

Birdville Independent School District

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

Birdville Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2023
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Introductory Section

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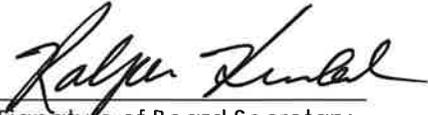
CERTIFICATE OF BOARD

Birdville Independent School District
Name of School District

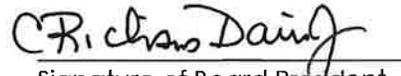
Tarrant
County

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, 2023, at a meeting of the Board of Trustees of such school district on the 16th day of November, 2023.



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 Audit of the Financial Statements

Opinions

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, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 6 to the basic financial statements, during the year ended June 30, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

The Board of Trustees
Birdville Independent School District

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

The Board of Trustees
Birdville Independent School District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information as listed in the table of contents, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 13, 2023

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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, 2023. 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 \$322.8 million combined governmental fund balance, an increase of \$140.4 million from the prior year. The increase was the result of a new bond issue that generated \$152.5 million, including premiums and an additional \$3.3 million in prepaid interest.
- Of the combined governmental fund balance at year-end, the District had \$69.7 million of committed fund balance, \$200.7 million in restricted fund balance, \$31.1 million in assigned fund balance, and \$20.1 million of unassigned fund balance. The remainder pertained to non-spendable balances of \$1.2 million.
- As of June 30, 2023, the General Fund had \$69.2 million in total fund balance, which represented 32.6 percent of fiscal year 2023 expenditures. The District committed \$13.0 million (5.7% of fiscal year 2024 budgeted expenditures) for other purposes and \$2.6 million for compensated absences. The District also committed \$1.7 million related to capital projects at year end. The District assigned \$31.1 million in fund balance for future financial needs. Of the remainder, \$20.1 million of unassigned fund balance was also available for future spending and current cash flow needs.
- At June 30, 2023, the District's net position was \$86.4 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 27.2 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 2023, 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 31-33 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 34-35 of this report.

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

Table I				
Major Features of the District's Financial Statements				
	Government-wide Statements	Fund Statements		
		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"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities to be paid during the year or soon thereafter; no capital assets or long-term debt	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities to be paid during the year or soon thereafter; no capital assets or long-term debt
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	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 37-71 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 73-83 of this report. The notes to the required supplementary information are on pages 85-86.

The combining statements for the District's various non-major funds are presented immediately following the required supplementary information beginning on page 89.

The Texas Education Agency (TEA) requires that certain information be included in this report. Those schedules can be found on pages 111-116. The Federal Awards Section of the report can be found on pages 117-131.

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.

During fiscal year 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, (GASB 96) which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This statement establishes SBITAs as a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. While GASB 96 impacts both the governmental fund statements and the government-wide, the impact to the governmental fund statements only involves a reclassification of certain software expenditures. More information is provided in Notes 1, 6, 7, and 19.

Net Position – Governmental Activities. For fiscal year 2023, 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 2022 to fiscal year 2023. At the end of fiscal year 2023, the District's net position for all activities was \$86.4 million (see Table II).

	Governmental Activities		Business-Type Activities		Totals		% Change
	2023	2022	2023	2022	2023	2022	
Assets & Deferred Outflows of Resources							
Current and other assets	\$ 365,825,093	\$ 221,587,611	\$ 11,952,651	\$ 11,864,084	\$ 377,777,744	\$ 233,451,695	61.82%
Capital assets	493,386,008	496,904,276	9,641,639	9,959,225	503,027,647	506,863,501	-0.76%
Total assets	859,211,101	718,491,887	21,594,290	21,823,309	880,805,391	740,315,196	18.98%
Deferred outflows of resources	63,318,792	36,526,896	-	-	63,318,792	36,526,896	73.35%
Total assets and deferred outflows of resour	922,529,893	755,018,783	21,594,290	21,823,309	944,124,183	776,842,092	21.53%
Liabilities & Deferred Inflows of Resources							
Other liabilities	79,857,102	70,571,905	133,972	141,458	79,991,074	70,713,363	13.12%
Long-term liabilities outstanding	685,367,233	542,136,299	28,548	34,469	685,395,781	542,170,768	26.42%
Total liabilities	765,224,335	612,708,204	162,520	175,927	765,386,855	612,884,131	24.88%
Deferred inflows of resources	84,027,469	94,098,306	8,278,050	9,268,124	92,305,519	103,366,430	-10.70%
Total liabilities and deferred inflows of reso	849,251,804	706,806,510	8,440,570	9,444,051	857,692,374	716,250,561	19.75%
Net Position							
Net investment in capital assets	77,517,387	61,098,596	9,641,639	9,959,225	87,159,026	71,057,821	22.66%
Restricted	33,010,574	30,802,789	-	-	33,010,574	30,802,789	7.17%
Unrestricted	(37,249,872)	(43,689,112)	3,512,081	2,420,033	(33,737,791)	(41,269,079)	-18.25%
Total Net Position	\$ 73,278,089	\$ 48,212,273	\$ 13,153,720	\$ 12,379,258	\$ 86,431,809	\$ 60,591,531	42.65%

A portion of net position for the governmental activities was a negative \$37.2 million in unrestricted. If not for the \$99.7 million in GASB 75 liabilities (net of deferred outflows and deferred inflows), the District's unrestricted net position would be positive.

Another area of net position includes approximately \$87.2 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 \$33.0 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 2023 governmental activities and business-type activities. Overall net position increased for fiscal year 2023 by approximately \$25.8 million.

Table III Changes in Net Position							
	Governmental Activities		Business-Type Activities		Totals		% Change
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program Revenues:							
Charges for services	\$ 8,989,614	\$ 5,961,296	\$ 1,370,427	\$ 1,275,888	\$ 10,360,041	\$ 7,237,184	43.15%
Operating grants and contributions	64,471,029	59,788,356	-	-	64,471,029	59,788,356	7.83%
General Revenues:							
Property taxes	171,780,192	162,947,761	-	-	171,780,192	162,947,761	5.42%
State aid and unrestricted grants	74,319,298	81,430,774	-	-	74,319,298	81,430,774	-8.73%
Investment earnings	8,628,722	28,010	100,357	4,043	8,729,079	32,053	27133.27%
Sale of real or personal property	-	-	-	-	-	-	
Miscellaneous	3,606,555	2,744,658	-	-	3,606,555	2,744,658	31.40%
Transfers	-	-	-	-	-	-	
Total Revenues	331,795,410	312,900,855	1,470,784	1,279,931	333,266,194	314,180,786	6.07%
Expenses:							
Instruction, curriculum and media services	177,865,286	159,944,839	-	-	177,865,286	159,944,839	11.20%
Instructional and school leadership	17,953,131	16,590,499	-	-	17,953,131	16,590,499	8.21%
Student support services	23,577,106	20,870,864	-	-	23,577,106	20,870,864	12.97%
Food services	13,371,277	12,207,182	-	-	13,371,277	12,207,182	9.54%
Cocurricular/extracurricular activities	7,884,275	7,065,782	-	-	7,884,275	7,065,782	11.58%
General administration	7,753,619	6,774,536	-	-	7,753,619	6,774,536	14.45%
Plant maintenance, security and data processing	39,623,477	35,908,641	-	-	39,623,477	35,908,641	10.35%
Community services	889,280	723,773	-	-	889,280	723,773	22.87%
Debt service	17,229,445	15,449,070	-	-	17,229,445	15,449,070	11.52%
Intergovernmental charges	582,698	534,070	-	-	582,698	534,070	9.11%
Total Expenses	306,729,594	276,069,256	-	-	306,729,594	276,069,256	11.11%
Business Type Activities							
Rental Property	-	-	696,322	765,034	696,322	765,034	-8.98%
Increase in net position	25,065,816	36,831,599	774,462	514,897	25,840,278	37,346,496	
Beginning net position	48,212,273	11,380,674	12,379,258	11,864,361	60,591,531	23,245,035	
Ending net position	\$ 73,278,089	\$ 48,212,273	\$ 13,153,720	\$ 12,379,258	\$ 86,431,809	\$ 60,591,531	42.65%

Revenues. Table III indicates fiscal year 2023 overall revenue increased by \$19.1 million or 6.1 percent. Property tax revenue increased due to continued increases in property values. Investment earnings increased significantly in 2023 due to changes in interest rates. A three-month T-bill was 1.061 percent at the end of June 2022. The interest rate on a three-month T-bill at the end of 2023 was 5.17 percent. Due to the new bond issue, more funds were available for investment, thus generating more interest income.

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 27.2 percent of the facility.

Figures 1 and 2 depict the District's revenue sources for governmental activities for fiscal year 2023 and 2022. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants.

Figure 1

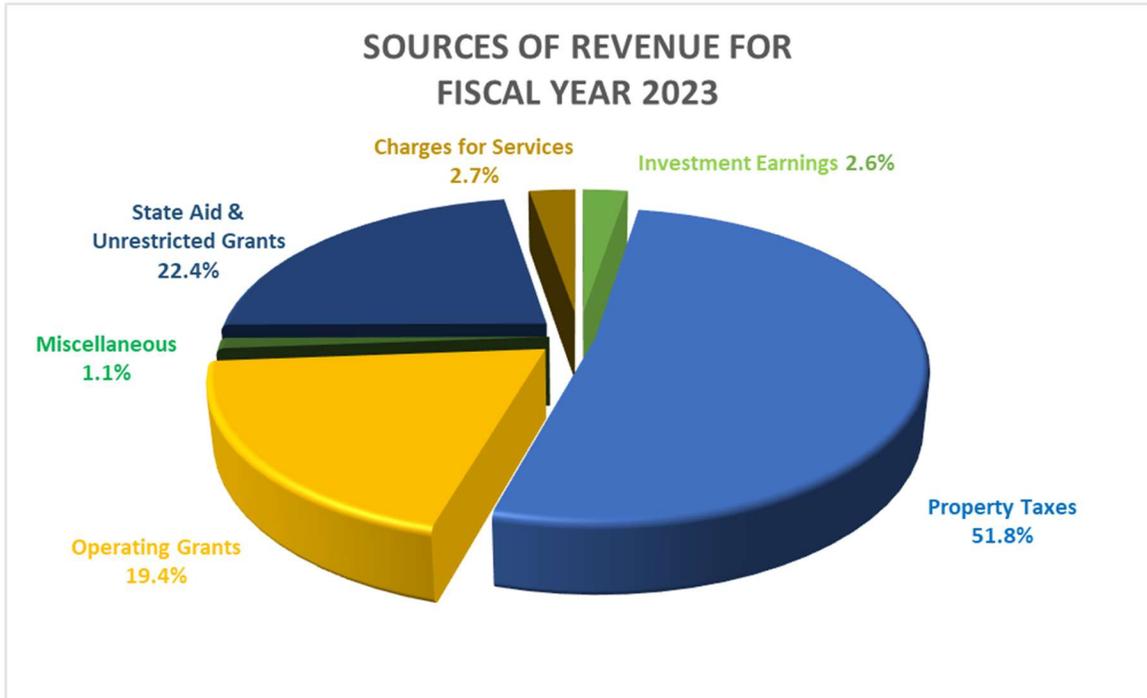
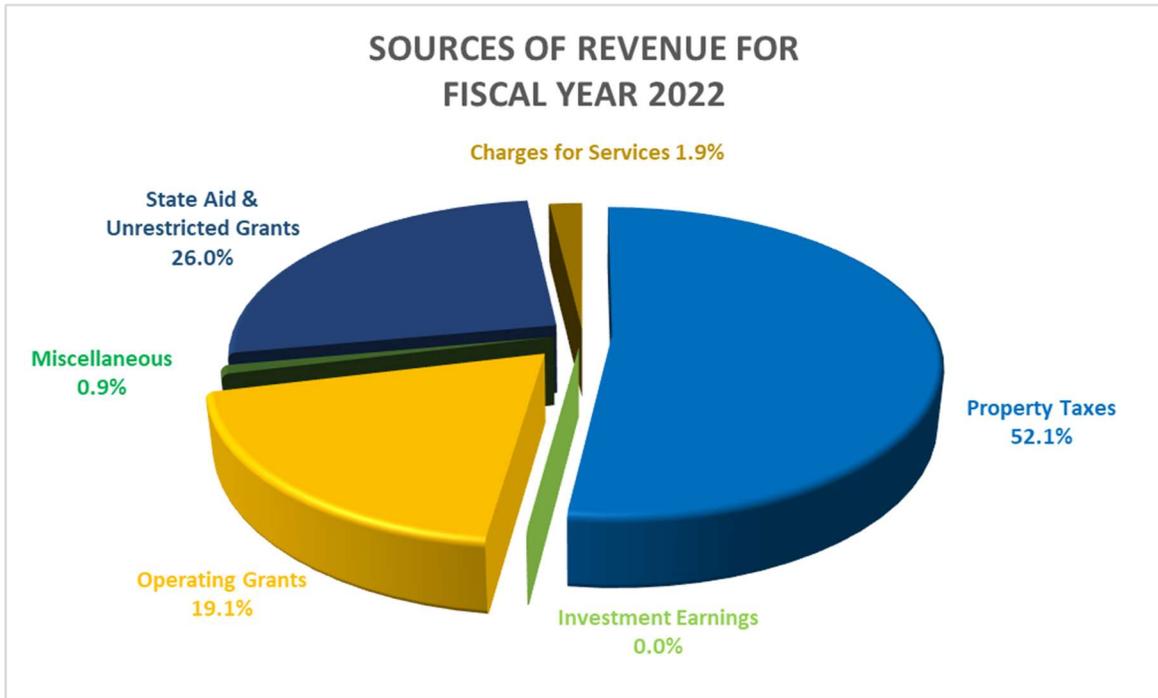


Figure 2

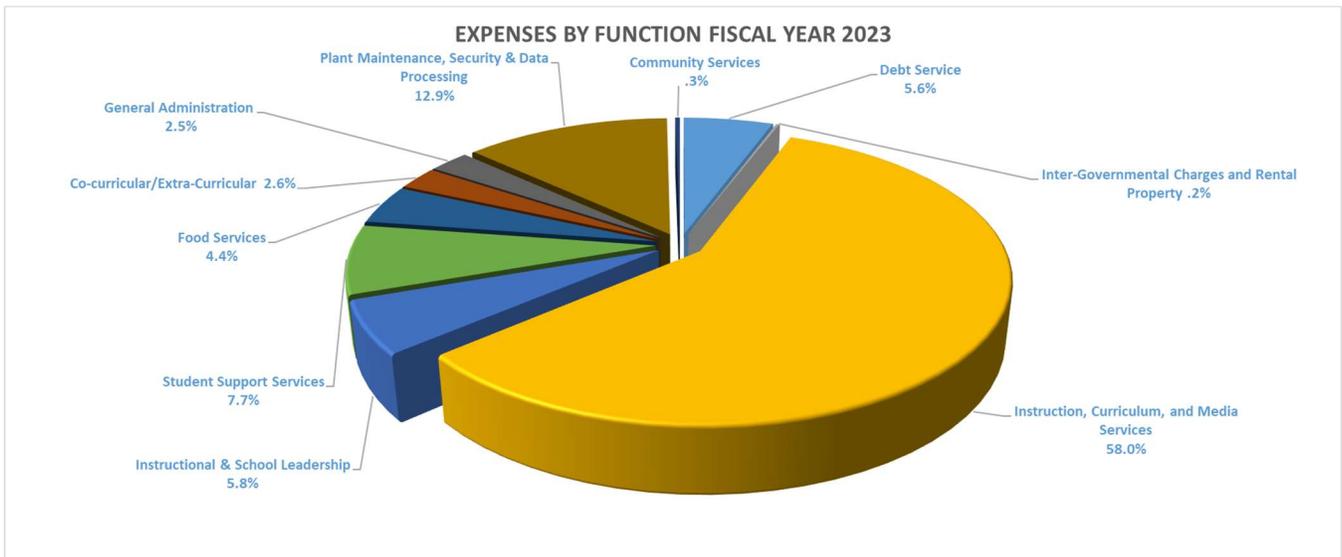


Expenses. Fiscal year 2023 expenses compared to fiscal year 2022 expenses increased by 11.1 percent. Expenses are shown in Table III by functional categories that reflect the purpose of the transaction. Various operating expenses are reflected in each functional category. Total expenses in the current fiscal year were \$306.7 million.

Increases in instructional services, instructional and school leadership, and student support services were due to additional student needs from the ongoing impacts of the COVID-19 pandemic. The District had a slightly higher student enrollment as well as a higher attendance rate. In addition, more resources were designated to intensive interventions in order to close achievement gaps.

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		
	2023	2022	% Change
Instruction, Curriculum, & Media Services	\$ 177,865,286	\$ 159,944,839	11.20%
Maintenance, Security, & Data Processing	39,623,477	35,908,641	10.35%
Student Support Services	23,577,106	20,870,864	12.97%
Instruction and School Leadership	17,953,131	16,590,499	8.21%

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 \$322.8 million (as presented in the Balance Sheet on pages 24-25), an increase of \$140.4 million from the prior year. General Fund expenditures were higher in fiscal year 2023 by \$10.3 million due to a lower number of vacant positions in the auxiliary and instructional areas along with compensation increases for all District employees.

The following non-spendable and restricted items, which total \$201,869,719 or 62.5 percent of fund balances, are either unavailable for new spending or limited to specific types of expenditures due to legal restrictions:

• Inventories & Prepaid Items	\$ 1,156,355
• Food Services	5,436,158
• Other Restricted Grants	14,169
• Debt Service	34,672,374
• Capital Projects	<u>160,590,663</u>
Total	\$ 201,869,719

An additional 21.6 percent of fund balance, or \$69,731,583, 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	\$ 13,009,402
• General Fund Capital Projects	1,737,348
• Legacy Fund	11,085,838
• Other Capital Projects	39,072,904
• Compensated Absences	2,600,000
• Campus Activity	2,143,028
• Other Special Revenue Funds	<u>83,063</u>
Total	\$ 69,731,583

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 total fund balance to total fund expenditures. At the end of the current fiscal year, the total fund balance of the General Fund was \$69.2 million which represents 32.6 percent of fiscal year 2023 General Fund expenditures. Of the total fund balance, the District's Board of Trustees elected to reduce committed fund balance to a level to ensure total fund balance remains between 30 and 33 percent of the following year's adopted General Fund budget. As a result, the District transferred out \$31.5 million from committed fund balance to a capital projects fund. This fund will be used to provide for smaller projects outside of the District's bond programs. It can also be utilized for future General Fund needs that arise due to limited state and local funding. At June 30, 2023, the total General Fund balance of \$69.2 million represented 30.13 percent of the 2024 adopted General Fund expenditures. The total General Fund committed fund balance was \$17.3 million at year end.

The District's general fund had expenditures less than revenues by \$6.7 million for the year due to underspending and significantly higher interest earnings due to rising interest rates.

The total fund balance for the General Fund decreased by \$27.9 million for 2023. This overall decrease resulted from excess revenue over expenditures of \$6.7 million; the operating transfer to a capital project fund from committed fund balance of \$31.5 million and an operating transfer to a capital projects fund of \$3.1 million for Board of Trustee approved projects.

The fund balance of the Debt Service Fund increased \$4.9 million from the prior year. The largest increase to the fund balance, \$3.3 million, was due to premiums on the issuance of new bonds. The entire ending fund balance of \$34.7 million is restricted for the payment of debt service.

The Capital Projects Fund increased by \$161.8 million during the year. The District issued new bonds and completed several construction projects in fiscal year 2023.

The District's Nonmajor Funds ended the fiscal year with a fund balance of \$19.2 million, which was a \$1.7 million increase compared to the prior year fund balance of \$17.6 million. Revenues typically approximate expenditures in these funds as grant monies are generally earned when expended. The restricted fund balance of \$5.5 million is primarily restricted for the Child Nutrition Program. This is a decrease of \$0.6 million compared to the prior year. This decrease in fund balance is attributed to approved program expenditures.

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 \$693,516 in total net position representing an increase from the prior year of \$49,023.

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 \$13.2 million in total net position, an increase of \$774,462 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 Board of Trustees approved a revenue budget amendment in August 2022 to adjust tax and state revenue based on certified property values received in July 2022. Certified property values needed to calculate the District's tax rate and tax revenue estimates are not available when the Board of Trustees adopts the annual budget in June. The Board of Trustees also approved a final revenue budget amendment in June 2023 to finalize the District's State revenue. State revenue cannot be finalized until actual student attendance and categorical information is available at the end of the school year.

The most significant General Fund expenditure amendment of \$12.2 million from fiscal year 2023 included incomplete projects remaining from the 2022 school year. Around \$7.7 million was included in this budget amendment for a property purchase from the 2021-2022 fiscal year that was not completed until July 2022. The final expenditure was moved to the 2022 Bond Capital Project Fund since the Board of Trustees intended to pay for the property from bonds if the 2022 Bond Election passed.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2023, the District had invested approximately \$503.0 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets decreased approximately \$3.8 million from the prior year. This year, the district completed projects that were in construction in progress in the prior year. Overall, the depreciation of existing assets slightly exceeded the value of new assets added by the district.

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

	2023	2022	%
			Change
Land	\$ 25,424,004	\$ 21,296,730	19.4%
Buildings and Improvements	423,298,557	277,645,840	52.5%
Furniture and Equipment	22,327,750	18,187,180	22.8%
Right to Use Leases Assets	132,948	449,772	-70.4%
Right to Use Subscription Assets	721,971	-	N/A
Construction-in-Progress	31,122,417	189,283,979	-83.6%
Totals	\$ 503,027,647	\$ 506,863,501	-0.8%

Long-Term Debt. The District had \$720.3 million in long-term debt at year-end. This is an increase of \$146.0 million or 25.4 percent from the prior year.

In November 2022, District voters approved a \$300 million bond election for facilities, renovations, buses and technology. The District issued \$145.4 million of these bonds in January 2023. More information regarding this bond issuance can be found in Note 3. The District sets a maximum bond maturity of 25 years for facilities, 15 years for buses, and an average five-year maturity for technology.

Overall debt balances increased due to the January 2023 bond issuance and increases to the GASB 68 pension liability.

	2023	2022	%
			Change
Bonds Payable	\$ 515,125,000	\$ 408,955,000	26.0%
Bond Premiums	64,264,351	58,330,159	10.2%
Compensated Absences	2,983,609	2,760,552	8.1%
Leases	133,327	442,347	-69.9%
Subscription Liability	673,798	-	N/A
Net Pension Liability	91,057,170	34,744,308	162.1%
Net OPEB Liability	46,046,963	69,045,260	-33.3%
Totals	\$ 720,284,218	\$ 574,277,626	25.4%

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

Bond Ratings. All bonds except the January 2023 bond issuance 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"). At the time of the January 2023 bond issuance, the PSF Guarantee was not available for Texas school districts due to funding capacity. 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 2023 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. While enrollment projections remained flat, actual enrollment grew about one-half percent. Attendance initially fell below projections, but additional incentives for campuses and students generated increases closer to projections although still below pre-COVID levels.

Certified property values for 2023 increased just over nine percent, slightly higher than projections. The maintenance and operations (M&O) tax rate under the 2019 HB3 is calculated by the Texas Education Agency (TEA) and reflects a decrease from \$0.9241 to \$0.8659 per \$100 of property valuation. This is the maximum rate allowed without a tax ratification election.

Although the District had not fully rebounded to pre-COVID levels in the student enrollment and attendance area, the Board of Trustees remained committed to providing competitive salaries to the staff of the District. The Board of Trustees approved a three percent compensation increase for all staff and even provided market adjustments to select groups identified from a salary study. This resulted in the adoption of a \$6 million deficit budget. The District continued to supplant general fund salaries using Federal ESSER II and III funding.

The Texas Legislature held their 88th session in the spring of 2023. Since the per student allotment had not been increased since 2019, Texas districts anticipated legislators would provide additional funding. While \$4.9 billion was added to the state budget for public schools, no legislation was passed allowing distribution of the funds due to political discourse regarding a proposed voucher program.

Challenges during the 2024 budget planning continued due to the lack of additional funding from the Legislative Session. While ESSER II was no longer available, the District continued to utilize ESSER III to supplant General Fund salaries. Over the last two years, the District has continued to implement personnel cuts through attrition and resignations along with other reductions to department and campus non-payroll budgets.

Certified property values for 2024 rose over 16 percent under current law. The Texas Legislature passed an increased homestead exemption during the summer 2023 special session. The current \$40,000 homestead increased to \$100,000. This increased exemption lowered the District's property values from the initial 16 percent to five percent. Additional tax compression of over 10 cents was also approved during the session. Both items are on the November 7, 2023 general election ballot for voter approval. The 2024 TEA calculated M&O rate for the District was \$0.6692 per \$100 of property valuation. The Board of Trustees voted to increase the M&O tax rate by 12 cents to \$0.7892, which triggered a voter approval tax rate election (VATRE) for November 7, 2023.

As in 2023, the Board of Trustees passed raises for staff to ensure competitive compensation. The VATRE will fund those raises and cover the supplanted positions funded with ESSER III.

In regard to the Debt Service Fund, the District adopted a tax rate of \$0.4139 per \$100 of property value for both 2023 and 2024, 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 and 2022 Bond election. The Board was able to approve a bond principal prepayment of \$7.545 million for the 2023 fiscal year due to increased property values. The District has prepaid over \$28.9 million in bond principal over the last eight years saving taxpayers \$20.2 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.

Basic Financial Statements

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Birdville Independent School District
Statement of Net Position
June 30, 2023

Exhibit A-1

Data Control Codes		Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
1110	Cash and cash equivalents	\$ 3,826,747	\$ 82,586	\$ 3,909,333
1120	Investments - current	311,879,574	3,114,056	314,993,630
1220	Property taxes receivable (delinquent)	7,481,051	-	7,481,051
1230	Allowance for uncollectible taxes	(2,175,796)	-	(2,175,796)
1240	Due from other governments	19,947,885	-	19,947,885
1250	Accrued interest	260,616	-	260,616
1290	Other receivables	4,226,116	847,846	5,073,962
1300	Inventories	1,002,254	-	1,002,254
1410	Prepaid items	154,101	172,379	326,480
	Capital assets:			
1510	Land	23,564,056	1,859,948	25,424,004
1520	Buildings, net	415,516,866	7,781,691	423,298,557
1530	Furniture and equipment, net	22,327,750	-	22,327,750
1551	Right to use lease assets, net	132,948	-	132,948
1553	Right to use subscription assets, net	721,971	-	721,971
1580	Construction in progress	31,122,417	-	31,122,417
1990	Long-term rent receivable	-	7,735,784	7,735,784
1910	Long-term investments	19,222,545	-	19,222,545
1000	Total assets	859,211,101	21,594,290	880,805,391
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred loss on bond refundings	3,737,192	-	3,737,192
1705	Deferred outflows - pension	39,947,341	-	39,947,341
1706	Deferred outflows - OPEB	19,634,259	-	19,634,259
1700	Total deferred outflows of resources	63,318,792	-	63,318,792
LIABILITIES				
2110	Accounts payable	7,735,375	36,396	7,771,771
2140	Accrued interest payable	8,584,398	-	8,584,398
2150	Payroll deductions & withholdings	2,135,271	-	2,135,271
2160	Accrued wages payable	24,577,950	-	24,577,950
2180	Due to other governments	676,080	-	676,080
2190	Due to student groups	610,514	-	610,514
2200	Accrued expenses	-	41,709	41,709
2300	Unearned revenue	620,529	55,867	676,396
	Noncurrent liabilities:			
2501	Due within one year	34,916,985	-	34,916,985
2502	Due in more than one year	548,263,100	-	548,263,100
2540	Net pension liability (District's share)	91,057,170	-	91,057,170
2545	Net OPEB liability (District's share)	46,046,963	-	46,046,963
2590	Other long term liabilities	-	28,548	28,548
2000	Total liabilities	765,224,335	162,520	765,386,855
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	9,307,407	-	9,307,407
2606	Deferred inflows - OPEB	73,271,286	-	73,271,286
2607	Deferred inflows - leases	1,448,776	8,278,050	9,726,826
2600	Total deferred inflows of resources	84,027,469	8,278,050	92,305,519
NET POSITION				
3200	Net investment in capital assets	77,517,387	9,641,639	87,159,026
3820	Restricted for federal and state programs	5,450,327	-	5,450,327
3850	Restricted for debt service	27,560,247	-	27,560,247
3900	Unrestricted	(37,249,872)	3,512,081	(33,737,791)
3000	TOTAL NET POSITION	\$ 73,278,089	\$ 13,153,720	\$ 86,431,809

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, 2023

Data Control Codes	Functions/Programs	Program Revenues		
		1	3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities:			
11	Instruction	\$ 163,051,637	\$ 2,039,630	\$ 25,462,479
12	Instructional resources and media services	2,874,934	-	210,548
13	Curriculum and instructional staff development	11,938,715	-	10,281,162
21	Instructional leadership	3,959,343	-	798,703
23	School leadership	13,993,788	-	1,807,833
31	Guidance, counseling and evaluation services	13,266,598	-	4,513,036
32	Social work services	327,849	-	61,180
33	Health services	2,793,664	-	21,534
34	Student (pupil) transportation	7,188,995	-	527,046
35	Food services	13,371,277	2,678,958	17,845,898
36	Extracurricular activities	7,884,275	4,271,026	1,572,373
41	General administration	7,753,619	-	148,708
51	Facilities maintenance and operations	30,331,909	-	218,034
52	Security and monitoring services	2,563,177	-	141,876
53	Data processing services	6,728,391	-	360
61	Community services	889,280	-	792,282
72	Debt service - interest on long-term debt	16,002,912	-	-
73	Debt service - bond issuance cost and fees	1,226,533	-	-
93	Payments to fiscal agents SSA	582,698	-	67,977
	Total governmental activities	306,729,594	8,989,614	64,471,029
	Business-type activities:			
	Rental Property	696,322	1,370,427	-
	Total business-type activities	696,322	1,370,427	-
TP	TOTAL PRIMARY GOVERNMENT	\$ 307,425,916	\$ 10,360,041	\$ 64,471,029
	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	NET POSITION ENDING			

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

Net (Expense) Revenue and Changes in Net Position		
6		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (135,549,528)	\$ -	\$ (135,549,528)
(2,664,386)	-	(2,664,386)
(1,657,553)	-	(1,657,553)
(3,160,640)	-	(3,160,640)
(12,185,955)	-	(12,185,955)
(8,753,562)	-	(8,753,562)
(266,669)	-	(266,669)
(2,772,130)	-	(2,772,130)
(6,661,949)	-	(6,661,949)
7,153,579	-	7,153,579
(2,040,876)	-	(2,040,876)
(7,604,911)	-	(7,604,911)
(30,113,875)	-	(30,113,875)
(2,421,301)	-	(2,421,301)
(6,728,031)	-	(6,728,031)
(96,998)	-	(96,998)
(16,002,912)	-	(16,002,912)
(1,226,533)	-	(1,226,533)
(514,721)	-	(514,721)
(233,268,951)	-	(233,268,951)
-	674,105	674,105
-	674,105	674,105
<u>\$ (233,268,951)</u>	<u>\$ 674,105</u>	<u>\$ (232,594,846)</u>
116,145,483	-	116,145,483
55,634,709	-	55,634,709
74,319,298	-	74,319,298
8,628,722	100,357	8,729,079
3,606,555	-	3,606,555
258,334,767	100,357	258,435,124
25,065,816	774,462	25,840,278
48,212,273	12,379,258	60,591,531
<u>\$ 73,278,089</u>	<u>\$ 13,153,720</u>	<u>\$ 86,431,809</u>

Birdville Independent School District
 Balance Sheet
 Governmental Funds
 June 30, 2023

Data Control Codes		10	50	60
		General Fund	Debt Service Fund	Capital Projects
ASSETS				
1110	Cash and cash equivalents	\$ 3,826,742	\$ -	\$ -
1120	Investments- current	89,130,235	32,968,917	173,564,097
1220	Property taxes (delinquent)	5,404,970	2,076,081	-
1230	Allowance for uncollectible taxes	(1,571,986)	(603,810)	-
1240	Due from other governments	12,282,057	-	-
1250	Accrued Interest	192,693	32,598	1,569
1260	Due from other funds	5,686,582	833,838	31,453,995
1290	Other receivables	2,656,396	820,558	-
1300	Inventories	541,337	-	-
1410	Prepaid items	131,076	-	-
1910	Long-term investments	14,354,011	-	-
1000	TOTAL ASSETS	<u>\$ 132,634,113</u>	<u>\$ 36,128,182</u>	<u>\$ 205,019,661</u>
LIABILITIES				
2110	Accounts payable	\$ 2,195,417	\$ -	\$ 5,356,028
2150	Payroll deductions and withholdings	2,135,271	-	-
2160	Accrued wages payable	20,226,835	-	-
2170	Due to other funds	34,349,717	-	66
2180	Due to other governments	-	-	-
2190	Due to others	397,155	-	-
2300	Unearned revenue	-	258,488	-
2000	Total liabilities	59,304,395	258,488	5,356,094
DEFERRED INFLOWS OF RESOURCES				
2601	Deferred revenue - property taxes	3,326,001	1,197,320	-
2602	Deferred inflow - leases	782,095	-	-
2600	Total deferred inflows of resources	4,108,096	1,197,320	-
FUND BALANCES				
Non-spendable fund balance:				
3410	Inventories	541,337	-	-
3430	Prepaid items	131,076	-	-
Restricted fund balance:				
3450	Federal and state funds grant	-	-	-
3470	Capital acquisition and contractual obligation	-	-	160,590,663
3480	Retirement of long-term debt	-	34,672,374	-
Committed fund balance:				
3545	Other committed fund balance	17,346,750	-	39,072,904
Assigned fund balance:				
3590	Other assigned fund balance	31,100,703	-	-
3600	Unassigned fund balance	20,101,756	-	-
3000	Total fund balances	<u>69,221,622</u>	<u>34,672,374</u>	<u>199,663,567</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 132,634,113</u>	<u>\$ 36,128,182</u>	<u>\$ 205,019,661</u>

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

Nonmajor Funds	98 Total Governmental Funds
\$ 5	\$ 3,826,747
15,522,809	311,186,058
-	7,481,051
-	(2,175,796)
7,665,828	19,947,885
33,756	260,616
2,061,884	40,036,299
749,162	4,226,116
460,917	1,002,254
23,025	154,101
4,868,534	19,222,545
<u>\$ 31,385,920</u>	<u>\$ 405,167,876</u>
\$ 183,930	\$ 7,735,375
-	2,135,271
4,351,115	24,577,950
5,686,516	40,036,299
676,080	676,080
213,359	610,514
362,041	620,529
<u>11,473,041</u>	<u>76,392,018</u>
-	4,523,321
666,681	1,448,776
<u>666,681</u>	<u>5,972,097</u>
460,917	1,002,254
23,025	154,101
5,450,327	5,450,327
-	160,590,663
-	34,672,374
13,311,929	69,731,583
-	31,100,703
-	20,101,756
<u>19,246,198</u>	<u>322,803,761</u>
<u>\$ 31,385,920</u>	<u>\$ 405,167,876</u>

Birdville Independent School District**Exhibit C-2**
 Reconciliation of the Governmental Funds Balance Sheet to the
 Statement of Net Position
 June 30, 2023

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 322,803,761
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.	693,516
Capital assets, including right to use leased assets, used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.	906,727,157
Accumulated depreciation/amortization is not reported in the fund financial statements.	(413,341,149)
Bonds, loans, leases and SBITAs payable are not reported in the fund financial statements.	(515,932,125)
Bond premiums on outstanding bonds payable are not reported in the fund financial statements.	(64,264,351)
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.	4,523,321
Accrued liabilities for compensated absences are not recorded in the fund financial statements.	(2,983,609)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are recorded when due.	(8,584,398)
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.	3,737,192
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 \$91,057,170, deferred outflows of resources related to pension in the amount of \$39,947,341 and deferred inflows of resources related to pension in the amount of \$9,307,407 cumulatively resulting in a decrease in net position in the amount of \$60,417,236.	(60,417,236)
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 \$46,046,963, deferred outflows of resources related to OPEB in the amount of \$19,634,259, and deferred inflows of resources related to OPEB in the amount of \$73,271,286 cumulatively resulting in a decrease in net position in the amount of \$99,683,990.	(99,683,990)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 73,278,089</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, 2023

Data Control Codes		10	50	60
		General Fund	Debt Service Fund	Capital Projects
REVENUES				
5700	Local and intermediate	\$ 122,712,846	\$ 57,086,261	\$ 3,764,023
5800	State program revenues	85,660,004	1,889,824	-
5900	Federal program revenues	10,461,055	-	-
5020	Total revenues	218,833,905	58,976,085	3,764,023
EXPENDITURES				
Current:				
0011	Instruction	119,948,834	-	189,202
0012	Instructional resources and media services	2,733,514	-	-
0013	Curriculum and instructional staff development	4,327,791	-	-
0021	Instructional leadership	3,404,217	-	-
0023	School leadership	12,769,551	-	-
0031	Guidance, counseling and evaluation services	9,999,598	-	-
0032	Social work services	284,018	-	-
0033	Health services	2,806,521	-	-
0034	Student (pupil) transportation	6,942,249	-	1,496,464
0035	Food services	-	-	-
0036	Extracurricular activities	5,849,325	-	190,212
0041	General administration	7,534,778	-	-
0051	Facilities maintenance and operations	26,158,333	-	3,805,639
0052	Security and monitoring services	2,107,903	-	-
0053	Data processing services	4,680,795	-	-
0061	Community services	301,405	-	-
Debt service:				
0071	Principal and interest on long-term debt	913,091	57,411,325	-
0073	Debt issuance costs	-	-	1,226,533
Capital outlay:				
0081	Facilities acquisition and construction	72,427	-	22,124,114
Intergovernmental:				
0093	Payments to fiscal agents SSA	531,859	-	-
0099	Other intergovernmental charges	795,398	-	-
6030	Total expenditures	212,161,607	57,411,325	29,032,164
1100	Excess (deficiency) of revenues over (under) expenditures	6,672,298	1,564,760	(25,268,141)
OTHER FINANCING SOURCES (USES)				
7911	Issuance of debt	-	-	145,390,000
7916	Premiums on issuance of debt	-	-	7,082,232
7917	Prepaid interest	-	3,285,495	-
7915	Transfers in	-	-	37,107,680
8911	Transfers out	(34,576,950)	-	(2,530,730)
7080	Total other financing sources (uses)	(34,576,950)	3,285,495	187,049,182
1200	Net change in fund balances	(27,904,652)	4,850,255	161,781,041
0100	Fund balance - July 1 (beginning)	97,126,274	29,822,119	37,882,526
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 69,221,622	\$ 34,672,374	\$ 199,663,567

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

<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 10,544,370	\$ 194,107,500
2,203,103	89,752,931
<u>36,352,665</u>	<u>46,813,720</u>
49,100,138	330,674,151
18,728,649	138,866,685
154,866	2,888,380
7,562,197	11,889,988
587,477	3,991,694
1,329,731	14,099,282
3,319,515	13,319,113
45,000	329,018
15,839	2,822,360
387,663	8,826,376
13,126,358	13,126,358
1,156,542	7,196,079
109,381	7,644,159
160,373	30,124,345
104,355	2,212,258
265	4,681,060
582,754	884,159
-	58,324,416
-	1,226,533
-	22,196,541
50,000	581,859
<u>-</u>	<u>795,398</u>
<u>47,420,965</u>	<u>346,026,061</u>
1,679,173	(15,351,910)
-	145,390,000
-	7,082,232
-	3,285,495
-	37,107,680
<u>-</u>	<u>(37,107,680)</u>
-	155,757,727
1,679,173	140,405,817
<u>17,567,025</u>	<u>182,397,944</u>
<u>\$ 19,246,198</u>	<u>\$ 322,803,761</u>

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, 2023

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	\$ 140,405,817
The District uses an internal service fund to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. Change in net assets in this fund results in an increase in net position.	49,023
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.	29,065,376
Depreciation and amortization are not recognized as an expense in the governmental funds since they do not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease government-wide net position.	(32,583,644)
Current year long-term debt principal payments on bonds, loans, leases and SBITAs payable are expenditures in the fund financial statements, but are shown as reductions of long-term debt in the government-wide financial statements.	38,855,222
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.	4,433,535
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.	(477,219)
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.	(223,057)
Interest is accrued on outstanding debt in the government-wide financial statements, but interest is expended as due in the fund financial statements.	(1,764,114)
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.	(846,285)
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.	(145,390,000)
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.	(10,367,727)
Changes related to the District's pension are recorded as increases in deferred outflows of resources of \$21,547,337, decreases in deferred inflows of \$31,824,833, and an increase in net pension liability of \$56,312,862, which nets to a cumulative decrease of \$2,940,692.	(2,940,692)
Changes related to the District's OPEB are recorded increases in deferred outflows of resources of \$5,721,778, increases in deferred inflows of \$21,870,494 and a decrease in net OPEB liability of \$22,998,297 which cumulatively nets to a cumulative increase of \$6,849,581.	6,849,581
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 25,065,816

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

Birdville Independent School District

Exhibit D-1

Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,586	\$ -
Investments - current	3,114,056	693,516
Receivables	847,846	-
Prepaid expenses and other assets	172,379	-
Total current assets	4,216,867	693,516
Non-current assets:		
Receivables	7,735,784	-
Property and equipment:		
Land	1,859,948	-
Buildings and improvements	9,528,415	-
Property and equipment	11,388,363	-
Less accumulated depreciation	(1,746,724)	-
Property and equipment, net	9,641,639	-
Total non-current assets	17,377,423	-
TOTAL ASSETS	\$ 21,594,290	\$ 693,516
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 36,396	\$ -
Accrued expenses	41,709	-
Unearned revenue	55,867	-
Total current liabilities	133,972	-
Noncurrent liabilities:		
Other long-term liabilities	28,548	-
Total Liabilities	162,520	-
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Leases	8,278,050	-
Total Deferred Inflows of Resources	8,278,050	-
NET POSITION		
Net investment in capital assets	9,641,639	-
Unrestricted net position	3,512,081	693,516
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 21,594,290	\$ 693,516

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, 2023

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES		
Local and intermediate sources	\$ 1,370,427	\$ 23,693
Total operating revenues	1,370,427	23,693
OPERATING EXPENSES		
Contracted services	329,034	-
Depreciation	317,586	-
Other operating costs	49,702	-
Total operating expenses	696,322	-
Operating income	674,105	23,693
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	100,357	25,330
Total nonoperating revenues	100,357	25,330
Change in net position	774,462	49,023
Net position - July 1 (beginning)	12,379,258	644,493
NET POSITION - JUNE 30, 2023	<u>\$ 13,153,720</u>	<u>\$ 693,516</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, 2023

Exhibit D-3

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and interfund services	\$ 1,162,873	\$ 23,693
Cash payments to suppliers for goods and services	(326,354)	(23,693)
Net cash provided by operating activities	836,519	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(937,506)	(25,330)
Interest and dividends on investments	100,357	25,330
Net cash used in investing activities	(837,149)	-
Net change in cash and cash equivalents	(630)	-
Cash and cash equivalents at beginning of year	83,216	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 82,586	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income:	\$ 674,105	\$ 23,693
Adjustments to reconcile change in operating income to net cash provided by operating activities		
Depreciation	317,586	-
Effect of increases and decreases in assets, liabilities and deferred inflows:		
Receivables	795,075	-
Prepaid expenses and other assets	53,234	-
Accounts payable	7,192	-
Accrued expenses	(2,123)	(23,693)
Unearned revenue	(12,555)	-
Other long-term liabilities	(5,921)	-
Deferred inflows	(990,074)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 836,519	\$ -

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, 2023

Exhibit E-1

	<u>Custodial Fund Student Activity</u>
ASSETS	
Receivables	\$ 1,543,397
Total assets	1,543,397
LIABILITIES	
Accounts payable	8,375
Due to others	1,181,980
Total liabilities	1,190,355
NET POSITION	
Restricted for other purposes	\$ 353,042
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,543,397</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, 2023

Exhibit E-2

	Custodial Fund Student Activity
ADDITIONS	
Revenue from student activities	\$ 625,447
Total additions	625,447
DEDUCTIONS	
Payroll	4,043
Contracted services	145,112
Supplies	269,766
Miscellaneous	215,912
Total deductions	634,833
Net change in fiduciary net position	(9,386)
NET POSITION - BEGINNING OF YEAR	362,428
NET POSITION - END OF YEAR	\$ 353,042

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

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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 non-operating 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, 2023. 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.
- Deferred inflows of resources related to long-term leases are amortized over the lease term.

I. Compensated Absences

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

Birdville Independent School District

Notes to the Basic Financial Statements

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

If the 40 percent reduction reduces an employee's benefit below \$10,000, then the benefit amount may increase to a maximum of \$10,000 with the accumulation of additional local and state leave days. This benefit shall be determined by multiplying 50 percent of the employee's daily rate of pay by the number of unused accumulated state and local days up to a maximum of 100 days earned in the District at the time of retirement or death.

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

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

J. Account Code Reporting

In accordance with the Texas Education Code, the District has adopted and installed an accounting system, which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the FASRG. The Data Control Codes refer to the account code structure prescribed by TEA in the FASRG. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

K. Accounting Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula becomes available. Availability can be as late as midway into the next fiscal year. It is reasonably possible that adjustments may be made to the foundation revenue by the State.

Birdville Independent School District

Notes to the Basic Financial Statements

L. Property Taxes

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

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

M. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

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

N. Leases

The District is a lessee for non-cancellable leases of equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Birdville Independent School District

Notes to the Basic Financial Statements

Key estimates and judgments related to leases include how the District determined (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The District monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The District is a lessor for noncancellable leases of property and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable the lessee.

The District monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. 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.

Birdville Independent School District

Notes to the Basic Financial Statements

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.

P. Defined Benefit Pension 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 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.

Q. 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.

R. Implementation of New Accounting Standards

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the District's 2023 financial statements, resulting in recognition of \$1,276,035 in subscription liabilities and subscription assets as of July 1, 2022 to net position in the government-wide financial statements and no cumulative effect adjustment as of July 1, 2022 to net position in the government-wide financial statements to conform to the new standard.

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$25,000 or more.

Birdville Independent School District

Notes to the Basic Financial Statements

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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:

- Non-spendable: 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 non-spendable 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 District's fund balances are included in the Governmental Funds Balance Sheet and are described below:

General Fund

The General Fund has unassigned fund balance of \$20,101,756 at June 30, 2023. Inventories of \$541,337 and prepaid items of \$131,076 are considered non-spendable fund balance.

The District has committed General Fund fund balance of \$2,600,000 for future payments of compensated absences, \$1,737,348 related to capital projects at year-end, \$9,500,000 for other reserves, and \$3,509,402 for other purposes.

The District has assigned \$23,500,000 of General Fund fund balance as additional operating reserves. Additionally, \$7,600,703 was assigned to balance the fiscal year 2023-2024 budget.

Other Major Funds

The Debt Service Fund has restricted funds of \$34,672,374 at June 30, 2023 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has fund balance of \$160,590,663 restricted for future capital acquisitions and \$39,072,904 committed for future capital acquisitions.

Other Funds

Non-spendable fund balances of \$460,917 related to inventories, and restricted fund balances of \$5,436,158 related to Federal grant restrictions related to the national breakfast and lunch program. Prepaid items of \$23,025 in the non-major funds are considered non-spendable fund balance. Special revenue funds fund balances of \$14,169 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	\$ 2,143,028
Other local special revenue funds	36,753
Career tech	46,310
Legacy fund	<u>11,085,838</u>
Total	<u><u>\$ 13,311,929</u></u>

Note 3. Bonded Debt Payable

Bonded debt payable as of June 30, 2023 is as follows:

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding 7/1/2022	Issued Current Year	Refunded Current Year	Retired Current Year	Amount Outstanding 6/30/2023
Unlimited Tax School Building Bonds Series 2015A	2.00-5.00	\$ 91,975,000	\$ 75,605,000	\$ -	\$ -	\$ 10,280,000	\$ 65,325,000
Unlimited Tax Refunding Bonds Series 2015B	1.21-5.00	98,312,081	75,885,000	-	-	6,810,000	69,075,000
Unlimited Tax School Building Bonds Series 2016	2.00-5.00	41,785,000	33,015,000	-	-	6,445,000	26,570,000
Unlimited Tax School Building Bonds Series 2019	3.00-5.00	157,635,000	147,275,000	-	-	10,800,000	136,475,000
Unlimited Tax School Building Bonds Series 2020	2.38-5.00	62,810,000	52,830,000	-	-	4,885,000	47,945,000
Unlimited Tax School Building Bonds Series 2021	2.00-5.00	24,345,000	24,345,000	-	-	-	24,345,000
Unlimited Tax School Building Bonds Series 2023	4.00-5.00	145,390,000	-	145,390,000	-	-	145,390,000
Total bonded debt payable			<u>\$408,955,000</u>	<u>\$145,390,000</u>	<u>\$ -</u>	<u>\$ 39,220,000</u>	<u>\$515,125,000</u>

Birdville Independent School District
Notes to the Basic Financial Statements

The debt service requirements on the District's bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 34,215,000	\$ 22,910,082	\$ 57,125,082
2025	30,775,000	21,217,688	51,992,688
2026	31,570,000	19,771,287	51,341,287
2027	21,505,000	18,217,738	39,722,738
2028	22,505,000	17,332,187	39,837,187
2029-2033	119,270,000	69,734,038	189,004,038
2034-2038	104,615,000	44,801,494	149,416,494
2039-2043	98,440,000	21,287,143	119,727,143
2044-2048	52,230,000	5,593,138	57,823,138
	<u>\$ 515,125,000</u>	<u>\$ 240,864,795</u>	<u>\$ 755,989,795</u>

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

In January 2023, the District approved the issuance of \$145,390,000 of Unlimited Tax School Building Bonds, Series 2023 for the purpose of constructing, renovating, improving and equipping school facilities in the District, including the acquisition of land therefore and the acquisition of new school buses; for acquiring and updating instructional technology equipment; to fund capitalized interest on the Bonds; and to pay costs of issuance related to the Bonds.

Note 4. Debt Refunding and Defeased Bonds Outstanding

As of June 30, 2023, there were no defeased bonds outstanding.

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

Balance - June 30, 2022	\$ 4,214,411
Current year amortization	<u>(477,219)</u>
Balance - June 30, 2023	<u><u>\$ 3,737,192</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, 2022	\$ 2,760,552
New entrants and sick leave accruals	698,874
Payments to participants	<u>(475,817)</u>
Balance, June 30, 2023	<u><u>\$ 2,983,609</u></u>

The General Fund has historically 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, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds and notes payable					
General obligation bonds	\$ 408,955,000	\$ 145,390,000	\$ 39,220,000	\$ 515,125,000	\$ 34,215,000
Bond premiums	58,330,159	10,367,727	4,433,535	64,264,351	-
Compensated absences	2,760,552	698,874	475,817	2,983,609	139,775
Leases	442,347	-	309,020	133,327	50,261
Subscription liability	-	1,276,035	602,237	673,798	511,949
Net pension liability	34,744,308	63,469,980	7,157,118	91,057,170	-
Net OPEB liability	69,045,260	7,018,532	30,016,829	46,046,963	-
	<u>\$ 574,277,626</u>	<u>\$ 228,221,148</u>	<u>\$ 82,214,556</u>	<u>\$ 720,284,218</u>	<u>\$ 34,916,985</u>

The District is subject to leases with various terms ranging from 2 to 3 years, including monthly and annual payments of principal and interest with various borrowing rates. As of June 30, 2023, the value of the lease liability was \$133,327. The value of the right-to-use assets as of the end of the current fiscal year was \$754,510, and had accumulated amortization of \$621,562.

The future principal and interest lease payments as of June 30, 2023 were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 50,261	\$ 1,348	\$ 51,609
2025	50,794	815	51,609
2026	32,272	279	32,551
	<u>\$ 133,327</u>	<u>\$ 2,442</u>	<u>\$ 135,769</u>

Subscription Based Information Technology Arrangements (SBITA)

During the year ended June 30, 2023, the District implemented GASB 96, *Subscription-Based IT Arrangements*, which required the District to record subscription-based IT arrangements (SBITAs). The District is subject to SBITAs with various terms, including monthly and annual payments of principal and interest with various borrowing rates. An initial SBITA liability was recorded in the amount of \$1,276,035 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$673,798. The value of the right-to-use assets as of the end of the current fiscal year was \$1,276,035, and had accumulated amortization of \$554,064.

Birdville Independent School District

Notes to the Basic Financial Statements

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Liability at Commencement	SBITA Term in Years	Ending Balance
Governmental activities				
Software	2.37%	212,086	5	\$ 167,663
Software	1.71% to 2.02%	832,655	2	373,319
Software	2.18%	127,348	3	64,270
Software	2.18%	103,946	4	68,546
Total governmental activities				\$ 673,798

The future principal and interest SBITA payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 511,949	\$ 14,305	\$ 526,254
2025	76,058	3,766	79,824
2026	42,394	2,030	44,424
2027	43,397	1,027	44,424
Total governmental activities	\$ 673,798	\$ 21,128	\$ 694,926

Birdville Independent School District
Notes to the Basic Financial Statements

Note 7. Capital Asset Activity

Capital asset activity in the governmental funds of the District for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	\$ 19,436,782	\$ 1,437,637	\$ 2,689,637	\$ -	\$ 23,564,056
Construction in progress	189,283,979	18,467,000	(176,628,562)	-	31,122,417
Total capital assets, not being depreciated	208,720,761	19,904,637	(173,938,925)	-	54,686,473
Capital assets, being depreciated					
Buildings and improvements	604,815,437	3,361,424	167,814,585	-	775,991,446
Furniture and equipment	63,371,073	4,523,280	6,124,340	-	74,018,693
Right to use leased equipment	754,510	-	-	-	754,510
Right to use subscription assets	-	1,276,035	-	-	1,276,035
Total capital assets, being depreciated	668,941,020	9,160,739	173,938,925	-	852,040,684
Less accumulated depreciation on					
Buildings and improvements	335,268,874	25,205,706	-	-	360,474,580
Furniture and equipment	45,183,893	6,507,050	-	-	51,690,943
Right to use leased equipment	304,738	316,824	-	-	621,562
Right to use subscription assets	-	554,064	-	-	554,064
Total accumulated depreciation	380,757,505	32,583,644	-	-	413,341,149
Total capital assets, being depreciated, net	288,183,515	(23,422,905)	173,938,925	-	438,699,535
Governmental activities capital assets, net	\$ 496,904,276	\$ (3,518,268)	\$ -	\$ -	\$ 493,386,008

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

Instruction	\$ 24,068,023
Instructional resources and media services	694
Guidance, counseling, and evaluation services	10,340
Health services	748
Student (pupil) transportation	711,451
Food services	627,973
Co-curricular/extracurricular activities	876,443
General administration	151,815
Facilities maintenance and operations	3,687,832
Security and monitoring services	400,663
Data processing services	2,045,736
Community services	1,926
Total depreciation/amortization expense	\$ 32,583,644

Birdville Independent School District
Notes to the Basic Financial Statements

Capital asset activity in the enterprise fund for the District for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	\$ 1,859,948	\$ -	\$ -	\$ -	\$ 1,859,948
Total capital assets, not being depreciated	1,859,948	-	-	-	1,859,948
Capital assets, being depreciated					
Buildings and improvements	9,528,415	-	-	-	9,528,415
Total capital assets, being depreciated	9,528,415	-	-	-	9,528,415
Less accumulated depreciation on					
Buildings and improvements	1,429,138	317,586	-	-	1,746,724
Total accumulated depreciation	1,429,138	317,586	-	-	1,746,724
Total capital assets, being depreciated, net	8,099,277	(317,586)	-	-	7,781,691
Business activities capital assets, net	\$ 9,959,225	\$ (317,586)	\$ -	\$ -	\$ 9,641,639

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, 2023 are classified in the accompanying financial statements as follows:

Primary government	\$ 3,826,747
Business type activities	82,586
	<u>3,909,333</u>
	<u>\$ 3,909,333</u>

Cash and investments as of June 30, 2023 consist of the following:

Deposits with financial institutions	\$ 3,909,333
Investments - current	314,993,630
Investments - long-term	19,222,545
	<u>338,125,508</u>
	<u>\$ 338,125,508</u>

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, 2023, the District had the following current and long-term investments:

Account/Investment Type	Amount	Weighted Average Maturity
TexPool	\$ 282,420,563	22
Lone Star	614,550	96
MBIA TexasCLASS	2,496,750	80
Negotiable certificates of deposit	68,660	379
U.S. agency securities	44,972,983	N/A
State and municipal securities	3,642,669	N/A
	\$ 334,216,175	

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, 2023
TexPool	\$ 282,420,563	AAA/AAAm	AAAm
Lone Star	614,550	AAA/AAAm	AAAm
MBIA TexasCLASS	2,496,750	AAA/AAAm	AAAm
Negotiable certificates of deposit	68,660	N/A	N/A
U.S. Agency securities	44,972,983	N/A	AA+
State and municipal securities	3,642,669	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, 2023, 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, 2023, 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 \$34,079,927.
- C. Largest cash, savings and time deposit combined account balance amounted to \$25,764,914 and occurred during the month of October 2022.
- 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

	Fair Value Measurements Using			
	Balance at 6/30/2023	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	\$ 68,660	\$ -	\$ 68,660	\$ -
U.S. Agency securities	44,972,983	-	44,972,983	-
State and municipal securities	3,642,669	-	3,642,669	-
Total	\$ 48,684,312	\$ -	\$ 48,684,312	\$ -

The fair value of the negotiable certificates of deposit, U.S. Agency securities and state and municipal securities at June 30, 2023 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) and is 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's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.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% (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 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

Contributions

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 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Birdville Independent School District

Notes to the Basic Financial Statements

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-employer contributing entity (state)	7.75%	8.00%
Employers (District)	7.75%	8.00%

The contribution amounts for the District's fiscal year 2023 are as follows:

Employer Contributions	\$	7,157,118
Member Contributions		13,988,289
NECE On-behalf Contributions		8,131,902

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.

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 or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to 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 is a surcharge an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.

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.

Birdville Independent School District

Notes to the Basic Financial Statements

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

On June 30, 2023, the District reported a liability of \$91,057,170 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 are as follows:

District's proportionate share of the collective net pension liability	\$ 91,057,170
State's proportionate share that is associated with the District	<u>103,458,967</u>
Total	<u>\$ 194,516,137</u>

The net pension liability was measured as of August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. 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 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.1533790% which was an increase of 0.0169474% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$20,530,632 and revenue of \$9,889,504 for support provided by the State.

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 1,320,322	\$ (1,985,219)
Changes in actuarial assumptions	16,966,914	(4,228,629)
Difference between projected and actual investment earnings	8,996,157	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,173,277	(3,093,559)
Contributions paid to TRS subsequent to the measurement date	<u>6,490,671</u>	<u>-</u>
Total	<u>\$ 39,947,341</u>	<u>\$ (9,307,407)</u>

Birdville Independent School District

Notes to the Basic Financial Statements

\$6,490,671 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ 5,968,793
2025	3,394,810
2026	1,247,456
2027	11,290,849
2028	2,247,355
Thereafter	-
	<u>\$ 24,149,263</u>

Actuarial Methods and Assumptions

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

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2022	3.91%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP2014 Employing Mortality Tables for males and females with full generation 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 projections scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

Birdville Independent School District

Notes to the Basic Financial Statements

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.00% 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 7.00%. 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. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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, 2022 are summarized below:

Asset Class*	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long Term Portfolio Returns
Global equity:			
U.S.	18.00%	4.60%	1.12%
Non-U.S. developed	13.00%	4.90%	0.90%
Emerging markets	9.00%	5.40%	0.75%
Private equity	14.00%	7.70%	1.55%
Stable value:			
Government Bonds	16.00%	1.00%	0.22%
Absolute return	-	3.70%	-
Stable value hedge funds	5.00%	3.40%	0.18%
Real return:			
Real Estate	15.00%	4.10%	0.94%
Energy, natural resources and infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk parity:			
Risk parity	8.00%	4.60%	0.43%
Asset Allocation Leverage:			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation	0.00%	0.00%	2.70%
Volatility Drag****	0.00%	0.00%	-0.91%
Totals	100.00%		8.21%

* Absolute Return includes Credit Sensitive Investments

** Target allocations are based on the FY2022 policy model

*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

**** 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 7.00%, 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 (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 141,650,432	\$ 91,057,170	\$ 50,048,957

Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change of Benefit Terms Since the Prior Measurement Date

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

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. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

Birdville Independent School District

Notes to the Basic Financial Statements

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

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

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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	<u>2023</u>	<u>2022</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%

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$ 1,579,529
Member contributions	1,104,335
NECE on-behalf contributions (state)	1,926,777

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 hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$890,942, \$709,732 and \$727,207 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

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

Birdville Independent School District

Notes to the Basic Financial Statements

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

On June 30, 2023, the District reported a liability of \$46,046,963 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 46,046,963
State's proportionate share of the net OPEB liability associated with the District	<u>56,170,061</u>
Total	<u><u>\$ 102,217,024</u></u>

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.1923110% which was an increase of 0.0133189% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized net OPEB revenue of \$13,408,118 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of (\$7,970,985) was recognized for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,560,048	\$ (38,361,254)
Changes of assumptions	7,013,865	(31,990,691)
Net difference between projected and actual earnings on pension plan investments	137,162	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	8,597,758	(2,919,341)
District contributions after measurement date	<u>1,325,426</u>	<u>-</u>
Totals	<u><u>\$ 19,634,259</u></u>	<u><u>\$ (73,271,286)</u></u>

Birdville Independent School District

Notes to the Basic Financial Statements

\$1,325,426 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	\$ (10,483,310)
2025	(10,482,813)
2026	(8,530,116)
2027	(5,886,513)
2028	(7,074,318)
Thereafter	<u>(12,505,383)</u>
Total	<u>\$ (54,962,453)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2021. Update procedures were used to roll forward the total OPEB liability to August 31, 2022.

The actuarial valuation 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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

See Note 9 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

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	3.91%
Aging factors	Based on plan specific experience
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 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 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 plan 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" as of August 31, 2022.

Sensitivity Analysis of Rates

Discount Rate

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 (3.91%) in measuring the net OPEB liability.

	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
District's proportionate share of the Net OPEB Liability	\$ 54,293,021	\$ 46,046,963	\$ 39,366,598

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% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability	\$ 37,942,905	\$ 46,046,963	\$ 56,552,832

Birdville Independent School District

Notes to the Basic Financial Statements

Change of Assumptions 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 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that 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.

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.

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 reported in the self-insurance fund at June 30, 2023 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, 2023 and 2022 are as follows:

	2023	2022
Liability, beginning of year	\$ 23,693	\$ 52,538
Current year claims and changes in estimates	(23,693)	(28,845)
Liability, end of year	\$ -	\$ 23,693

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.

Birdville Independent School District

Notes to the Basic Financial Statements

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, 2023, 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	\$ 12,282,057
Nonmajor	7,665,828
Total	\$ 19,947,885

Note 14. Unearned Revenue

Unearned revenue at June 30, 2023 consisted of the following:

Fund	Debt service Fund	Nonmajor Fund	Enterprise Fund	Total
Local funding	\$ -	\$ 83,671	\$ -	\$ 83,671
State funding	258,488	278,370	-	536,858
Rental payments	-	-	55,867	55,867
Total	\$ 258,488	\$ 362,041	\$ 55,867	\$ 676,396

Birdville Independent School District

Notes to the Basic Financial Statements

Note 15. Interfund Balances and Activities

Interfund balances at June 30, 2023 consisted of the following individual fund balances:

	Due To	Due From	Purpose
General fund			
Nonmajor funds	\$ 2,061,884	\$ 5,686,516	Investment maturities and reimbursement reimbursement of expenditures
Debt service fund	833,838	-	Investment maturity and pending tax collection transfers
Capital projects fund	31,453,995	66	Investment maturity and transfer
Total general fund	34,349,717	5,686,582	
Debt service fund			
General fund	-	833,838	Investment maturity and pending tax collection transfers
Capital projects fund			
General fund	66	31,453,995	Investment maturity and transfer in for year-end projects
Nonmajor Funds			
General fund	5,686,516	2,061,884	Investment maturities and reimbursement of expenditures
Total Nonmajor Funds	5,686,516	2,061,884	
Totals	\$ 40,036,299	\$ 40,036,299	

All amounts due are scheduled to be repaid within one year. During the year ended June 30, 2023, the District transferred \$34,576,950 from the general fund to capital project fund to commit funds for capital projects, and transferred \$2,530,730 from capital project fund to capital project fund to commit funds for capital projects.

Note 16. Nonmonetary Transactions

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 \$31,900 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, 2023, the remainder of the District's textbooks have minimal value and are not otherwise reflected elsewhere in these statements.

Birdville Independent School District

Notes to the Basic Financial Statements

During fiscal year 2023, the District received commodities purchased by the Texas Department of Agriculture (TDA). These commodities have been recorded in the amount of \$966,774 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

Note 17. Construction Commitments

As of June 30, 2023, the District had entered into several construction contracts for various construction projects totaling \$12,156,665. At June 30, 2023, there was \$2,907,898 of remaining costs under these contracts.

Note 18. Lease Receivable

The District leases a building, land and cell towers. The District's lease receivables have various terms from 2 to 50 years, including monthly and annual payments of principal and interest with various borrowing rates. During the year ended June 30, 2023, the District recognized \$1,000,611 in lease revenue and \$163,260 in interest revenue in the enterprise fund. During the year ended June 30, 2023 the District recognized \$59,380 in lease revenue and \$15,647 in interest revenue in the general fund, and \$60,607 in lease revenue and \$13,420 in interest revenue in the nonmajor fund. As of June 30, 2023, the District's receivables for lease payments were \$817,876 in the general fund, \$686,878 in the nonmajor fund, and \$8,583,630 in the enterprise fund. Also, the District has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balances of the deferred inflows of resources were \$782,095 in the general fund, \$666,681 in the nonmajor fund, and \$8,278,050 in the enterprise fund.

The future principal and interest lease payments to be received as of June 30, 2023 were as follows:

Fiscal Year Ending June 30	Government-wide			Business-type			Total Leases
	Principal	Interest	Total	Principal	Interest	Total	
2024	\$ 87,498	\$ 29,597	\$ 117,095	\$ 850,585	\$ 149,147	\$ 999,732	\$ 1,116,827
2025	102,953	27,941	130,894	733,402	137,396	870,798	1,001,692
2026	104,914	25,981	130,895	772,027	125,567	897,594	1,028,489
2027	106,912	23,982	130,894	794,144	113,208	907,352	1,038,246
2028	112,250	21,945	134,195	810,598	100,588	911,186	1,045,381
2029-2033	631,049	75,010	706,059	2,571,106	329,867	2,900,973	3,607,032
2034-2038	308,355	23,192	331,547	(1,435)	265,099	263,664	595,211
2039-2043	50,823	1,141	51,964	40,521	262,690	303,211	355,175
2044-2048	-	-	-	94,580	254,113	348,693	348,693
2048-2053	-	-	-	163,355	237,642	400,997	400,997
2054-2058	-	-	-	249,964	211,184	461,148	461,148
2059-2063	-	-	-	358,114	172,205	530,319	530,319
2064-2068	-	-	-	492,219	117,649	609,868	609,868
2069-2073	-	-	-	654,450	43,845	698,295	698,295
	<u>\$ 1,504,754</u>	<u>\$ 228,789</u>	<u>\$ 1,733,543</u>	<u>\$ 8,583,630</u>	<u>\$ 2,520,200</u>	<u>\$ 11,103,830</u>	<u>\$ 12,837,373</u>

Birdville Independent School District

Notes to the Basic Financial Statements

Note 19. Recent Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022* (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases were implemented in the District's fiscal year 2022 financial statements in conjunction with GASB 87. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the District's fiscal year 2023 financial statements in conjunction with GASB 96 as described in Note 1.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

Note 20. Subsequent Events

The District evaluated all events or transactions that occurred after June 30, 2023 through November 13, 2023, the date these financial statements were available to be issued.

In August 2023, the District approved the issuance of \$140,150,000 of Unlimited Tax School Building Bonds, Series 2023 - A for the purpose of constructing, renovating, improving and equipping school facilities in the District, including the acquisition of land therefore and the acquisition of new school buses; for acquiring and updating instructional technology equipment; to fund capitalized interest on the Bonds; and to pay costs of issuance related to the Bonds.

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Required Supplementary Information

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Birdville Independent School District

Exhibit G-1

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund For the Fiscal Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 118,975,957	\$ 122,240,644	\$ 122,712,846	\$ 472,202
5800	State program revenues	85,345,372	86,703,529	85,660,004	(1,043,525)
5900	Federal program revenues	7,404,464	9,432,199	10,461,055	1,028,856
5020	Total revenues	211,725,793	218,376,372	218,833,905	457,533
EXPENDITURES					
Current:					
0011	Instruction	125,697,669	123,597,313	119,948,834	3,648,479
0012	Instructional resources and media services	2,912,616	2,890,519	2,733,514	157,005
0013	Curriculum and instructional staff development	4,368,851	4,398,306	4,327,791	70,515
0021	Instructional leadership	3,690,756	3,648,868	3,404,217	244,651
0023	School leadership	13,099,919	13,140,693	12,769,551	371,142
0031	Guidance, counseling and evaluation services	10,253,467	10,393,012	9,999,598	393,414
0032	Social work services	320,873	323,173	284,018	39,155
0033	Health services	3,105,073	3,114,251	2,806,521	307,730
0034	Student (pupil) transportation	5,969,758	7,265,899	6,942,249	323,650
0036	Extracurricular activities	5,902,548	6,120,775	5,849,325	271,450
0041	General administration	8,258,468	8,148,917	7,534,778	614,139
0051	Facilities maintenance and operations	25,342,750	26,545,436	26,158,333	387,103
0052	Security and monitoring services	1,874,080	2,252,502	2,107,903	144,599
0053	Data processing services	5,155,718	6,394,014	4,680,795	1,713,219
0061	Community services	312,574	328,074	301,405	26,669
Debt service:					
0071	Principal and interest on long-term debt	9,783	1,148,371	913,091	235,280
Capital outlay:					
0081	Facilities acquisition and construction	40,000	7,890,555	72,427	7,818,128
Intergovernmental:					
0093	Payments to fiscal agent SSA	577,000	577,000	531,859	45,141
0095	Payments to juvenile justice alternative education program	20,000	800	-	800
0099	Other intergovernmental charges	804,000	795,424	795,398	26
6030	Total expenditures	217,715,903	228,973,902	212,161,607	16,812,295
1100	Excess (deficiency) of revenues over (under) expenditures	(5,990,110)	(10,597,530)	6,672,298	17,269,828
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	9,200,000	-	(9,200,000)
8911	Transfers out	-	(3,123,049)	(34,576,950)	(31,453,901)
7080	Total other financing sources (uses)	-	6,076,951	(34,576,950)	(40,653,901)
1200	Net change in fund balances	(5,990,110)	(4,520,579)	(27,904,652)	(23,384,073)
0100	Fund balance - July 1 (beginning)	97,126,274	97,126,274	97,126,274	-
3000	FUND BALANCE - JUNE 30 (ENDING)	<u>\$ 91,136,164</u>	<u>\$ 92,605,695</u>	<u>\$ 69,221,622</u>	<u>\$ (23,384,073)</u>

Birdville Independent School District

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability (asset)	0.15337900%	0.13643163%	0.13858679%
District's proportionate share or net pension liability (asset)	\$ 91,057,170	\$ 34,744,308	\$ 74,224,260
State's proportionate share of the net pension liability (asset) associated with the District	<u>103,458,967</u>	<u>51,097,236</u>	<u>108,644,453</u>
TOTALS	<u><u>\$ 194,516,137</u></u>	<u><u>\$ 85,841,544</u></u>	<u><u>\$ 182,868,713</u></u>
District's covered payroll	169,944,711	163,876,798	163,010,578
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.58%	21.20%	45.53%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

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, 2022 for Year 2023, August 31, 2021 for Year 2022, 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 nine 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.

Exhibit G-2

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.14815058%	0.14840880%	0.14737013%	0.15221500%	0.15805076%	0.11684070%
\$ 77,013,305	\$ 81,687,805	\$ 47,121,030	\$ 57,519,786	\$ 55,871,258	\$ 31,209,767
102,814,965	113,232,127	68,174,989	86,004,619	82,444,446	71,390,585
<u>\$ 179,828,270</u>	<u>\$ 194,919,932</u>	<u>\$ 115,296,019</u>	<u>\$ 143,524,405</u>	<u>\$ 138,315,704</u>	<u>\$ 102,600,352</u>
155,077,804	152,239,652	\$ 149,392,854	\$ 148,703,880	\$ 144,396,132	\$ 141,661,698
49.66%	53.66%	31.54%	38.68%	38.69%	22.03%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Birdville Independent School District**Exhibit G-3**

Schedule of District Contributions
 Teacher Retirement System of Texas
 For the Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 5,213,031	\$ 4,615,153	\$ 3,707,250
Contribution in relation to the contractually required contribution	<u>(5,213,031)</u>	<u>(4,615,153)</u>	<u>(3,707,250)</u>
CONTRIBUTIONS DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 174,852,952	\$ 169,431,192	\$ 162,513,120
Contributions as a percentage of covered payroll	2.98%	2.72%	2.28%

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, 2022 for Year 2023, August 31, 2021 for Year 2022, 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 nine 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.

Exhibit G-3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,723,500	\$ 3,443,297	\$ 3,152,523	\$ 3,211,300	\$ 4,654,113	4,258,222
<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>
<u>\$ -</u>					
\$ 162,135,791	\$ 154,589,354	\$ 151,667,872	\$ 149,392,854	\$ 148,703,880	144,396,132
2.30%	2.23%	2.08%	2.15%	3.13%	2.95%

Birdville Independent School District

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 Six Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability	0.19231102970%	0.17899212340%	0.18187051670%
District's proportionate share of net OPEB liability	\$ 46,046,963	\$ 69,045,260	\$ 69,137,196
State's proportionate share of the net OPEB liability associated with the District	<u>56,170,061</u>	<u>92,505,262</u>	<u>92,903,819</u>
TOTAL	<u>\$ 102,217,024</u>	<u>\$ 161,550,522</u>	<u>\$ 162,041,015</u>
District's covered-employee payroll	<u>\$ 169,944,711</u>	<u>\$ 163,876,798</u>	<u>\$ 163,010,578</u>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	27%	42%	42%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	6.18%	4.99%

Note: Only six years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2023, 2022, 2021, 2020, 2019 and 2018 are not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
0.18466805330%	0.18569339350%	0.18009116910%
\$ 87,331,782	\$ 92,718,411	\$ 78,314,894
116,044,407	127,991,692	114,520,097
<u>\$ 203,376,189</u>	<u>\$ 220,710,103</u>	<u>\$ 192,834,991</u>
<u>\$ 155,077,804</u>	<u>\$ 152,239,652</u>	<u>\$ 149,392,854</u>
56%	61%	52%
2.66%	1.57%	0.91%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 1,588,775	\$ 1,526,919	\$ 1,369,166
Contribution in relation to the contractually required contribution	<u>(1,588,775)</u>	<u>(1,526,919)</u>	<u>(1,369,166)</u>
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	\$ 174,852,952	\$ 169,431,192	\$ 162,513,120
Contributions as a percentage of covered-employee payroll	0.91%	0.90%	0.84%

Note: Only six years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2023, 2022, 2021, 2020, 2019 and 2018 are not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 1,357,316	\$ 983,474	\$ 962,118
<u>(1,357,316)</u>	<u>(983,474)</u>	<u>(962,118)</u>
-	-	-
\$ 162,135,791	\$ 154,589,354	\$ 151,667,872
0.84%	0.64%	0.63%

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Birdville Independent School District

Notes to Required Supplementary Information
Year Ended June 30, 2023

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 increased to reflect additional local revenue from interest earnings in the amount of \$3.3 million. Anticipated state revenue was increased by \$1.6 million based on enrollment and attendance, and federal revenue increased by \$2 million as a result of additional SHARS program revenue.
2. Budget expenditures increased to reflect incomplete projects and the property purchase remaining from fiscal year 2022, and reclassification between functions due to expected facilities maintenance and transportation costs.

Birdville Independent School District

Notes to Required Supplementary Information
Year Ended June 30, 2023

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
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
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, 2022 – Net Pension Liability and Net OPEB Liability:

- New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.
- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB liability. Lower participation rates and updates to the health care assumptions were also factors that changed the total OPEB liability.

Changes in benefit terms

For Measurement Date August 31, 2022 – 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.

Other Supplementary Information

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Combining Statements

Birdville Independent School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

<u>Data Control Codes</u>	<u>211 ESEA I, A Improving Basic Programs</u>	<u>224 IDEA - Part B Formula</u>	<u>225 IDEA - Part B Preschool</u>
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1120 Investments-current	-	-	-
1240 Due from other governments	1,421,406	1,102,316	17,734
1250 Accrued interest	-	-	-
1260 Due from other funds	-	-	-
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1910 Long-term investments	-	-	-
	<hr/>	<hr/>	<hr/>
1000 TOTAL ASSETS	<u>\$ 1,421,406</u>	<u>\$ 1,102,316</u>	<u>\$ 17,734</u>
LIABILITIES			
2110 Accounts payable	\$ 96,551	\$ -	\$ -
2160 Accrued wages payable	688,548	659,750	11,366
2170 Due to other funds	636,307	442,566	6,368
2180 Due to other governments	-	-	-
2190 Due to student groups	-	-	-
2300 Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
2000 Total liabilities	1,421,406	1,102,316	17,734
DEFERRED INFLOWS OF RESOURCES			
2602 Deferred inflows	-	-	-
	<hr/>	<hr/>	<hr/>
2600 Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable fund balance:			
3410 Inventories	-	-	-
3430 Prepaids	-	-	-
Restricted fund balance:			
3450 Federal or state funds grants	-	-	-
Committed fund balance:			
3545 Other committed fund balance	-	-	-
	<hr/>	<hr/>	<hr/>
3000 Total fund balances	-	-	-
	<hr/>	<hr/>	<hr/>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,421,406</u>	<u>\$ 1,102,316</u>	<u>\$ 17,734</u>

Exhibit H-1

226	240	244	255	263	265
IDEA - B Preschool - HCF	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning
\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -
-	5,237,753	-	-	-	-
108,050	118,610	46,348	215,757	88,236	352,568
-	-	-	-	-	-
-	817,858	-	-	-	-
-	-	-	-	-	-
-	460,917	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 108,050</u>	<u>\$ 6,635,143</u>	<u>\$ 46,348</u>	<u>\$ 215,757</u>	<u>\$ 88,236</u>	<u>\$ 352,568</u>
\$ -	\$ 42,371	\$ -	\$ 6,634	\$ -	\$ 1,044
-	695,697	22,179	104,827	49,841	91,022
108,050	-	24,169	104,296	38,395	260,502
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,050	738,068	46,348	215,757	88,236	352,568
-	-	-	-	-	-
-	-	-	-	-	-
-	460,917	-	-	-	-
-	-	-	-	-	-
-	5,436,158	-	-	-	-
-	-	-	-	-	-
<u>\$ 108,050</u>	<u>\$ 6,635,143</u>	<u>\$ 46,348</u>	<u>\$ 215,757</u>	<u>\$ 88,236</u>	<u>\$ 352,568</u>

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Data Control Codes		279	280	281
		TCLAS ESSER III	ARP Homeless II	ESSER II
ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Investments-current	-	-	-
1240	Due from other governments	5,964	18,873	1,509,452
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
1910	Long-term investments	-	-	-
1000	TOTAL ASSETS	<u>\$ 5,964</u>	<u>\$ 18,873</u>	<u>\$ 1,509,452</u>
LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	12,463	863,539
2170	Due to other funds	5,964	6,410	645,913
2180	Due to other governments	-	-	-
2190	Due to student groups	-	-	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	5,964	18,873	1,509,452
DEFERRED INFLOWS OF RESOURCES				
2602	Deferred inflows	-	-	-
2600	Total deferred inflows of resources	-	-	-
FUND BALANCES				
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	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,964</u>	<u>\$ 18,873</u>	<u>\$ 1,509,452</u>

Exhibit H-1 (Cont'd)

282	284	285	289	315	385
ESSER III	IDEA, Part B - ARP	IDEA, Part B - Preschool - ARP	Other Federal Special Revenue Funds	SSA IDEA, PART B Discretionary	Visually Impaired SSVI
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,603,964	102,161	8,411	52,122	21,987	11,812
-	-	-	-	-	-
-	-	-	647,835	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,603,964</u>	<u>\$ 102,161</u>	<u>\$ 8,411</u>	<u>\$ 699,957</u>	<u>\$ 21,987</u>	<u>\$ 11,812</u>
\$ -	\$ -	\$ -	\$ 6,674	\$ -	\$ -
779,022	42,740	5,855	17,203	14,047	-
824,942	59,421	2,556	-	7,940	11,812
-	-	-	676,080	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,603,964	102,161	8,411	699,957	21,987	11,812
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,603,964</u>	<u>\$ 102,161</u>	<u>\$ 8,411</u>	<u>\$ 699,957</u>	<u>\$ 21,987</u>	<u>\$ 11,812</u>

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Exhibit H-1 (Cont'd)

<u>Data Control Codes</u>	<u>397 Advanced Placement Incentives</u>	<u>410 State Instructional Materials Fund</u>	<u>429 Other State Special Revenue Funds</u>
ASSETS			
1110	\$ -	\$ -	\$ -
1120	-	-	-
1240	-	390,334	328,236
1250	-	-	-
1260	14,169	-	-
1290	-	-	-
1300	-	-	-
1410	-	-	-
1910	-	-	-
1000	<u>\$ 14,169</u>	<u>\$ 390,334</u>	<u>\$ 328,236</u>
LIABILITIES			
2110	\$ -	\$ 5,025	\$ -
2160	-	22,193	350
2170	-	363,116	327,886
2180	-	-	-
2190	-	-	-
2300	-	-	-
2000	-	390,334	328,236
DEFERRED INFLOWS OF RESOURCES			
2602	-	-	-
2600	-	-	-
FUND BALANCES			
Nonspendable fund balance:			
3410	-	-	-
3430	-	-	-
Restricted fund balance			
3450	14,169	-	-
Committed fund balance			
3545	-	-	-
3000	<u>14,169</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 14,169</u>	<u>\$ 390,334</u>	<u>\$ 328,236</u>

Exhibit H-1 (Cont'd)

435 SSA Regional Day School - Deaf	461 Campus Activity Funds	489 Other Local Special Revenue Funds	492 Athletic Competition	493 Afterschool Program	494 Career Tech
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,126,499	54,890	-	-	-
141,487	-	-	-	-	-
-	-	-	-	-	-
390,695	61,222	73,623	1,460	8,712	46,310
-	2,536	-	-	-	-
-	-	-	-	-	-
-	23,025	-	-	-	-
-	-	-	-	-	-
<u>\$ 532,182</u>	<u>\$ 4,213,282</u>	<u>\$ 128,513</u>	<u>\$ 1,460</u>	<u>\$ 8,712</u>	<u>\$ 46,310</u>
\$ 140	\$ 24,031	\$ -	\$ 1,460	\$ -	\$ -
253,672	-	8,089	-	8,712	-
-	1,809,903	-	-	-	-
-	-	-	-	-	-
-	213,295	-	-	-	-
278,370	-	83,671	-	-	-
532,182	2,047,229	91,760	1,460	8,712	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	23,025	-	-	-	-
-	-	-	-	-	-
-	2,143,028	36,753	-	-	46,310
-	2,166,053	36,753	-	-	46,310
<u>\$ 532,182</u>	<u>\$ 4,213,282</u>	<u>\$ 128,513</u>	<u>\$ 1,460</u>	<u>\$ 8,712</u>	<u>\$ 46,310</u>

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Exhibit H-1 (Cont'd)

<u>Data Control Codes</u>	497 Birdville Education Foundation	498 Legacy Fund	Total Nonmajor Governmental Funds
ASSETS			
1110	\$ -	\$ -	\$ 5
1120	-	6,103,667	15,522,809
1240	-	-	7,665,828
1250	-	33,756	33,756
1260	-	-	2,061,884
1290	-	746,626	749,162
1300	-	-	460,917
1410	-	-	23,025
1910	-	4,868,534	4,868,534
1000	<u>\$ -</u>	<u>\$ 11,752,583</u>	<u>\$ 31,385,920</u>
LIABILITIES			
2110	\$ -	\$ -	\$ 183,930
2160	-	-	4,351,115
2170	-	-	5,686,516
2180	-	-	676,080
2190	-	64	213,359
2300	-	-	362,041
2000	-	64	11,473,041
DEFERRED INFLOWS OF RESOURCES			
2602	-	666,681	666,681
2600	-	666,681	666,681
FUND BALANCES			
Nonspendable fund balance:			
3410	-	-	460,917
3430	-	-	23,025
Restricted fund balance			
3450	-	-	5,450,327
Committed fund balance			
3545	-	11,085,838	13,311,929
3000	-	11,085,838	19,246,198
4000	<u>\$ -</u>	<u>\$ 11,752,583</u>	<u>\$ 31,385,920</u>

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Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

<u>Data Control Codes</u>	<u>211 ESEA I, A Improving Basic Programs</u>	<u>224 IDEA - Part B Formula</u>	<u>225 IDEA - Part B Preschool</u>
REVENUES			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	-	-
5900	Federal program revenues	5,216,187	87,622
5020	Total revenues	5,216,187	87,622
EXPENDITURES			
Current:			
0011	Instruction	3,362,639	43,427
0012	Instructional resources and media services	-	-
0013	Curriculum and instructional staff development	1,368,907	-
0021	Instructional leadership	105,659	-
0023	School leadership	37,934	-
0031	Guidance, counseling and evaluation services	3,368	44,195
0032	Social work services	45,000	-
0033	Health services	7,906	-
0034	Student (pupil) transportation	41,548	-
0035	Food services	-	-
0036	Extracurricular activities	20,836	-
0041	General administration	-	-
0051	Facilities maintenance and operations	-	-
0052	Security and monitoring services	-	-
0053	Data processing services	-	-
0061	Community services	222,390	-
0093	Payment to fiscal agent/member districts of SSA	-	50,000
6030	Total expenditures	5,216,187	87,622
1100	Excess (deficiency) of revenues over (under) expenditures	-	-
1200	Net change in fund balance	-	-
0100	Fund balance - July 1 (beginning)	-	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ -

Exhibit H-2

226	240	244	255	263	265
IDEA - Part B Preschool - HCF	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning
\$ -	\$ 2,896,194	\$ -	\$ -	\$ -	\$ -
-	349,154	-	-	-	-
108,050	9,254,153	266,828	686,808	477,015	1,525,671
108,050	12,499,501	266,828	686,808	477,015	1,525,671
108,050	-	-	-	50,870	615,689
-	-	-	-	-	-
-	-	266,828	644,319	347,788	626,834
-	-	-	39,870	1,217	139,136
-	-	-	2,619	1,172	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,126,358	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	82,600
-	-	-	-	-	337
-	-	-	-	-	-
-	-	-	-	75,968	61,075
-	-	-	-	-	-
108,050	13,126,358	266,828	686,808	477,015	1,525,671
-	(626,857)	-	-	-	-
-	(626,857)	-	-	-	-
-	6,523,932	-	-	-	-
\$ -	\$ 5,897,075	\$ -	\$ -	\$ -	\$ -

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Data Control Codes		279	280	281
		TCLAS ESSER III	ARP Homeless II	ESSER II
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	14,782	75,392	5,500,119
5020	Total revenues	14,782	75,392	5,500,119
EXPENDITURES				
Current:				
0011	Instruction	14,782	-	5,500,119
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	75,274	-
0021	Instructional leadership	-	118	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
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	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
0093	Payment to fiscal agent/member districts of SSA	-	-	-
6030	Total expenditures	14,782	75,392	5,500,119
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balance	-	-	-
0100	Fund balance - July 1 (beginning)	-	-	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ -	\$ -

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

<u>Data Control Codes</u>	<u>397 Advanced Placement Incentives</u>	<u>410 Instructional Materials Fund</u>	<u>429 Other State Special Revenue Funds</u>
REVENUES			
5700	\$ -	\$ -	\$ -
5800	550	939,259	334,387
5900	-	-	-
5020	550	939,259	334,387
EXPENDITURES			
Current:			
0011	-	607,375	95,400
0012	-	-	62
0013	-	331,884	1,925
0021	-	-	-
0023	-	-	-
0031	-	-	-
0032	-	-	-
0033	-	-	-
0034	-	-	237,000
0035	-	-	-
0036	-	-	-
0041	-	-	-
0051	-	-	-
0052	-	-	-
0053	-	-	-
0061	-	-	-
0093	-	-	-
6030	-	939,259	334,387
1100	550	-	-
1200	550	-	-
0100	13,619	-	-
3000	\$ 14,169	\$ -	\$ -

Exhibit H-2 (Cont'd)

435 SSA Regional Day School - Deaf	461 Campus Activity Funds	489 Other Local Special Revenue Funds	492 Athletic Competition	493 After School Program	494 Career Tech
\$ 1,264,180	\$ 3,806,577	\$ 182,598	\$ 32,124	\$ 3,850	\$ -
565,949	-	-	-	-	-
-	-	-	-	-	-
1,830,129	3,806,577	182,598	32,124	3,850	-
1,620,468	1,658,702	75,597	-	-	-
-	154,804	-	-	-	-
3,637	110,894	101,929	-	-	-
112,822	-	-	-	-	-
-	179,607	-	-	-	-
93,202	5,578	-	-	-	-
-	-	-	-	-	-
-	96	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,100,475	931	30,450	3,850	-
-	-	-	-	-	-
-	77,773	-	-	-	-
-	2,502	-	1,674	-	-
-	265	-	-	-	-
-	219,365	3,956	-	-	-
-	-	-	-	-	-
1,830,129	3,510,061	182,413	32,124	3,850	-
-	296,516	185	-	-	-
-	296,516	185	-	-	-
-	1,869,537	36,568	-	-	46,310
\$ -	\$ 2,166,053	\$ 36,753	\$ -	\$ -	\$ 46,310

Birdville Independent School District

Exhibit H-2 (Cont'd)

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

<u>Data Control Codes</u>	<u>497 Birdville Education Foundation</u>	<u>498 Legacy Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
5700 Local and intermediate sources	\$ 113,958	\$ 2,244,889	\$ 10,544,370
5800 State program revenues	-	-	2,203,103
5900 Federal program revenues	-	-	36,352,665
5020 Total revenues	113,958	2,244,889	49,100,138
EXPENDITURES			
Current:			
0011 Instruction	113,958	126,729	18,728,649
0012 Instructional resources and media services	-	-	154,866
0013 Curriculum and instructional staff development	-	-	7,562,197
0021 Instructional leadership	-	-	587,477
0023 School leadership	-	-	1,329,731
0031 Guidance, counseling and evaluation services	-	-	3,319,515
0032 Social work services	-	-	45,000
0033 Health services	-	-	15,839
0034 Student (pupil) transportation	-	-	387,663
0035 Food services	-	-	13,126,358
0036 Extracurricular activities	-	-	1,156,542
0041 General administration	-	109,381	109,381
0051 Facilities maintenance and operations	-	-	160,373
0052 Security and monitoring services	-	-	104,355
0053 Data processing services	-	-	265
0061 Community services	-	-	582,754
0093 Payment to fiscal agent/member districts of SSA	-	-	50,000
6030 Total expenditures	113,958	236,110	47,420,965
1100 Excess (deficiency) of revenues over (under) expenditures	-	2,008,779	1,679,173
1200 Net change in fund balance	-	2,008,779	1,679,173
0100 Fund balance - July 1 (beginning)	-	9,077,059	17,567,025
3000 FUND BALANCE - JUNE 30 (ENDING)	\$ -	\$ 11,085,838	\$ 19,246,198

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Birdville Independent School District
 Combining Balance Sheet – Capital Projects Fund
 For the Fiscal Year Ended June 30, 2023

Data Control Codes	650 Local Capital Projects	651 2018 Capital Projects	652 2019 Capital Projects	653 2020 Capital Projects	654 2021 Capital Projects	
ASSETS						
1120	Investments-current	\$ 4,626,594	\$ -	\$ 481,656	\$ 76,168	\$ 1,131,971
1250	Accrued interest	-	-	-	-	-
1260	Due from other funds	-	-	93	-	-
1000	Total assets	<u>\$ 4,626,594</u>	<u>\$ -</u>	<u>\$ 481,749</u>	<u>\$ 76,168</u>	<u>\$ 1,131,971</u>
LIABILITIES						
2110	Accounts payable	\$ 16,322	\$ -	\$ -	\$ 32,356	\$ 74,199
2171	Due to other funds	-	-	-	-	-
2000	Total liabilities	<u>16,322</u>	<u>-</u>	<u>-</u>	<u>32,356</u>	<u>74,199</u>
FUND BALANCES						
Restricted fund balance:						
3470	Capital acquisition and contractual obligation	-	-	-	-	-
Committed fund balance:						
3545	Other committed fund balance	<u>4,610,272</u>	<u>-</u>	<u>481,749</u>	<u>43,812</u>	<u>1,057,772</u>
3000	Total fund balances	<u>4,610,272</u>	<u>-</u>	<u>481,749</u>	<u>43,812</u>	<u>1,057,772</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,626,594</u>	<u>\$ -</u>	<u>\$ 481,749</u>	<u>\$ 76,168</u>	<u>\$ 1,131,971</u>

Exhibit H-3

655 2022 Capital Projects	659 Future Needs Fund	688 2022 Bond Prop A	689 2022 Bond Prop B	690 2018 Bond Program	694 Other Bond Funded Projects	Total Capital Projects
\$ 2,469,856	\$ -	\$ 136,803,406	\$ 5,450,310	\$ 22,524,136	\$ -	\$ 173,564,097
-	-	-	-	1,569	-	1,569
-	31,453,902	-	-	-	-	31,453,995
<u>\$ 2,469,856</u>	<u>\$ 31,453,902</u>	<u>\$ 136,803,406</u>	<u>\$ 5,450,310</u>	<u>\$ 22,525,705</u>	<u>\$ -</u>	<u>\$ 205,019,661</u>
\$ 1,044,459	\$ -	\$ 3,048,637	\$ -	\$ 1,140,055	\$ -	\$ 5,356,028
-	-	-	-	66	-	66
1,044,459	-	3,048,637	-	1,140,121	-	5,356,094
-	-	133,754,769	5,450,310	21,385,584	-	160,590,663
1,425,397	31,453,902	-	-	-	-	39,072,904
1,425,397	31,453,902	133,754,769	5,450,310	21,385,584	-	199,663,567
<u>\$ 2,469,856</u>	<u>\$ 31,453,902</u>	<u>\$ 136,803,406</u>	<u>\$ 5,450,310</u>	<u>\$ 22,525,705</u>	<u>\$ -</u>	<u>\$ 205,019,661</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, 2023

Data Control Codes	650 Local Capital Projects	651 2018 Capital Projects	652 2019 Capital Projects	653 2020 Capital Projects	654 2021 Capital Projects
REVENUES					
5700 Local and intermediate sources	\$ 45,564	\$ -	\$ 55,800	\$ 5,508	\$ 81,651
5020 Total revenues	45,564	-	55,800	5,508	81,651
EXPENDITURES					
Current:					
0011 Instruction	-	-	-	-	-
0034 Student (pupil) transportation	-	-	-	-	391,739
0036 Extracurricular activities	16,322	-	-	21,900	-
0051 Facilities maintenance and operations	-	-	112,228	19,842	1,195,943
0073 Debt Issuance Costs	-	-	-	-	-
Capital outlay:					
0081 Facilities acquisition and construction	-	-	80,341	-	1,541,256
6030 Total expenditures	16,322	-	192,569	41,742	3,128,938
1100 Excess (deficiency) of revenues over (under) expenditures	29,242	-	(136,769)	(36,234)	(3,047,287)
OTHER FINANCING SOURCES (USES)					
7911 Issuance of debt	-	-	-	-	-
7916 Premiums on issuance of debt	-	-	-	-	-
7915 Transfers in	4,475,899	-	-	-	-
8911 Transfers out	(420,650)	(16)	(1,684,058)	(87,827)	(337,200)
7080 Total other financing sources (uses)	4,055,249	(16)	(1,684,058)	(87,827)	(337,200)
1200 Net change in fund balance	4,084,491	(16)	(1,820,827)	(124,061)	(3,384,487)
0100 Fund balance - July 1 (beginning)	525,781	16	2,302,576	167,873	4,442,259
3000 FUND BALANCE - JUNE 30 (ENDING)	<u>\$ 4,610,272</u>	<u>\$ -</u>	<u>\$ 481,749</u>	<u>\$ 43,812</u>	<u>\$ 1,057,772</u>

655 2022 Capital Projects	659 Future Needs Fund	688 2022 Bond Prop A	689 2022 Bond Prop B	690 2018 Bond Program	694 Bond Funded Projects	Total Capital Projects
\$ 96,890	\$ -	\$ 2,492,555	\$ 96,385	\$ 889,670	\$ -	\$ 3,764,023
96,890	-	2,492,555	96,385	889,670	-	3,764,023
189,202	-	-	-	-	-	189,202
-	-	1,104,725	-	-	-	1,496,464
151,990	-	-	-	-	-	190,212
2,243,807	-	-	-	233,819	-	3,805,639
-	-	1,226,533	-	-	-	1,226,533
-	-	13,524,835	-	6,977,590	92	22,124,114
2,584,999	-	15,856,093	-	7,211,409	92	29,032,164
(2,488,109)	-	(13,363,538)	96,385	(6,321,739)	(92)	(25,268,141)
-	-	140,036,075	5,353,925	-	-	145,390,000
-	-	7,082,232	-	-	-	7,082,232
1,177,879	31,453,902	-	-	-	-	37,107,680
(979)	-	-	-	-	-	(2,530,730)
1,176,900	31,453,902	147,118,307	5,353,925	-	-	187,049,182
(1,311,209)	31,453,902	133,754,769	5,450,310	(6,321,739)	(92)	161,781,041
2,736,606	-	-	-	27,707,323	92	37,882,526
\$ 1,425,397	\$ 31,453,902	\$ 133,754,769	\$ 5,450,310	\$ 21,385,584	\$ -	\$ 199,663,567

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TEA Required Schedules

Birdville Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Fiscal Year Ended June 30, 2023

Year Ended June 30,	Tax Rates		(3) Assessed / Appraised Value for School Tax Purposes	(10) Beginning Balance 7/1/2022
	(1) Maintenance	(2) Debt Service		
2014 and prior years	Various	Various	Various	\$ 3,123,110
2015	1.0400	0.3950	7,729,615,278	359,976
2016	1.0400	0.4139	7,655,135,278	404,844
2017	1.0400	0.4139	8,451,129,156	367,381
2018	1.0400	0.4139	9,474,869,141	315,535
2019	1.0400	0.4139	10,364,461,281	615,618
2020	0.9700	0.4139	11,557,915,321	542,781
2021	0.9664	0.4139	12,158,792,548	566,851
2022	0.9241	0.4139	12,919,436,551	2,587,957
2023 (School year under audit)	0.8659	0.4139	14,124,157,843	-
1000 TOTALS				<u>\$ 8,884,053</u>
8000 TOTALS	Taxes refunded			
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone				<u>\$ -</u>

Exhibit J-1

(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$ -	\$ 60,519	\$ 19,594	\$ (1,175,551)	\$ 1,867,446
-	6,244	2,372	(10)	351,350
-	9,227	3,672	(11)	391,934
-	10,196	4,058	(10)	353,117
-	12,122	4,824	(3,331)	295,258
-	61,240	24,372	(2,168)	527,838
-	74,938	31,976	15,783	451,650
-	(31,975)	(13,695)	(129,306)	483,215
-	1,131,392	506,746	(468,434)	481,385
171,792,917	114,692,218	54,822,841	-	2,277,858
\$ 171,792,917	\$ 116,026,121	\$ 55,406,760	\$ (1,763,038)	\$ 7,481,051
	\$ 42,616			
\$ -	\$ -	\$ -	\$ -	\$ -

Birdville Independent School District

Exhibit J-2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual – Child Nutrition Program
 For the Fiscal Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 2,922,950	\$ 2,922,950	\$ 2,896,194	\$ (26,756)
5800	State program revenues	285,000	316,000	349,154	33,154
5900	Federal program revenues	8,843,003	9,400,000	9,254,153	(145,847)
5020	Total revenues	12,050,953	12,638,950	12,499,501	(139,449)
EXPENDITURES					
0035	Food services	12,264,833	13,888,154	13,126,358	761,796
6030	Total expenditures	12,264,833	13,888,154	13,126,358	761,796
1200	Net change in fund balances	(213,880)	(1,249,204)	(626,857)	622,347
0100	Fund balance - July 1 (beginning)	6,523,932	6,523,932	6,523,932	-
3000	FUND BALANCE - JUNE 30 (ENDING)	<u>\$ 6,310,052</u>	<u>\$ 5,274,728</u>	<u>\$ 5,897,075</u>	<u>\$ 622,347</u>

Birdville Independent School District

Exhibit J-3

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Debt Service Fund
For the Fiscal Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Total local and intermediate sources	\$ 53,805,347	\$ 56,517,737	\$ 57,086,261	\$ 568,524
5800	State program revenues	969,289	1,885,473	1,889,824	4,351
5020	Total revenues	54,774,636	58,403,210	58,976,085	572,875
EXPENDITURES					
Debt service:					
0071	Principal and interest on long term debt	55,192,425	57,437,425	57,411,325	26,100
6030	Total expenditures	55,192,425	57,437,425	57,411,325	26,100
1100	Excess of revenues over expenditures	(417,789)	965,785	1,564,760	598,975
OTHER FINANCING SOURCES (USES)					
7917	Prepaid Interest	-	3,285,495	3,285,495	-
	Total other financing sources (uses)	-	3,285,495	3,285,495	-
1200	Net change in fund balance	(417,789)	4,251,280	4,850,255	598,975
0100	Fund balance - July 1 (beginning)	29,822,119	29,822,119	29,822,119	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 29,404,330	\$ 34,073,399	\$ 34,672,374	\$ 598,975

Birdville Independent School District
 Use of Funds Report – Select State Allotment
 June 30, 2023

Exhibit J-4

<u>Data Codes</u>		<u>Responses</u>
Section A: Compensatory Education Programs		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 21,997,785
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 9,816,072
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 3,654,424
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 2,182,039

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

To the Board of Trustees of
Birdville Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Board of Trustees
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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 13, 2023



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

To the Board of Trustees of
Birdville Independent School District

Report on Compliance for Each Major Federal Program

Opinion on 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 *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Board of Trustees
Birdville Independent School District

Our consideration of 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 13, 2023

Birdville Independent School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2023

Federal Grantor Agency	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures 6/30/2023
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Funding</u>			
Junior ROTC	12.000	220902	\$ 251,020
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>251,020</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Thru State Department of Education</u>			
ESEA, Title I, Part A-Improving Basic Programs	84.010A	23610101220902	4,679,274
ESEA, Title I, Part A-Improving Basic Programs	84.010A	22610101220902	748,377
Total Federal Assistance Listing Number 84.010A			<u>5,427,651</u>
High Cost Fund	84.027A ¹	66002306	108,050
IDEA-Part B, Formula	84.027A ¹	236600012209026600	5,044,782
IDEA-Part B, Formula	84.027A ¹	226600012209026600	23,211
COVID-19 - IDEA-Part B, Formula ARP	84.027X ¹	225350012209025350	102,150
COVID-19 - IDEA-Part B, Formula ARP	84.027X ¹	225350022209025350	622,946
SSA-IDEA-Part B, Discretionary	84.027A ¹	236600112209026673	88,962
Total Federal Assistance Listing Number 84.027			<u>5,990,101</u>
IDEA-B Preschool	84.173A ¹	236610012209026610	86,277
IDEA-B Preschool	84.173A ¹	226610012209026610	4,896
COVID-19 - IDEA-B Preschool ARP	84.173X ¹	225360022209025360	26,850
Total Federal Assistance Listing Number 84.173			<u>118,023</u>
Total Special Education Cluster (IDEA)			6,108,124
Perkins Reserve Grant-Career Clusters	84.048A	23420006220902	277,645
Total Federal Assistance Listing Number 84.048A			<u>277,645</u>
Title IV, Part B-21st Century Community Learning Center	84.287C	236950267110006	1,492,753
Title IV, Part B-21st Century Community Learning Center	84.287C	226950267110006	77,009
Total Federal Assistance Listing Number 84.287C			<u>1,569,762</u>
ESEA Title III, Part A-English Language Acquisition	84.365A	23671001220902	481,246
ESEA Title III, Part A-English Language Acquisition	84.365A	22671001220902	14,997
Total Federal Assistance Listing Number 84.365A			<u>496,243</u>
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	23694501220902	709,245
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	22694501220902	5,405
Total Federal Assistance Listing Number 84.367A			<u>714,650</u>
Summer School LEP	84.369A	695519	21,865
ESEA, Title IV, Part A, Subpart 1	84.424A	23680101220902	336,905
ESEA, Title IV, Part A, Subpart 1	84.424A	22680101220902	9,023
Total Federal Assistance Listing Number 84.424A			<u>345,928</u>
COVID-19 - CRRSA, Elementary & Secondary School Emergency Relief-ESSER II	84.425D	21521001220902	6,275,277
COVID-19 - ARP, Elementary & Secondary School Emergency Relief-ESSER III	84.425U	21528001220902	8,112,175
COVID-19 - TCLAS, Elementary & Secondary School Emergency Relief-ESSER III	84.425U	21528042220902	16,875
COVID-19 - ARP Homeless II	84.425W	21533002220902	75,892
Total Federal Assistance Listing Number 84.425			<u>14,480,219</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>29,442,087</u>

Birdville Independent School District
 Schedule of Expenditures of Federal Awards – Continued
 Year Ended June 30, 2023

Federal Grantor Agency	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures 6/30/2023
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Thru the State Department of Agriculture</u>			
School Breakfast Program	10.553 ²	71402101	1,564,068
Total Federal Assistance Listing Number 10.553			<u>1,564,068</u>
National School Lunch Program-Cash Assistance	10.555 ²	71302101	7,621,504
National School Lunch Program-Non-Cash Assistance	10.555 ²	71302101	966,774
Total Federal Assistance Listing Number 10.555			<u>8,588,278</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>10,152,346</u>
FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT			
<u>Passed Thru the Texas Department of Emergency Management</u>			
COVID-19 - Texas Covid-19 Pandemic	97.036	DR-4485-TX	339,621
Total Federal Assistance Listing Number 97.036			<u>339,621</u>
TOTAL FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT			<u>339,621</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 40,185,074</u>
School Health & Related Services (SHARS) ⁽³⁾			6,577,400
Other			51,246
TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3			<u>\$ 46,813,720</u>

¹ Reported as Special Education Cluster (IDEA, Part B), as required by May 2023 Compliance Supplement

² Reported as Child Nutrition Cluster, as required by May 2023 Compliance Supplement

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

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Birdville Independent School District

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

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 \$966,774 for the year ended June 30, 2023.

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

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:

84.425	COVID – 19 - ESSER 84.425D - COVID-19 - CRRSA, Elementary & Secondary School Emergency Relief-ESSER II 84.425U - COVID-19 - ARP, Elementary & Secondary School Emergency Relief-ESSER III, COVID-19 – TCLAS, Elementary & Secondary School Emergency Relief – ESSER III 84.425W - COVID-19 – ARP Homeless II
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Dollar threshold used to distinguish between type A and type B programs? \$1,205,522

Auditee qualified as low-risk auditee? Yes No

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

Section II – Financial Statement Findings

There were no matters reported.

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

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, 2023

Section IV – Prior Year Audit Findings

None noted.

Birdville Independent School District
 School First Questionnaire (Unaudited)
 For the Fiscal Year Ended June 30, 2023

Exhibit L-1

<u>Data Control Codes</u>	<u>Response</u>
SF1 Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3 Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4 Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5 Did the Annual Financial Report disclose any instances of material weakness in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6 Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7 Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8 Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9 Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end:	\$ -