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

**Changes in demographic and economic assumptions**

For Measurement Date August 31, 2020 – Net Pension Liability and Net OPEB Liability:

- There were no changes in assumptions since the prior measurement date for Net Pension Liability.
- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress’ repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB liability.

**Changes in benefit terms**

For Measurement Date August 31, 2020 – Net Pension Liability and Net OPEB Liability:

- There were no changes in benefit terms since the prior measurement date for Net Pension Liability and Net OPEB Liability.

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## **Other Supplementary Information**

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# Combining Statements

**Birdville Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

<u>Data Control Codes</u>	<u>211 ESEA I, A Improving Basic Programs</u>	<u>220 Adult Education Federal</u>	<u>224 IDEA - Part B Formula</u>	<u>225 IDEA - Part B Preschool</u>	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments-current	-	-	-	-
1240	Due from other governments	985,649	114,264	1,039,339	26,487
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1910	Long-term investments	-	-	-	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 985,649</b>	<b>\$ 114,264</b>	<b>\$ 1,039,339</b>	<b>\$ 26,487</b>
<b>LIABILITIES</b>					
2110	Accounts payable	\$ 32,466	\$ 1,987	\$ -	\$ -
2160	Accrued wages payable	475,871	13,922	618,106	16,926
2170	Due to other funds	477,312	98,355	421,233	9,561
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	985,649	114,264	1,039,339	26,487
<b>FUND BALANCES</b>					
Nonspendable fund balance:					
3410	Inventories	-	-	-	-
3430	Prepays	-	-	-	-
Restricted fund balance:					
3450	Federal or state funds grants	-	-	-	-
Committed fund balance:					
3545	Other committed fund balance	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 985,649</b>	<b>\$ 114,264</b>	<b>\$ 1,039,339</b>	<b>\$ 26,487</b>

Exhibit H-1

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 I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,680,791	-	-	-	-	-
117,936	42,802	147,962	73,803	832,161	175,323
-	-	-	-	-	-
413,004	-	-	-	-	-
-	-	-	-	-	-
160,631	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,372,362</u>	<u>\$ 42,802</u>	<u>\$ 147,962</u>	<u>\$ 73,803</u>	<u>\$ 832,161</u>	<u>\$ 175,323</u>
\$ 7,704	\$ -	\$ 93	\$ -	\$ 16,993	\$ -
536,137	20,224	86,333	37,127	110,418	-
-	22,578	61,536	36,676	704,750	175,323
-	-	-	-	-	-
875	-	-	-	-	-
<u>544,716</u>	<u>42,802</u>	<u>147,962</u>	<u>73,803</u>	<u>832,161</u>	<u>175,323</u>
160,631	-	-	-	-	-
-	-	-	-	-	-
2,667,015	-	-	-	-	-
-	-	-	-	-	-
<u>2,827,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,372,362</u>	<u>\$ 42,802</u>	<u>\$ 147,962</u>	<u>\$ 73,803</u>	<u>\$ 832,161</u>	<u>\$ 175,323</u>

**Birdville Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

Data Control Codes	276 Title I SIP Grant	281 ESSER II	289 Other Federal Special Revenue Funds	315 SSA IDEA, PART B Discretionary	340 SSA - IDEA C Deaf - Early Intervention
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments-current	-	-	-	-
1240	Due from other governments	14,604	5,010,995	53,932	262
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1910	Long-term investments	-	-	-	-
1000	<b>TOTAL ASSETS</b>	<u>\$ 14,604</u>	<u>\$ 5,010,995</u>	<u>\$ 53,932</u>	<u>\$ 262</u>
<b>LIABILITIES</b>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 46
2160	Accrued wages payable	-	-	20,931	-
2170	Due to other funds	14,604	5,010,995	33,001	216
2190	Due to student groups	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>14,604</u>	<u>5,010,995</u>	<u>53,932</u>	<u>262</u>
<b>FUND BALANCES</b>					
Nonspendable fund balance					
3410	Inventories	-	-	-	-
3430	Prepays	-	-	-	-
Restricted fund balance					
3450	Federal or state funds grants	-	-	-	-
Committed fund balance					
3545	Other committed fund balance	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 14,604</u>	<u>\$ 5,010,995</u>	<u>\$ 53,932</u>	<u>\$ 262</u>

Exhibit H-1 (Cont'd)

385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
14,844	-	349,029	16,104	134,189
-	-	-	-	-
-	24,053	-	14,483	284,128
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 14,844</u>	<u>\$ 24,053</u>	<u>\$ 349,029</u>	<u>\$ 30,587</u>	<u>\$ 418,317</u>
\$ -	\$ -	\$ 167,000	\$ 8,718	\$ 479
-	-	14,898	-	251,041
14,844	-	167,131	-	-
-	-	-	-	-
-	-	-	21,869	166,797
<u>14,844</u>	<u>-</u>	<u>349,029</u>	<u>30,587</u>	<u>418,317</u>
-	-	-	-	-
-	-	-	-	-
-	24,053	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>24,053</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 14,844</u>	<u>\$ 24,053</u>	<u>\$ 349,029</u>	<u>\$ 30,587</u>	<u>\$ 418,317</u>

**Birdville Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

<u>Data Control Codes</u>	<u>461 Campus Activity Funds</u>	<u>481 Other Grants</u>	<u>489 Other Local Special Revenue Funds</u>	<u>492 Athletic Competition</u>
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 1,435	\$ -	\$ -
1120	Investments-current	2,375,130	-	52,782
1240	Due from other governments	-	473,995	-
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	42,071
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	41,817	-	-
1910	Long-term investments	-	-	-
1000	<b>TOTAL ASSETS</b>	<u>\$ 2,418,382</u>	<u>\$ 473,995</u>	<u>\$ 94,853</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ 982	\$ -	\$ 170
2160	Accrued wages payable	-	-	-
2170	Due to other funds	332,540	473,995	2,634
2190	Due to student groups	601,349	-	-
2300	Unearned revenues	-	-	60,288
2000	Total liabilities	934,871	473,995	62,922
<b>FUND BALANCES</b>				
Nonspendable fund balance:				
3410	Inventories	-	-	-
3430	Prepays	41,817	-	-
Restricted fund balance				
3450	Federal or state funds grants	-	-	-
Committed fund balance				
3545	Other committed fund balance	1,441,694	-	31,931
3000	Total fund balances	1,483,511	-	31,931
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,418,382</u>	<u>\$ 473,995</u>	<u>\$ 94,853</u>

Exhibit H-1 (Cont'd)

493	494	497	498	Total
Afterschool Program	Career Tech	Birdville Education Foundation	Legacy Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,435
-	-	-	5,130,775	10,239,478
-	-	-	-	9,651,994
-	-	-	47,798	47,798
9,850	46,310	23,529	-	857,598
-	-	-	45,894	45,894
-	-	-	-	160,631
-	-	-	-	41,817
-	-	-	3,277,984	3,277,984
<u>\$ 9,850</u>	<u>\$ 46,310</u>	<u>\$ 23,529</u>	<u>\$ 8,502,451</u>	<u>\$ 24,324,629</u>
\$ -	\$ -	\$ 18,529	\$ 961	256,128
9,850	-	-	-	2,224,956
-	-	-	1,557	8,073,983
-	-	-	64	601,413
-	-	5,000	-	254,829
<u>9,850</u>	<u>-</u>	<u>23,529</u>	<u>2,582</u>	<u>11,411,309</u>
-	-	-	-	160,631
-	-	-	-	41,817
-	-	-	-	2,691,068
-	46,310	-	8,499,869	10,019,804
-	46,310	-	8,499,869	12,913,320
<u>\$ 9,850</u>	<u>\$ 46,310</u>	<u>\$ 23,529</u>	<u>\$ 8,502,451</u>	<u>\$ 24,324,629</u>

# Birdville Independent School District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Programs	220 Adult Education Federal	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-	-
5900 Federal program revenues	4,616,488	431,061	4,603,064	104,242
5020 Total revenues	4,616,488	431,061	4,603,064	104,242
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	3,260,699	219,132	2,324,487	104,242
0012 Instructional resources and media services	-	-	-	-
0013 Curriculum and instructional staff development	919,392	64,384	-	-
0021 Instructional leadership	225,876	141,966	-	-
0023 School leadership	2,913	-	-	-
0031 Guidance, counseling and evaluation services	1,200	-	2,171,353	-
0032 Social work services	42,000	-	-	-
0033 Health services	-	-	-	-
0034 Student (pupil) transportation	-	-	57,224	-
0035 Food services	-	-	-	-
0036 Extracurricular activities	13,800	-	-	-
0041 General administration	-	-	-	-
0051 Facilities maintenance and operations	-	5,579	-	-
0052 Security and monitoring services	-	-	-	-
0061 Community services	150,608	-	-	-
0081 Facilities acquisition and construction	-	-	-	-
0093 Payment to fiscal agent/member districts of SSA	-	-	50,000	-
6030 Total expenditures	4,616,488	431,061	4,603,064	104,242
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
8911 Transfers out (use)	-	-	-	-
7080 Total other financing sources (uses)	-	-	-	-
1200 Net change in fund balance	-	-	-	-
0100 Fund balance - July 1 (beginning)	-	-	-	-
3000 <b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Exhibit H-2

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
\$ 630,801	\$ -	\$ -	\$ -	\$ -	\$ -
317,708	-	-	-	-	-
6,943,051	264,972	602,104	402,227	3,534,737	1,423,184
7,891,560	264,972	602,104	402,227	3,534,737	1,423,184
-	21,491	-	109,059	1,674,350	255,704
-	-	-	-	-	-
-	243,481	598,472	228,383	1,131,481	-
-	-	1,500	90	323,224	-
-	-	2,132	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,196,148	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	305,537	-
-	-	-	-	-	-
-	-	-	64,695	100,145	-
-	-	-	-	-	1,167,480
-	-	-	-	-	-
9,196,148	264,972	602,104	402,227	3,534,737	1,423,184
(1,304,588)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,304,588)	-	-	-	-	-
4,132,234	-	-	-	-	-
\$ 2,827,646	\$ -	\$ -	\$ -	\$ -	\$ -

# Birdville Independent School District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2021

Data Control Codes	276 Title I SIP Grant	281 ESSER II	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-	-
5900 Federal program revenues	67,383	4,617,256	392,102	86,614
5020 Total revenues	67,383	4,617,256	392,102	86,614
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	67,383	4,617,256	9,660	86,614
0012 Instructional resources and media services	-	-	-	-
0013 Curriculum and instructional staff development	-	-	-	-
0021 Instructional leadership	-	-	-	-
0023 School leadership	-	-	-	-
0031 Guidance, counseling and evaluation services	-	-	258,821	-
0032 Social work services	-	-	-	-
0033 Health services	-	-	-	-
0034 Student (pupil) transportation	-	-	-	-
0035 Food services	-	-	-	-
0036 Extracurricular activities	-	-	-	-
0041 General administration	-	-	-	-
0051 Facilities maintenance and operations	-	-	-	-
0052 Security and monitoring services	-	-	123,621	-
0061 Community services	-	-	-	-
0081 Facilities acquisition and construction	-	-	-	-
0093 Payment to fiscal agent/member districts of SSA	-	-	-	-
6030 Total expenditures	67,383	4,617,256	392,102	86,614
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
8911 Transfers out (use)	-	-	-	-
7080 Total other financing sources (uses)	-	-	-	-
1200 Net change in fund balance	-	-	-	-
0100 Fund balance - July 1 (beginning)	-	-	-	-
3000 <b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Exhibit H-2 (Cont'd)

340 SSA - IDEA C Deaf- Early Intervention	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 Instructional Materials Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125,104	\$ 1,159,733
-	15,950	9,450	970,680	414,891	531,508	-
1,795	-	-	-	-	-	-
1,795	15,950	9,450	970,680	414,891	1,656,612	1,159,733
1,735	15,385	-	639,479	9,670	1,451,650	751,307
-	-	-	-	31	-	9,634
60	565	26,895	331,201	-	1,060	16,403
-	-	-	-	-	99,287	-
-	-	-	-	-	-	9,990
-	-	-	-	77,687	104,615	-
-	-	-	-	-	-	-
-	-	-	-	-	-	100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	351,835
-	-	-	-	-	-	-
-	-	-	-	-	-	9,722
-	-	-	-	327,503	-	19,156
-	-	-	-	-	-	52,478
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,795	15,950	26,895	970,680	414,891	1,656,612	1,220,625
-	-	(17,445)	-	-	-	(60,892)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(17,445)	-	-	-	(60,892)
-	-	41,498	-	-	-	1,544,403
\$ -	\$ -	\$ 24,053	\$ -	\$ -	\$ -	\$ 1,483,511

# Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2021

<u>Data Control Codes</u>	<u>481 Other Grants</u>	<u>489 Other Local Special Revenue Funds</u>	<u>492 Athletic Competition</u>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ -	\$ 131,940	\$ 11,302
5800 State program revenues	473,995	-	-
5900 Federal program revenues	-	-	-
5020 Total revenues	<u>473,995</u>	<u>131,940</u>	<u>11,302</u>
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	-	91,450	-
0012 Instructional resources and media services	-	-	-
0013 Curriculum and instructional staff development	-	4,919	-
0021 Instructional leadership	-	1,000	-
0023 School leadership	-	1,000	-
0031 Guidance, counseling and evaluation services	-	22,027	-
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student (pupil) transportation	473,995	-	-
0035 Food services	-	-	-
0036 Extracurricular activities	-	-	10,542
0041 General administration	-	-	-
0051 Facilities maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	760
0061 Community services	-	11,544	-
0081 Facilities acquisition and construction	-	-	-
0093 Payment to fiscal agent/member districts of SSA	-	-	-
6030 Total expenditures	<u>473,995</u>	<u>131,940</u>	<u>11,302</u>
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
8911 Transfers out (use)	-	-	-
7080 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balance	-	-	-
0100 Fund balance - July 1 (beginning)	<u>-</u>	<u>31,931</u>	<u>-</u>
3000 <b>FUND BALANCE - JUNE 30 (ENDING)</b>	<u><u>\$ -</u></u>	<u><u>\$ 31,931</u></u>	<u><u>\$ -</u></u>

Exhibit H-2 (Cont'd)

493 After School Program	494 Career Tech	497 Birdville Education Foundation	498 Legacy Fund	Total Nonmajor Governmental Funds
\$ 3,150	\$ -	\$ 110,855	\$ 558,592	\$ 3,731,477
-	-	-	-	2,734,182
-	-	-	-	28,090,280
3,150	-	110,855	558,592	34,555,939
-	-	96,250	128,421	15,935,424
-	-	5,277	-	14,942
-	-	1,863	-	3,568,559
-	-	-	-	792,943
-	-	-	-	16,035
-	-	1,870	-	2,637,573
-	-	-	-	42,000
-	-	-	-	100
-	-	-	-	531,219
-	-	-	-	9,196,148
3,150	-	-	-	379,327
-	-	-	27,505	27,505
-	-	-	-	320,838
-	-	-	-	471,040
-	-	5,595	-	385,065
-	-	-	-	1,167,480
-	-	-	-	50,000
3,150	-	110,855	155,926	35,536,198
-	-	-	402,666	(980,259)
-	-	-	(380,000)	(380,000)
-	-	-	(380,000)	(380,000)
-	-	-	22,666	(1,360,259)
-	46,310	-	8,477,203	14,273,579
\$ -	\$ 46,310	\$ -	\$ 8,499,869	\$ 12,913,320

**Birdville Independent School District**  
 Combining Balance Sheet – Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2021

<u>Data Control Codes</u>	<u>650 Local Capital Projects</u>	<u>651 2018 Capital Projects</u>	<u>652 2019 Capital Projects</u>
<b>ASSETS</b>			
1120 Investments-current	\$ 801,705	\$ 86,644	\$ 2,383,777
1250 Accrued interest	-	-	-
1260 Due from other funds	-	384	-
1910 Long-term investments	-	-	-
1000 Total assets	<u>\$ 801,705</u>	<u>\$ 87,028</u>	<u>\$ 2,383,777</u>
<b>LIABILITIES</b>			
2110 Accounts payable	\$ -	\$ -	\$ -
2171 Due to other funds	154,545	-	-
2000 Total liabilities	<u>154,545</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted fund balance:			
3470 Capital acquisition and contractual obligation	-	-	-
Committed fund balance:			
3545 Other committed fund balance	647,160	87,028	2,383,777
3000 Total fund balances	<u>647,160</u>	<u>87,028</u>	<u>2,383,777</u>
4000 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 801,705</u>	<u>\$ 87,028</u>	<u>\$ 2,383,777</u>

653 Capital Projects Year 2020	654 Capital Projects Year 2021	690 2018 Bond Program	694 Other Bond Funded Projects	Total Capital Projects
\$ 1,715,872	\$ 6,220,825	\$ 80,082,999	\$ 12,758	\$ 91,304,580
-	-	8,831	-	8,831
-	-	98,870	-	99,254
-	-	4,993,110	-	4,993,110
<u>\$ 1,715,872</u>	<u>\$ 6,220,825</u>	<u>\$ 85,183,810</u>	<u>\$ 12,758</u>	<u>\$ 96,405,775</u>
\$ 470,458	\$ 330	\$ 18,106,838	\$ -	\$ 18,577,626
-	-	-	-	154,545
<u>470,458</u>	<u>330</u>	<u>18,106,838</u>	<u>-</u>	<u>18,732,171</u>
-	-	67,076,972	12,758	67,089,730
1,245,414	6,220,495	-	-	10,583,874
<u>1,245,414</u>	<u>6,220,495</u>	<u>67,076,972</u>	<u>12,758</u>	<u>77,673,604</u>
<u>\$ 1,715,872</u>	<u>\$ 6,220,825</u>	<u>\$ 85,183,810</u>	<u>\$ 12,758</u>	<u>\$ 96,405,775</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, 2021

<u>Data Control Codes</u>	<u>650 Local Capital Projects</u>	<u>651 2018 Capital Projects</u>	<u>652 2019 Capital Projects</u>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ 912	\$ 122	\$ 1,753
5020 Total revenues	912	122	1,753
<b>EXPENDITURES</b>			
Current:			
0034 Student (pupil) transportation	-	-	-
0036 Extracurricular activities	-	-	-
0041 General administration	-	1,070	-
0051 Facilities maintenance and operations	-	14,527	115,343
0052 Security and monitoring services	-	-	254
0053 Data processing services	139,864	-	-
0073 Debt Issuance Costs	-	-	-
Capital outlay:			
0081 Facilities acquisition and construction	19,200	-	1,282,776
6030 Total expenditures	159,064	15,597	1,398,373
1100 Deficiency of revenues under expenditures	(158,152)	(15,475)	(1,396,620)
<b>OTHER FINANCING SOURCES (USES)</b>			
7911 Issuance of debt	-	-	-
7916 Premiums on issuance of debt	-	-	-
7915 Transfers in	-	-	-
8911 Transfers out	(237,244)	(45,123)	-
7080 Total other financing sources (uses)	(237,244)	(45,123)	-
1200 Net change in fund balance	(395,396)	(60,598)	(1,396,620)
0100 Fund balance - July 1 (beginning)	1,042,556	147,626	3,780,397
3000 <b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 647,160</b>	<b>\$ 87,028</b>	<b>\$ 2,383,777</b>

653 Capital Projects Year 2020	654 Capital Projects Year 2021	690 2018 Bond Program	694 Bond Funded Projects	Total Capital Projects
\$ 3,651	\$ 29	\$ 155,681	\$ 1,049	\$ 163,197
3,651	29	155,681	1,049	163,197
785,687	-	-	-	785,687
152,342	-	-	-	152,342
-	-	-	-	1,070
361,163	113,238	-	-	604,271
22,630	-	-	-	22,884
-	-	-	-	139,864
-	-	249,579	-	249,579
2,548,117	-	131,731,428	1,883,840	137,465,361
3,869,939	113,238	131,981,007	1,883,840	139,421,058
(3,866,288)	(113,209)	(131,825,326)	(1,882,791)	(139,257,861)
-	-	24,345,000	-	24,345,000
-	-	3,953,714	-	3,953,714
380,000	6,333,704	-	-	6,713,704
(49,533)	-	-	-	(331,900)
330,467	6,333,704	28,298,714	-	34,680,518
(3,535,821)	6,220,495	(103,526,612)	(1,882,791)	(104,577,343)
4,781,235	-	170,603,584	1,895,549	182,250,947
\$ 1,245,414	\$ 6,220,495	\$ 67,076,972	\$ 12,758	\$ 77,673,604

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# TEA Required Schedules

**Birdville Independent School District**  
 Schedule of Delinquent Taxes Receivable  
 For the Fiscal Year Ended June 30, 2021

Year Ended June 30,	(1) Tax Rates		(2)	(3) Assessed / Appraised Value for School Tax Purposes	(10) Beginning Balance 7/1/2020
	Maintenance	Debt Service			
2012 and prior years	\$ Various	\$ Various		\$ Various	\$ 3,102,227
2013	1.0400	0.3950		7,179,065,201	248,269
2014	1.0400	0.3950		7,356,610,245	447,407
2015	1.0400	0.3950		7,729,615,278	390,245
2016	1.0400	0.4139		7,655,135,278	438,107
2017	1.0400	0.4139		8,451,129,156	411,979
2018	1.0400	0.4139		9,474,869,141	411,510
2019	1.0400	0.4139		10,364,461,281	892,795
2020	0.9700	0.4139		11,557,915,321	3,095,777
2021 (School year under audit)	0.9664	0.4139		12,158,792,548	-
<b>1000 TOTALS</b>					<b>\$ 9,438,316</b>

Exhibit J-1

(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ -	\$ 28,607	\$ 6,362	\$ (121,651)	\$ 2,945,607
-	3,267	1,241	(1)	243,760
-	5,214	1,980	(1)	440,212
-	10,633	4,039	(93)	375,480
-	14,758	5,873	2,318	419,794
-	23,718	9,439	10,555	389,377
-	45,531	18,121	17,396	365,254
-	56,671	22,554	(39,107)	774,463
-	1,091,382	465,692	(840,215)	698,488
<u>158,414,767</u>	<u>109,223,695</u>	<u>46,779,469</u>	<u>-</u>	<u>2,411,603</u>
<u><u>\$ 158,414,767</u></u>	<u><u>\$ 110,503,476</u></u>	<u><u>\$ 47,314,770</u></u>	<u><u>\$ (970,799)</u></u>	<u><u>\$ 9,064,038</u></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, 2021

**Exhibit J-2**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 3,129,639	\$ 615,000	\$ 630,801	\$ 15,801
5800	State program revenues	293,807	255,580	317,708	62,128
5900	Federal program revenues	8,294,438	9,697,306	6,943,051	(2,754,255)
5020	Total revenues	11,717,884	10,567,886	7,891,560	(2,676,326)
<b>EXPENDITURES</b>					
0035	Food services	13,392,560	12,105,804	9,196,148	2,909,656
6030	Total expenditures	13,392,560	12,105,804	9,196,148	2,909,656
1200	Net change in fund balances	(1,674,676)	(1,537,918)	(1,304,588)	233,330
0100	Fund balance - July 1 (beginning)	4,132,234	4,132,234	4,132,234	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 2,457,558</b>	<b>\$ 2,594,316</b>	<b>\$ 2,827,646</b>	<b>\$ 233,330</b>

**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, 2021

**Exhibit J-3**

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Total local and intermediate sources	\$ 48,286,873	\$ 47,618,113	\$ 47,447,842	\$ (170,271)
5800	State program revenues	644,568	1,043,841	1,145,997	102,156
5020	Total revenues	48,931,441	48,661,954	48,593,839	(68,115)
<b>EXPENDITURES</b>					
Debt service:					
0071	Principal and interest on long term debt	47,738,764	47,738,764	47,723,013	15,751
6030	Total expenditures	47,738,764	47,738,764	47,723,013	15,751
1100	Excess of revenues over expenditures	1,192,677	923,190	870,826	(52,364)
<b>OTHER FINANCING SOURCES (USES)</b>					
7917	Prepaid Interest	-	-	728,595	728,595
	Total other financing sources (uses)	-	-	728,595	728,595
1200	Net change in fund balance	1,192,677	923,190	1,599,421	676,231
0100	Fund balance - July 1 (beginning)	28,860,799	28,860,799	28,860,799	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 30,053,476</b>	<b>\$ 29,783,989</b>	<b>\$ 30,460,220</b>	<b>\$ 676,231</b>

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# Federal Awards Section

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**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, 2021, 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 16, 2021.

**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

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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 16, 2021



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

Board of Trustees  
Birdville Independent School District

**Report on Compliance for Each Major Federal 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* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### 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 program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of 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. 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 16, 2021

**Birdville Independent School District**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2021

Federal Grantor Agency	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures 6/30/2021
<b>US Department of Defense</b>			
<u>Direct Funding</u>			
Junior ROTC	12.000	220902	\$ 232,673
<b>TOTAL US Department of Defense</b>			<u>232,673</u>
 <b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Thru Workforce Solutions for Tarrant County</u>			
Adult Education (ABE)-Federal	84.002	20-SPC-AEL-003	431,061
<u>Passed Thru State Department of Education</u>			
ESEA, Title I, Part A-Improving Basic Programs	84.010A	21610101220902	3,816,334
ESEA, Title I, Part A-Improving Basic Programs	84.010A	20610101220902	979,423
Total Federal Assistance Listing Number 84.010A			<u>4,795,757</u>
IDEA-Part B, Formula	84.027A <sup>1</sup>	216600012209026600	4,091,609
IDEA-Part B, Formula	84.027A <sup>1</sup>	206600012209026600	690,237
SSA-IDEA-Part B, Discretionary	84.027A <sup>1</sup>	216600012209026673	89,979
Total Federal Assistance Listing Number 84.027A			<u>4,871,825</u>
IDEA-B Preschool	84.173A <sup>1</sup>	216610012209026610	30,818
IDEA-B Preschool	84.173A <sup>1</sup>	206610012209026610	77,307
			<u>108,125</u>
Total Special Education Cluster (IDEA)			4,979,950
SSA-IDEA-C ECI	84.181A	203911012209023911	1,796
Total Federal Assistance Listing Number 84.181A			<u>1,796</u>
Perkins Reserve Grant-Career Clusters	84.048A	21420006220902	272,606
Perkins Reserve Grant-Industry Certification	84.048A	204200287110007	1,807
Total Federal Assistance Listing Number 84.048A			<u>274,413</u>
Title IV, Part B-21st Century Community Learning Center	84.287C	216950247110002	1,655,031
Title IV, Part B-21st Century Community Learning Center	84.287C	206950247110002	330,278
Title IV, Part B-21st Century Community Learning Center	84.287C	216950267110006	1,359,184
Title IV, Part B-21st Century Community Learning Center	84.287C	206950267110006	275,098
Total Federal Assistance Listing Number 84.287C			<u>3,619,591</u>
ESEA Title III, Part A-English Language Acquisition	84.365A	21671001220902	336,895
ESEA Title III, Part A-English Language Acquisition	84.365A	20671001220902	80,952
Total Federal Assistance Listing Number 84.365A			<u>417,847</u>
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	21694501220902	468,833
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	20694501220902	156,655
Total Federal Assistance Listing Number 84.367A			<u>625,488</u>
Summer School LEP	84.369A	695519	8,989
Instructional Continuity	84.377A	17610740220902	70,000
ESEA, Title IV, Part A, Subpart 1	84.424A	21680101220902	253,239
ESEA, Title IV, Part A, Subpart 1	84.424A	20680101220902	144,754
Total Federal Assistance Listing Number 84.424A			<u>397,993</u>
COVID-19 - ESSER II GRANT	84.425D	21521001220902	5,010,995
COVID-19 - ESSER GRANT	84.425D	20521001220902	291,756
COVID-19 - Operation Connectivity	84.425D	52102035	1,167,480
Total Federal Assistance Listing Number 84.425D			<u>6,470,231</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>22,093,116</b>

**Birdville Independent School District**  
 Schedule of Expenditures of Federal Awards – Continued  
 Year Ended June 30, 2021

Federal Grantor Agency	Federal Assistance Listing Number	Grant Number	Expenditures, Indirect Costs and Refunds
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i><u>Passed Thru the State Department of Agriculture</u></i>			
School Breakfast Program	10.553 <sup>2</sup>	71402101	91,384
COVID-19 - School Breakfast Program - Summer Seamless Option	10.553 <sup>2</sup>	71402101	<u>1,160,241</u>
Total Federal Assistance Listing Number 10.553			<u>1,251,625</u>
National School Lunch Program-Cash Assistance	10.555 <sup>2</sup>	71302101	462,725
COVID-19 - National School Lunch Program-Cash Assistance- Summer Seamless Option	10.555 <sup>2</sup>	71302101	5,251,869
National School Lunch Program-Non-Cash Assistance	10.555 <sup>2</sup>	71302101	<u>704,541</u>
Total Federal Assistance Listing Number 10.555			<u>6,419,135</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>7,670,760</u>
<b>FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT</b>			
<i><u>Passed Thru the Texas Department of Emergency Management</u></i>			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	<u>33,150</u>
Total Federal Assistance Listing Number 21.019			<u>33,150</u>
<b>TOTAL FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT</b>			<u>33,150</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 30,029,699</u>
School Health & Related Services (SHARS) <sup>(3)</sup>			<u>3,501,332</u>
<b>TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3</b>			<u>\$ 33,531,031</u>

<sup>1</sup> Reported as Special Education Cluster (IDEA, Part B), as required by Compliance Supplement August 2021

<sup>2</sup> Reported as Child Nutrition Cluster, as required by Compliance Supplement August 2021

<sup>3</sup> SHARS is not considered federal financial assistance subject to requirements in accordance with Uniform Guidance

## **Birdville Independent School District**

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

### **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 includes the federal 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).

Federal 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 (Federal Assistance Listing Number 10.555), the District received like kind goods during the year. The monetary value of these goods was \$704,541 for the year ended June 30, 2021.

**Birdville Independent School District**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2021

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

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- 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 2 CFR 200.516(a)?  Yes  No

Identification of major programs:

Federal Assistance Listing Number:

10.553, 10.555 Child Nutrition Cluster  
 84.425D ESSER Grant (CARES Act)  
 84.027A, 84.173A Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs? \$900,891

Auditee qualified as low-risk auditee?  Yes  No

**Birdville Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**Section II – Financial Statement Findings**

There were no matters reported.

**Birdville Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**Section III – Federal Award Findings and Questioned Costs**

There were no matters reported.

**Birdville Independent School District**  
Schedule of Prior Year Audit Findings  
Year Ended June 30, 2021

**Section IV – Prior Year Audit Findings**

None noted.