

Birdville Independent School District

Annual Financial Report

For the Fiscal Year Ended June 30, 2022

Birdville Independent School District
Annual Financial Report
For the Fiscal Year Ended June 30, 2022
Table of Contents

Page Exhibit

Introductory Section

| | | |
|----------------------------|---|--|
| Certificate of Board | v | |
|----------------------------|---|--|

Financial Section

| | | |
|--|---|--|
| Independent Auditor's Report | 3 | |
| Management's Discussion and Analysis (Unaudited) | 7 | |

Basic Financial Statements

| | | |
|--|----|-----|
| Government-Wide Statements | | |
| Statement of Net Position | 21 | A-1 |
| Statement of Activities | 22 | B-1 |
| Governmental Fund Financial Statements | | |
| Balance Sheet | 24 | C-1 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... | 26 | C-2 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance..... | 28 | C-3 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities..... | 30 | C-4 |
| Proprietary Fund Financial Statements | | |
| Statement of Net Position | 31 | D-1 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position..... | 32 | D-2 |
| Statement of Cash Flows | 33 | D-3 |
| Fiduciary Funds | | |
| Statement of Fiduciary Net Position – Fiduciary Funds | 34 | E-1 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds | 35 | E-2 |
| Notes to the Basic Financial Statements..... | 37 | |

Required Supplementary Information

| | | |
|---|----|-----|
| Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund | 71 | G-1 |
| Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas | 72 | G-2 |
| Schedule of District Contributions – Teacher Retirement System of Texas | 73 | G-3 |
| Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas | 74 | G-4 |
| Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan | 75 | G-5 |
| Notes to Required Supplementary Information | 76 | |

Birdville Independent School District
Annual Financial Report
For the Fiscal Year Ended June 30, 2022
Table of Contents - Continued

| | Page | Exhibit |
|--|------|---------|
| Other Supplementary Information | | |
| Combining Statements | | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 82 | H-1 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds..... | 88 | H-2 |
| Combining Balance Sheet – Capital Projects Fund | 94 | H-3 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Fund..... | 96 | H-4 |
| TEA Required Schedules | | |
| Schedule of Delinquent Taxes Receivable | 100 | J-1 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program | 102 | J-2 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund | 103 | J-3 |
| Use of Funds Report – Select State Allotment..... | 104 | J-4 |
| Federal Awards Section | | |
| Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 107 | |
| Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance..... | 109 | |
| Schedule of Expenditures of Federal Awards | 112 | |
| Notes to the Schedule of Expenditures of Federal Awards | 114 | |
| Schedule of Findings and Questioned Costs | 115 | |
| Schedule of Prior Year Audit Findings..... | 118 | |

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) 7 approved 0 disapproved for the year ended June 30, 2022, at a meeting of the Board of Trustees of such school district on the 17th day of November, 2022.



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, 2022 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, 2022, 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 18 to the basic financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. 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.

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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 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, 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.

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 15, 2022 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 15, 2022

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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, 2022. 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 \$182.4 million combined governmental fund balance, a decrease of \$25.1 million from the prior year. The decrease was the result of near completion of the four campuses included in 2018 Bond. This lowered the capital projects restricted fund balance by \$39.8 million.
- Of the combined governmental fund balance at year-end, the District had \$70.3 million of committed fund balance, \$63.7 million in restricted fund balance, \$31.1 million in assigned fund balance, and \$16.0 million of unassigned fund balance. The remainder pertained to non-spendable balances of \$1.3 million.
- As of June 30, 2022, the General Fund had \$97.1 million in total fund balance, which represented 48.1 percent of fiscal year 2022 expenditures. The District committed \$32.7 million (15% of fiscal year 2023 budgeted expenditures) for other purposes and \$2.6 million for compensated absences. The District also committed \$7.75 million to purchase property, \$3.3 million related to other capital projects at year end, and an additional \$2.8 million for other purposes. The District assigned \$31.1 million in fund balance for future financial needs. Of the remainder, \$16.0 million of unassigned fund balance was also available for future spending and current cash flow needs.
- At June 30, 2022, the District's net position was \$60.6 million.

Overview of the Financial Statements

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

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

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

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

Government-wide financial statements distinguish net position and the changes in net position between governmental activities, which are supported principally by taxes and intergovernmental revenues, and business-type activities, which are intended to recover all or a significant portion of their costs through user fees and charges. Most of the District's activities are reported as governmental activities as they are primarily financed by property taxes, state aid, and federal grants; however, the District purchased an office complex during fiscal year 2018 for future facility needs. Since approximately 29.4 percent of this facility was leased to tenants during the fiscal year, the rental activity for the complex is reported separately as a business-type entity in the government-wide financial statements. The government-wide financial statements can be found on pages 21-23 of this report.

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

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

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

Proprietary Funds. Proprietary funds are used to account for operations that provide services and/or goods for a fee, whether to outside users or units within the District. Proprietary funds use the accrual basis of accounting similar to the government-wide financial statements. There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds report the same functions presented as *business-type activities* in the government-wide financial statements. Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. For a number of years, the District used an internal service fund to report activities for its self-funded workers' compensation insurance program. During fiscal year 2022, 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 | Accrual accounting and economic 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 37-68 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 71-77 of this report.

The combining statements for the District's various non-major funds are presented immediately following the required supplementary information beginning on page 82.

The Texas Education Agency (TEA) requires that certain information be included in this report. Those schedules can be found on pages 100-104. The Federal Awards Section of the report can be found on pages 107-118.

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 2022, the District implemented GASB Statement No. 87, *Leases*, (GASB 87) which establishes a single model for lease accounting that all leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements for this statement were originally effective for reporting periods beginning after December 15, 2019; however, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021. While GASB 87 impacts both the governmental fund financial statements and the government-wide, the impact to the governmental fund statements only involves a reclassification of lease expenditures. There is no direct impact on general fund balance. More information is provided in Notes 1, 6, 7 and 18.

Net Position – Governmental Activities. For fiscal year 2022, 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 2021 to fiscal year 2022. At the end of fiscal year 2022, the District's net position for all activities was \$60.6 million (see Table II).

| Table II NET POSITION | | | | | | | |
|---|-------------------------|----------------|--------------------------|---------------|----------------|----------------|---------|
| | Governmental Activities | | Business-Type Activities | | Totals | | % |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | Change |
| Assets & Deferred Outflows of Resources | | | | | | | |
| Current and other assets | \$ 221,587,611 | \$ 259,774,178 | \$ 11,864,084 | \$ 1,790,504 | \$ 233,451,695 | \$ 261,564,682 | -10.75% |
| Capital assets | 496,904,276 | 479,491,997 | 9,959,225 | 10,275,982 | 506,863,501 | 489,767,979 | 3.49% |
| Total assets | 718,491,887 | 739,266,175 | 21,823,309 | 12,066,486 | 740,315,196 | 751,332,661 | -1.47% |
| Deferred outflows of resources | 36,526,896 | 41,420,031 | - | - | 36,526,896 | 41,420,031 | -11.81% |
| Total assets and deferred outflows of resources | 755,018,783 | 780,686,206 | 21,823,309 | 12,066,486 | 776,842,092 | 792,752,692 | -2.01% |
| Liabilities & Deferred Inflows of Resources | | | | | | | |
| Other liabilities | 70,571,905 | 82,393,700 | 141,458 | 167,656 | 70,713,363 | 82,561,356 | -14.35% |
| Long-term liabilities outstanding | 542,136,299 | 620,520,878 | 34,469 | 34,469 | 542,170,768 | 620,555,347 | -12.63% |
| Total liabilities | 612,708,204 | 702,914,578 | 175,927 | 202,125 | 612,884,131 | 703,116,703 | -12.83% |
| Deferred inflows of resources | 94,098,306 | 66,390,954 | 9,268,124 | - | 103,366,430 | 66,390,954 | 55.69% |
| Total liabilities and deferred inflows of resources | 706,806,510 | 769,305,532 | 9,444,051 | 202,125 | 716,250,561 | 769,507,657 | -6.92% |
| Net Position | | | | | | | |
| Net investment in capital assets | 61,098,596 | 47,976,749 | 9,959,225 | 10,275,982 | 71,057,821 | 58,252,731 | 21.98% |
| Restricted | 30,802,789 | 27,375,282 | - | - | 30,802,789 | 27,375,282 | 12.52% |
| Unrestricted | (43,689,112) | (63,971,357) | 2,420,033 | 1,588,379 | (41,269,079) | (62,382,978) | -33.85% |
| Total Net Position | \$ 48,212,273 | \$ 11,380,674 | \$ 12,379,258 | \$ 11,864,361 | \$ 60,591,531 | \$ 23,245,035 | 160.66% |

The unrestricted portion of net position for the governmental activities was a negative \$43.7 million. If not for the \$106.5 million in GASB 75 liabilities (net of deferred outflows and deferred inflows of resources), the District's unrestricted net position would be positive.

Another area of net position includes approximately \$61.1 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 \$30.8 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 2022 governmental activities and business-type activities. Net position increased for fiscal year 2022 by approximately \$37.3 million.

| Table III | | | | | | | |
|---|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|-----------------|
| Changes in Net Position | | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Totals | | % Change |
| Revenues: | | | | | | | |
| Program Revenues: | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Charges for services | \$ 5,961,296 | \$ 3,434,296 | \$ 1,275,888 | \$ 1,354,107 | \$ 7,237,184 | \$ 4,788,403 | 51.14% |
| Operating grants and contributions | 59,788,356 | 61,223,175 | - | - | 59,788,356 | 61,223,175 | -2.34% |
| General Revenues: | | | | | | | |
| Property taxes | 162,947,761 | 158,583,258 | - | - | 162,947,761 | 158,583,258 | 2.75% |
| State aid and unrestricted grants | 81,430,774 | 84,206,036 | - | - | 81,430,774 | 84,206,036 | -3.30% |
| Investment earnings | 28,010 | 358,116 | 4,043 | 943 | 32,053 | 359,059 | -91.07% |
| Miscellaneous | 2,744,658 | 845,087 | - | - | 2,744,658 | 845,087 | 224.78% |
| Total Revenues | 312,900,855 | 308,649,968 | 1,279,931 | 1,355,050 | 314,180,786 | 310,005,018 | 1.35% |
| Expenses: | | | | | | | |
| Instruction, curriculum and media services | 159,944,839 | 176,229,771 | - | - | 159,944,839 | 176,229,771 | -9.24% |
| Instructional and school leadership | 16,590,499 | 18,718,183 | - | - | 16,590,499 | 18,718,183 | -11.37% |
| Student support services | 20,870,864 | 21,233,628 | - | - | 20,870,864 | 21,233,628 | -1.71% |
| Food services | 12,207,182 | 10,237,548 | - | - | 12,207,182 | 10,237,548 | 19.24% |
| Cocurricular/extracurricular activities | 7,065,782 | 6,657,075 | - | - | 7,065,782 | 6,657,075 | 6.14% |
| General administration | 6,774,536 | 7,397,789 | - | - | 6,774,536 | 7,397,789 | -8.42% |
| Plant maintenance, security and data processing | 35,908,641 | 34,411,809 | - | - | 35,908,641 | 34,411,809 | 4.35% |
| Community services | 723,773 | 640,180 | - | - | 723,773 | 640,180 | 13.06% |
| Debt service | 15,449,070 | 15,932,248 | - | - | 15,449,070 | 15,932,248 | -3.03% |
| Intergovernmental charges | 534,070 | 568,976 | - | - | 534,070 | 568,976 | -6.13% |
| Total Expenses | 276,069,256 | 292,027,207 | - | - | 276,069,256 | 292,027,207 | -5.46% |
| Business Type Activities | | | | | | | |
| Rental Property | - | - | 765,034 | 739,869 | 765,034 | 739,869 | 3.40% |
| Increase in net position | 36,831,599 | 16,622,761 | 514,897 | 615,181 | 37,346,496 | 17,237,942 | |
| Beginning net position | 11,380,674 | (5,242,087) | 11,864,361 | 11,249,180 | 23,245,035 | 6,007,093 | |
| Ending net position | \$ 48,212,273 | \$ 11,380,674 | \$ 12,379,258 | \$ 11,864,361 | \$ 60,591,531 | \$ 23,245,035 | -160.66% |

Revenues. Table III indicates fiscal year 2022 overall revenue increased by \$4.1 million or 1.3 percent. Property tax revenue increased due to increasing property values. While the tax rate declined in fiscal year 2022, the assessed property values were approximately 6.2 percent higher than in fiscal year 2021. Charges for services increased as students returned from COVID-19 leave and school activities resumed. These increases in revenue were offset by a decrease in operating grants and contributions, State funding, and investment earnings. State revenue was reduced due to lower student enrollment and attendance. Hold harmless funds for declining enrollment due to COVID-19 were not provided in fiscal year 2022. Investment earnings decreased due to continued interest rate declines and market changes in longer term investments. The revenue and expenses related to the office complex are recorded as business-type activities. The business-type activities consist primarily of rental income as tenants occupy approximately 29.4 percent of the facility.

Figures 1 and 2 depict the District's revenue sources for fiscal year 2022 and 2021. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants.

Figure 1

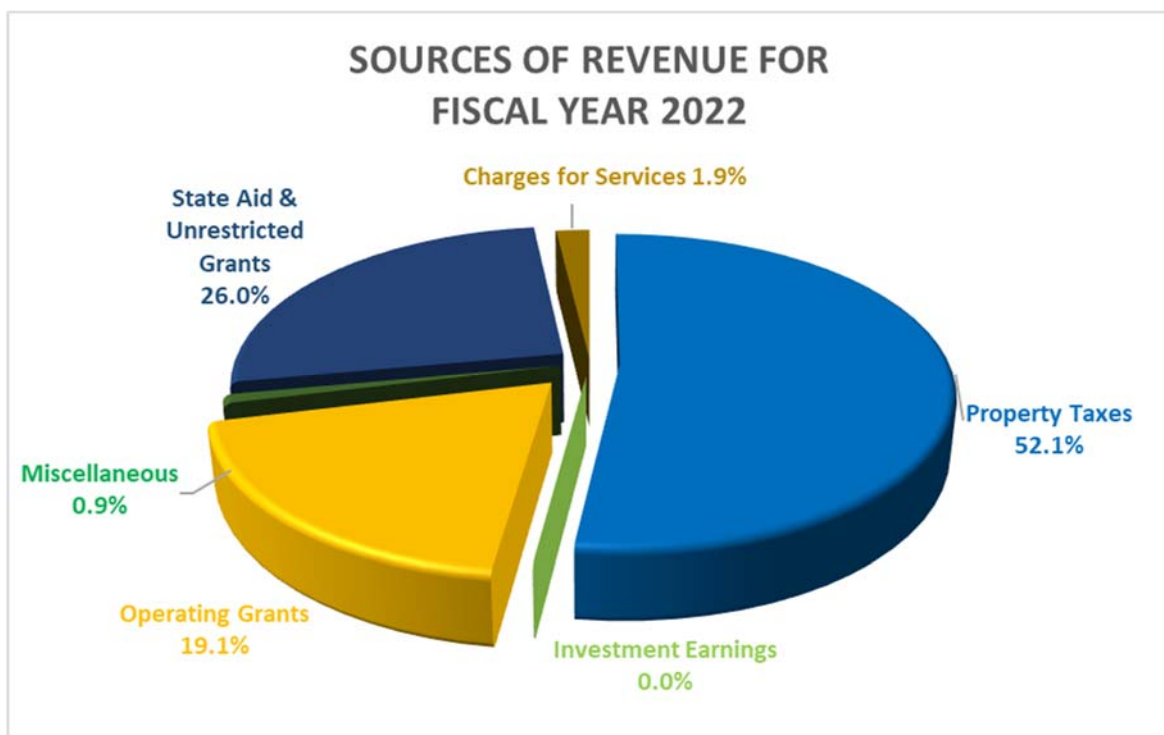
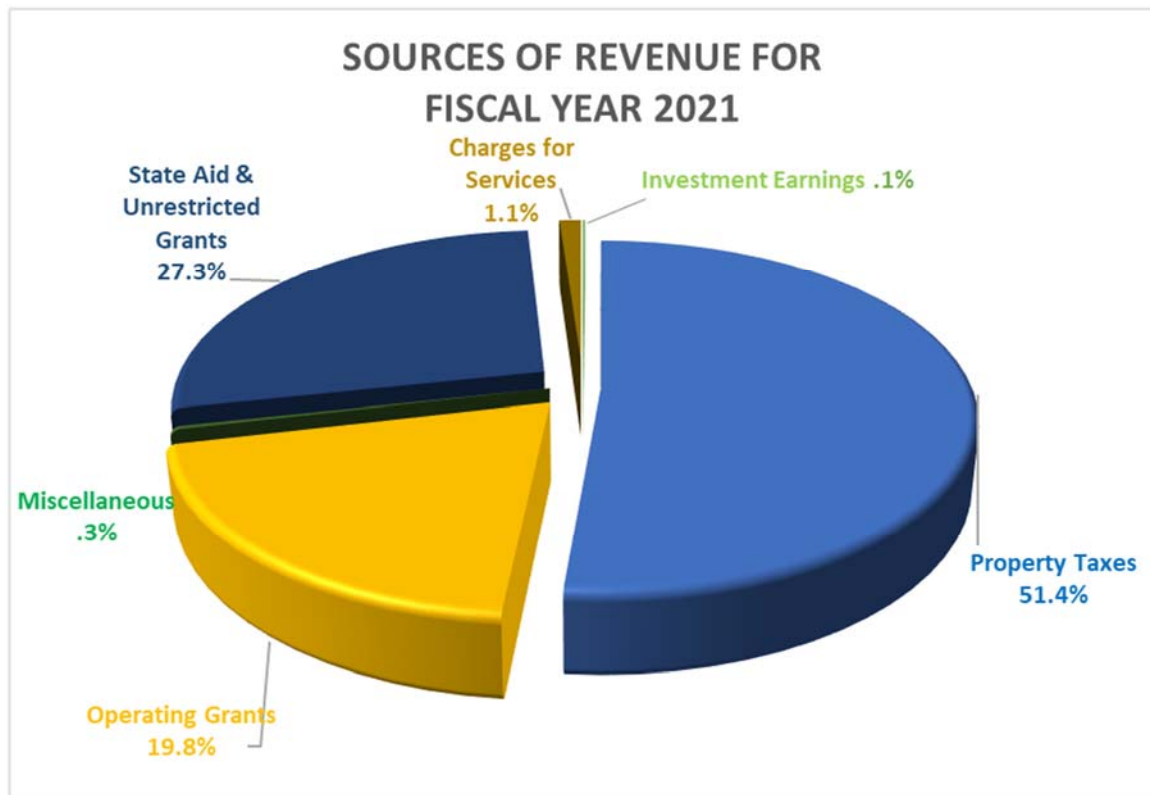


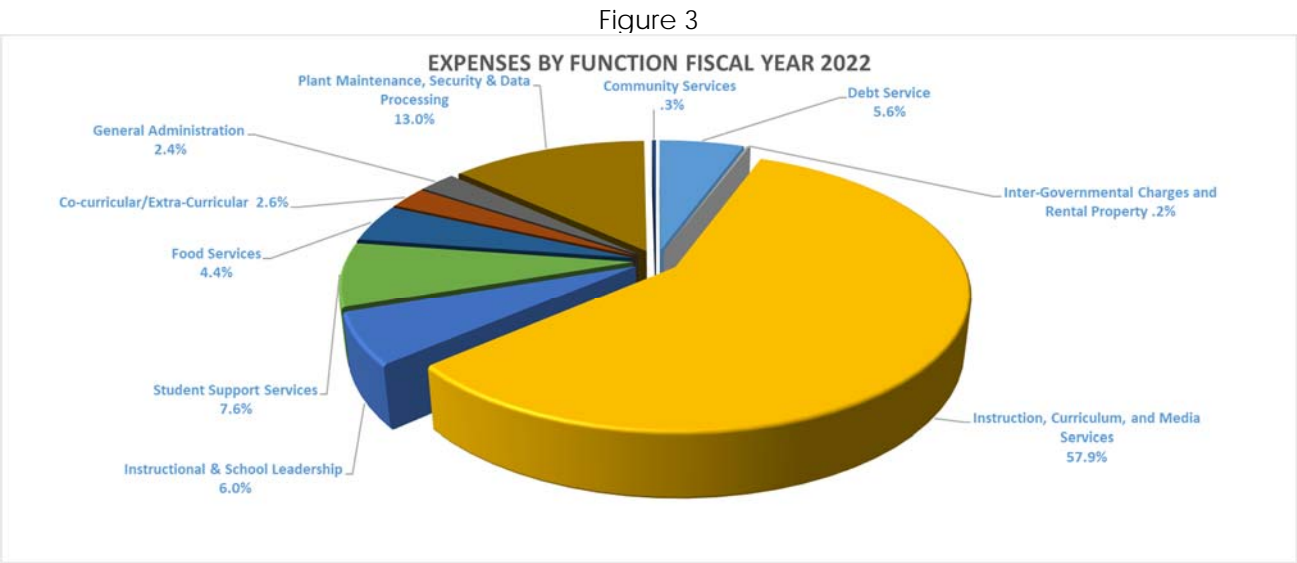
Figure 2



Expenses. Fiscal year 2022 expenses as compared to fiscal year 2021 expenses decreased by 5.5 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 \$276.1 million.

OPEB and pension liability changes created the largest decreases in expenditures. Decreases in instructional services, instructional and school leadership, and student support services were also impacted from the ongoing impacts of the COVID-19 pandemic. The district had a lower student enrollment as well as a lower attendance rate. In addition, staffing shortages contributed to a large number of vacant positions throughout the year.

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



| Table IV | | | |
|---|------------------------|----------------|----------|
| Costs of Services for Major Functions | | | |
| | Total Cost of Services | | |
| | 2022 | 2021 | % Change |
| Instruction, Curriculum, & Media Services | \$ 159,944,839 | \$ 176,229,771 | -9.24% |
| Maintenance, Security, & Data Processing | 35,908,641 | 34,411,809 | 4.35% |
| Student Support Services | 20,870,864 | 21,233,628 | -1.71% |
| Instruction and School Leadership | 16,590,499 | 18,718,183 | -11.37% |

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 \$182.4 million (as presented in the Balance Sheet on pages 24-25), a decrease of \$25.1 million from the prior year. General Fund expenditures were lower in fiscal year 2022 by \$1.7 million based lower student enrollment and position vacancies throughout the year.

The following non-spendable and restricted items, which total \$65,017,278 or 35.6 percent of fund balances, are either unavailable for new spending or limited to specific types of expenditures due to legal restrictions:

| | |
|-------------------------------|----------------------|
| • Inventories & Prepaid Items | \$ 1,314,227 |
| • Food Services | 6,159,898 |
| • Other Restricted Grants | 13,619 |
| • Debt Service | 29,822,119 |
| • Capital Projects | <u>27,707,415</u> |
| Total | \$ 65,017,278 |

An additional 38.6 percent of fund balance, or \$70,331,211, has been committed by the District's Board of Trustees for specific purposes. While technically not available for legal expenditures, these funds are nonetheless at the control of the District. The committed purposes are:

| | |
|----------------------------------|----------------------|
| • General Fund Reserves | \$ 32,657,385 |
| • General Fund Property Purchase | 7,750,000 |
| • General Fund Capital Projects | 3,314,201 |
| • General Fund Other | 2,828,065 |
| • Legacy Fund | 9,077,059 |
| • Other Capital Projects | 10,175,111 |
| • Compensated Absences | 2,600,000 |
| • Campus Activity | 1,846,512 |
| • Other Special Revenue Funds | <u>82,878</u> |
| Total | \$ 70,331,211 |

The General Fund is the primary operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. At the end of the current fiscal year, the total fund balance of the General Fund was \$97.1 million which represents 48.1 percent of fiscal year 2022 General Fund expenditures. Of the total fund balance, the District's Board of Trustees elected to commit 15 percent of the fiscal year 2023 General Fund expenditures budget as the minimum reserve or committed fund balance of \$32.7 million to be combined with \$2.6 million for future payments for compensated absences; \$7.75 million for a property purchase currently under contract; \$3.3 million for capital projects committed at year end; and \$2.8 million committed for other purposes. At June 30, 2022, the total committed fund balance in the general fund was \$49.1 million.

The District underspent revenues by \$13.2 million for the year. This excess is related to continued underspending due to COVID-19 and utilizing ESSER funds to supplant general fund salaries.

The fund balance of the Debt Service Fund decreased \$0.6 million from the prior year. The entire ending fund balance of \$29.8 million is restricted for the payment of debt service.

The Capital Projects Fund decreased around \$39.8 million during the year as the District nearly completed four campuses under the 2018 Bond program.

The District's Nonmajor Funds ended the fiscal year with a fund balance of \$17.6 million, which was a \$4.7 million increase compared to the prior year fund balance of \$12.9 million. Revenues typically approximate expenditures in these funds as grant monies are generally earned when expended. Most of the restricted fund balance of \$6.2 million is restricted for the Child Nutrition Program. This is an increase of \$3.5 million compared to the prior year. This increase in fund balance is attributed to students returning to campuses and increased funding through the National School Lunch program. In 2022, all students were eligible for free meals which significantly increased participation rates.

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 \$644,493 in total net position representing an increase from the prior year of \$30,016.

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 \$12.4 million in total net position, an increase of \$514,897 from the prior year as a result of revenues over expenditures. This fund was impacted by the implementation of GASB 87. A lease receivable of \$9.4 million was recorded as an asset with a corresponding deferred inflow of \$9.3 million. The overall impact of GASB 87 on net position was not material.

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. Several large budget amendments were approved during the year. In July 2021, the Board approved a budget amendment of around \$4.1 million of incomplete projects from the 2020-21 budget year. In October, general fund revenue was reduced by \$10 million to reflect the decrease in enrollment for fiscal year 2022. The final amended budget reflected reduced salaries due to vacancies and salaries supplanted by ESSER II and III.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2022, the District had invested approximately \$506.9 million in a broad range of capital assets, including land, equipment, and buildings, less depreciation (see Table V). Net capital assets increased approximately \$17.1 million from the prior year. The increase is a result of construction in progress associated with 2018 bond election.

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

| Table V Capital Assets (Net of Depreciation) | | | |
|--|-----------------------|-----------------------|-------------|
| | 2022 | 2021 | % Change |
| Land | \$ 21,296,730 | \$ 21,027,566 | 1.28% |
| Buildings and Improvements | 277,645,840 | 277,724,878 | -0.03% |
| Furniture and Equipment | 18,187,180 | 13,572,558 | 34.00% |
| Right to Use Leases Assets | 449,772 | - | |
| Construction-in-Progress | 189,283,979 | 177,442,977 | 6.67% |
| Totals | <u>\$ 506,863,501</u> | <u>\$ 489,767,979</u> | 3.49% |

Long-Term Debt. The District had \$574.3 million in long-term debt at year-end, a decrease of \$75.3 million or 11.6 percent from the prior year. Major debt reductions included just \$39.5 million in the liabilities related to the GASB 68 OPEB and bond premium payments.

During fiscal year 2022, the District has continued the practice of setting a maximum maturity for facility bonds of no longer than 25 years and an average five-year maturity for technology equipment purchases.

| Table VI | | | |
|-----------------------|--------------------------------|-----------------------|----------------|
| Long-Term Debt | | | |
| | Governmental Activities | | |
| | 2022 | 2021 | % Change |
| Bonds Payable | \$ 408,955,000 | \$ 440,840,000 | -7.23% |
| Bond Premiums | 58,330,159 | 62,456,608 | -6.61% |
| Compensated Absences | 2,760,552 | 2,930,121 | -5.79% |
| Leases | 442,347 | - | 100.00% |
| Net Pension Liability | 34,744,308 | 74,224,260 | -53.19% |
| Net OPEB Liability | 69,045,260 | 69,137,196 | -0.13% |
| Totals | <u>\$ 574,277,626</u> | <u>\$ 649,588,185</u> | <u>-11.59%</u> |

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

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

Economic Factors and Next Year's Budgets and Rates

Budget planning for fiscal year 2022 in the spring of 2021 was positive. COVID-19 cases dropped significantly with hopes enrollment would rebound for the 2022 fiscal year. Information from the District's demographer indicated the District enrollment would increase around one percent as all students were required to return to school as online learning was no longer permitted. The TEA had held districts harmless against enrollment drops for the prior 2021 fiscal year providing additional funds for the District. Spending during the previous 2021 fiscal year had also been low due to COVID-19 restrictions which provided significant additional funds for proposed one-time projects during the 2022 budget planning. Property values were not expected to grow significantly, but with new funding formulas, values have very little impact on overall general fund revenues.

As the beginning of the 2022 school year approached, a new variant of COVID-19 appeared. Although vaccines were available for students over 12, they were not available for younger students when school started in August 2021. As a result, the District's enrollment dropped around 500 students compared with projections in the K-5 grades as parents opted for alternative learning through homeschooling, online campuses, and private schools. Unlike fiscal year 2021, the State did not hold districts harmless for enrollment drops. However, since the resurgence of COVID-19 during the fall created low attendance around the state, the TEA provided attendance hold harmless funds for the first four six-week periods, if district attendance dropped below pre-COVID-19 numbers.

Federal ESSER I and II funds had been used by the TEA in the two prior years to offset enrollment hold harmless funding. For the 2022 fiscal year, districts could utilize the remaining ESSER II and the new ESSER III funds to supplant general fund salaries. ESSER II provided around \$5.3 million and ESSER III around \$3 million of supplanted salaries for the District. ESSER II will be available for both fiscal year 2022 and 2023. ESSER III will be available through fiscal year 2024. The use of ESSER funds provides the time needed to regain lost students and trim budgets.

The general fund balance increased around \$10.7 million at year end due to ESSER supplanted salaries and underspending from employee vacancies. These surplus funds were allocated to a number of facility projects and equipment purchases for the 2023 fiscal year. Ending general fund balance increased to \$97.1 million or around 48 percent of expenditures at the end of fiscal year 2022.

Final fiscal year 2022 property values grew slightly higher than expected at just over six percent. While tax values have little impact on the overall general fund revenue, the additional revenue provided the Debt Service Fund the ability to pre-pay additional principal of \$2.975 million for fiscal year 2022.

For fiscal year 2023, the District projected flat enrollment and property value growth of six percent. The District continued supplanting salaries with ESSER II and III funds along with strategic budget cuts. Limited increases were proposed with the adopted budget, but three percent raises were provided to ensure the District remained competitive with area districts. With general fund balance growth, the District elected to adopt a \$5.99 million deficit budget. With a Legislative session scheduled for the spring of 2023, additional funding should be provided to districts since no significant increases in funding have occurred since 2019.

Certified property values for 2023 increased just under ten percent, significantly higher than projections. Texas voters approved an increase in the State homestead exemption from \$25,000 to \$40,000. Without the change in homestead exemption, the District values would have increased over 13 percent. The fiscal year 2023 maintenance and operations (M&O) tax rate under HB3 is calculated by 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.

In regard to the Debt Service Fund, the District adopted a tax rate of \$0.4139 per \$100 of property value reflecting no increase over the prior year. The adopted tax rate is 1.35 cents lower than projected in the 2014 bond election and represents the rate promised to voters during the 2018 Bond election. The Board was able to approve a bond principal prepayment of \$7.45 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, 2022

Exhibit A-1

| Data Control Codes | | Primary Government | | |
|--------------------------------|---|-----------------------|---------------|---------------|
| | | Governmental | Business-Type | Total |
| | | Activities | Activities | |
| ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ 4,392,333 | \$ 83,216 | \$ 4,475,549 |
| 1120 | Investments - current | 172,370,734 | 2,176,550 | 174,547,284 |
| 1220 | Property taxes receivable (delinquent) | 8,884,053 | - | 8,884,053 |
| 1230 | Allowance for uncollectible taxes | (2,524,237) | - | (2,524,237) |
| 1240 | Due from other governments | 22,244,439 | - | 22,244,439 |
| 1250 | Accrued interest | 59,845 | - | 59,845 |
| 1290 | Other receivables | 3,750,941 | 840,932 | 4,591,873 |
| 1300 | Inventories | 1,152,863 | - | 1,152,863 |
| 1410 | Prepaid items | 161,364 | 225,613 | 386,977 |
| | Capital assets: | | | |
| 1510 | Land | 19,436,782 | 1,859,948 | 21,296,730 |
| 1520 | Buildings, net | 269,546,563 | 8,099,277 | 277,645,840 |
| 1530 | Furniture and equipment, net | 18,187,180 | - | 18,187,180 |
| 1550 | Right to use leases assets - equipment, net | 449,772 | - | 449,772 |
| 1580 | Construction in progress | 189,283,979 | - | 189,283,979 |
| 1990 | Long-term rent receivable | - | 8,537,773 | 8,537,773 |
| 1910 | Long-term investments | 11,095,276 | - | 11,095,276 |
| 1000 | Total assets | 718,491,887 | 21,823,309 | 740,315,196 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| 1701 | Deferred loss on bond refundings | 4,214,411 | - | 4,214,411 |
| 1705 | Deferred outflows - pension | 18,400,004 | - | 18,400,004 |
| 1706 | Deferred outflows - OPEB | 13,912,481 | - | 13,912,481 |
| 1700 | Total deferred outflows of resources | 36,526,896 | - | 36,526,896 |
| LIABILITIES | | | | |
| 2110 | Accounts payable | 3,836,462 | 29,204 | 3,865,666 |
| 2140 | Accrued interest payable | 6,820,284 | - | 6,820,284 |
| 2150 | Payroll deductions & withholdings | 2,079,407 | - | 2,079,407 |
| 2160 | Accrued wages payable | 24,243,646 | - | 24,243,646 |
| 2190 | Due to student groups | 609,195 | - | 609,195 |
| 2200 | Accrued expenses | - | 43,832 | 43,832 |
| 2300 | Unearned revenue | 841,584 | 68,422 | 910,006 |
| | Noncurrent liabilities: | | | |
| 2501 | Due within one year | 32,141,327 | - | 32,141,327 |
| 2502 | Due in more than one year | 438,346,731 | - | 438,346,731 |
| 2540 | Net pension liability (District's share) | 34,744,308 | - | 34,744,308 |
| 2545 | Net OPEB liability (District's share) | 69,045,260 | - | 69,045,260 |
| 2590 | Other long term liabilities | - | 34,469 | 34,469 |
| 2000 | Total liabilities | 612,708,204 | 175,927 | 612,884,131 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2605 | Deferred inflows - pension | 41,132,240 | - | 41,132,240 |
| 2606 | Deferred inflows - OPEB | 51,400,792 | - | 51,400,792 |
| 2607 | Deferred inflows - leases | 1,565,274 | 9,268,124 | 10,833,398 |
| 2600 | Total deferred inflows of resources | 94,098,306 | 9,268,124 | 103,366,430 |
| NET POSITION | | | | |
| 3200 | Net investment in capital assets | 61,098,596 | 9,959,225 | 71,057,821 |
| 3820 | Restricted for federal and state programs | 6,173,517 | - | 6,173,517 |
| 3850 | Restricted for debt service | 24,629,272 | - | 24,629,272 |
| 3900 | Unrestricted | (43,689,112) | 2,420,033 | (41,269,079) |
| 3000 | TOTAL NET POSITION | \$ 48,212,273 | \$ 12,379,258 | \$ 60,591,531 |

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, 2022

| Data Control Codes | Functions/Programs | 1 Expenses | Program Revenues | |
|--------------------------|---|-----------------------|----------------------------------|---|
| | | | 3 Charges for Services | 4 Operating Grants and Contributions |
| | PRIMARY GOVERNMENT | | | |
| | Governmental activities: | | | |
| 11 | Instruction | \$ 146,687,140 | \$ 1,528,653 | \$ 26,747,871 |
| 12 | Instructional resources and media services | 2,703,758 | - | 90,550 |
| 13 | Curriculum and instructional staff development | 10,553,941 | - | 8,196,728 |
| 21 | Instructional leadership | 3,751,093 | - | 915,105 |
| 23 | School leadership | 12,839,406 | - | 1,475,905 |
| 31 | Guidance, counseling and evaluation services | 12,293,601 | - | 4,462,328 |
| 32 | Social work services | 304,518 | - | 55,615 |
| 33 | Health services | 2,479,574 | - | 20,638 |
| 34 | Student (pupil) transportation | 5,793,171 | - | 168,122 |
| 35 | Food services | 12,207,182 | 875,344 | 15,155,854 |
| 36 | Extracurricular activities | 7,065,782 | 3,557,299 | 1,150,930 |
| 41 | General administration | 6,774,536 | - | 60,178 |
| 51 | Facilities maintenance and operations | 25,791,774 | - | 382,946 |
| 52 | Security and monitoring services | 2,189,695 | - | 247,629 |
| 53 | Data processing services | 7,927,172 | - | - |
| 61 | Community services | 723,773 | - | 591,749 |
| 72 | Debt service - interest on long-term debt | 15,449,070 | - | - |
| 93 | Payments to fiscal agents SSA | 531,361 | - | 66,208 |
| 95 | Payments to juvenile justice alternative education programs | 2,709 | - | - |
| | Total governmental activities | 276,069,256 | 5,961,296 | 59,788,356 |
| | Business-type activities: | | | |
| | Rental Property | 765,034 | 1,275,888 | - |
| | Total business-type activities | 765,034 | 1,275,888 | - |
| TP | TOTAL PRIMARY GOVERNMENT | \$ 276,834,290 | \$ 7,237,184 | \$ 59,788,356 |
| | 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 |
| \$ (118,410,616) | \$ - | \$ (118,410,616) |
| (2,613,208) | - | (2,613,208) |
| (2,357,213) | - | (2,357,213) |
| (2,835,988) | - | (2,835,988) |
| (11,363,501) | - | (11,363,501) |
| (7,831,273) | - | (7,831,273) |
| (248,903) | - | (248,903) |
| (2,458,936) | - | (2,458,936) |
| (5,625,049) | - | (5,625,049) |
| 3,824,016 | - | 3,824,016 |
| (2,357,553) | - | (2,357,553) |
| (6,714,358) | - | (6,714,358) |
| (25,408,828) | - | (25,408,828) |
| (1,942,066) | - | (1,942,066) |
| (7,927,172) | - | (7,927,172) |
| (132,024) | - | (132,024) |
| (15,449,070) | - | (15,449,070) |
| (465,153) | - | (465,153) |
| (2,709) | - | (2,709) |
| (210,319,604) | - | (210,319,604) |
| - | 510,854 | 510,854 |
| - | 510,854 | 510,854 |
| \$ (210,319,604) | \$ 510,854 | \$ (209,808,750) |
| 112,691,328 | - | 112,691,328 |
| 50,256,433 | - | 50,256,433 |
| 81,430,774 | - | 81,430,774 |
| 28,010 | 4,043 | 32,053 |
| 2,744,658 | - | 2,744,658 |
| 247,151,203 | 4,043 | 247,155,246 |
| 36,831,599 | 514,897 | 37,346,496 |
| 11,380,674 | 11,864,361 | 23,245,035 |
| \$ 48,212,273 | \$ 12,379,258 | \$ 60,591,531 |

Birdville Independent School District

Balance Sheet

Governmental Funds

June 30, 2022

| Data Control Codes | | 10 | 50 | 60 |
|--------------------------|--|-----------------|----------------------|---------------------|
| | | General Fund | Debt Service Fund | Capital Projects |
| | ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 4,389,833 | \$ - | \$ - |
| 1120 | Investments- current | 94,586,545 | 28,077,914 | 36,301,092 |
| 1220 | Property taxes (delinquent) | 6,610,679 | 2,273,374 | - |
| 1230 | Allowance for uncollectible taxes | (1,878,300) | (645,937) | - |
| 1240 | Due from other governments | 14,429,279 | 5,392 | - |
| 1250 | Accrued Interest | 25,146 | - | 1,569 |
| 1260 | Due from other funds | 2,347,576 | 783,679 | 21,387 |
| 1290 | Other receivables | 2,250,886 | 628,336 | - |
| 1300 | Inventories | 788,829 | - | - |
| 1410 | Prepaid items | 138,339 | - | - |
| 1910 | Long-term investments | 2,762,570 | - | 3,868,988 |
| 1000 | TOTAL ASSETS | \$ 126,451,382 | \$ 31,122,758 | \$ 40,193,036 |
| | LIABILITIES | | | |
| 2110 | Accounts payable | \$ 1,512,551 | \$ - | \$ 2,223,698 |
| 2150 | Payroll deductions and withholdings | 2,055,714 | - | - |
| 2160 | Accrued wages payable | 19,670,212 | - | - |
| 2170 | Due to other funds | 783,679 | - | 86,812 |
| 2190 | Due to others | 395,836 | - | - |
| 2300 | Unearned revenue | - | - | - |
| 2000 | Total liabilities | 24,417,992 | - | 2,310,510 |
| | DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 | Deferred revenue - property taxes | 4,068,967 | 1,300,639 | - |
| 2602 | Deferred inflow - leases | 838,149 | - | - |
| 2600 | Total deferred inflows of resources | 4,907,116 | 1,300,639 | - |
| | FUND BALANCES | | | |
| | Non-spendable fund balance: | | | |
| 3410 | Inventories | 788,829 | - | - |
| 3430 | Prepaid items | 138,339 | - | - |
| | Restricted fund balance: | | | |
| 3450 | Federal and state funds grant | - | - | - |
| 3470 | Capital acquisition and contractual obligation | - | - | 27,707,415 |
| 3480 | Retirement of long-term debt | - | 29,822,119 | - |
| | Committed fund balance: | | | |
| 3545 | Other committed fund balance | 49,149,651 | - | 10,175,111 |
| | Assigned fund balance: | | | |
| 3590 | Other assigned fund balance | 31,090,109 | - | - |
| 3600 | Unassigned fund balance | 15,959,346 | - | - |
| 3000 | Total fund balances | 97,126,274 | 29,822,119 | 37,882,526 |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 126,451,382 | \$ 31,122,758 | \$ 40,193,036 |

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

| Nonmajor Funds | 98 Total Governmental Funds |
|----------------------|--------------------------------------|
| \$ 2,500 | \$ 4,392,333 |
| 12,736,997 | 171,702,548 |
| - | 8,884,053 |
| - | (2,524,237) |
| 7,809,768 | 22,244,439 |
| 33,130 | 59,845 |
| 2,701,492 | 5,854,134 |
| 871,719 | 3,750,941 |
| 364,034 | 1,152,863 |
| 23,025 | 161,364 |
| 4,463,718 | 11,095,276 |
| <u>\$ 29,006,383</u> | <u>\$ 226,773,559</u> |
| | |
| \$ 100,213 | \$ 3,836,462 |
| - | 2,055,714 |
| 4,573,434 | 24,243,646 |
| 4,983,643 | 5,854,134 |
| 213,359 | 609,195 |
| 841,584 | 841,584 |
| <u>10,712,233</u> | <u>37,440,735</u> |
| | |
| - | 5,369,606 |
| 727,125 | 1,565,274 |
| <u>727,125</u> | <u>6,934,880</u> |
| | |
| 364,034 | 1,152,863 |
| 23,025 | 161,364 |
| | |
| 6,173,517 | 6,173,517 |
| - | 27,707,415 |
| - | 29,822,119 |
| | |
| 11,006,449 | 70,331,211 |
| | |
| - | 31,090,109 |
| - | 15,959,346 |
| <u>17,567,025</u> | <u>182,397,944</u> |
| | |
| <u>\$ 29,006,383</u> | <u>\$ 226,773,559</u> |

Birdville Independent School District**Exhibit C-2****Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2022**

| | |
|---|-----------------------|
| TOTAL FUND BALANCE - GOVERNMENTAL FUNDS | \$ 182,397,944 |
| 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. | 644,493 |
| 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. | 877,661,781 |
| Accumulated depreciation/amortization is not reported in the fund financial statements. | (380,757,505) |
| Bonds, loans and leases payable are not reported in the fund financial statements. | (409,397,347) |
| Bond premiums on outstanding bonds payable are not reported in the fund financial statements. | (58,330,159) |
| Revenue from property taxes is reported as deferred revenue in the fund financial statements but is recognized as revenue in the government-wide financial statements. | 5,369,606 |
| Accrued liabilities for compensated absences are not recorded in the fund financial statements. | (2,760,552) |
| Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are recorded when due. | (6,820,284) |
| The deferred charge on bond refundings is not recorded in the fund financial statements, but is shown as a deferred outflow of resources in the government-wide financial statements. | 4,214,411 |
| 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 \$34,744,308, deferred outflows of resources related to pension in the amount of \$18,400,004 and deferred inflows of resources related to pension in the amount of \$41,132,240 cumulatively resulting in a decrease in net position in the amount of \$57,476,544. | (57,476,544) |
| Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net OPEB liability in the amount of \$69,045,260, deferred outflows of resources related to OPEB in the amount of \$13,912,481, and deferred inflows of resources related to OPEB in the amount of \$51,400,792 cumulatively resulting in a decrease in net position in the amount of \$106,533,571. | (106,533,571) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 48,212,273 |

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, 2022

| Data Control Codes | | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects |
|---------------------------------------|---|--------------------------------|-------------------------------------|------------------------------------|
| REVENUES | | | | |
| 5700 | Local and intermediate | \$ 115,535,666 | \$ 50,312,412 | \$ (18,136) |
| 5800 | State program revenues | 92,001,212 | 584,547 | - |
| 5900 | Federal program revenues | 7,556,811 | - | 630,274 |
| 5020 | Total revenues | 215,093,689 | 50,896,959 | 612,138 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 117,503,324 | - | 27,904 |
| 0012 | Instructional resources and media services | 2,751,713 | - | - |
| 0013 | Curriculum and instructional staff development | 4,849,977 | - | - |
| 0021 | Instructional leadership | 3,365,000 | - | - |
| 0023 | School leadership | 12,574,984 | - | - |
| 0031 | Guidance, counseling and evaluation services | 9,681,860 | - | - |
| 0032 | Social work services | 275,951 | - | - |
| 0033 | Health services | 2,659,627 | - | - |
| 0034 | Student (pupil) transportation | 5,018,841 | - | 299,781 |
| 0035 | Food services | - | - | - |
| 0036 | Extracurricular activities | 5,283,461 | - | - |
| 0041 | General administration | 6,861,855 | - | - |
| 0051 | Facilities maintenance and operations | 22,681,006 | - | 1,020,395 |
| 0052 | Security and monitoring services | 1,467,157 | - | 49,580 |
| 0053 | Data processing services | 5,060,275 | - | 143,852 |
| 0061 | Community services | 291,966 | - | - |
| Debt service: | | | | |
| 0071 | Principal and interest on long-term debt | 312,781 | 51,535,060 | - |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | 14,022 | - | 41,395,045 |
| Intergovernmental: | | | | |
| 0093 | Payments to fiscal agents SSA | 480,521 | - | - |
| 0095 | Payments to juvenile justice alternative education programs | 2,709 | - | - |
| 0099 | Other intergovernmental charges | 758,811 | - | - |
| 6030 | Total expenditures | 201,895,841 | 51,535,060 | 42,936,557 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 13,197,848 | (638,101) | (42,324,419) |
| OTHER FINANCING SOURCES (USES) | | | | |
| 7915 | Transfers in | - | - | 2,768,153 |
| 8911 | Transfers out | (2,533,341) | - | (234,812) |
| 7080 | Total other financing sources (uses) | (2,533,341) | - | 2,533,341 |
| 1200 | Net change in fund balances | 10,664,507 | (638,101) | (39,791,078) |
| 0100 | Fund balance - July 1 (beginning) | 86,461,767 | 30,460,220 | 77,673,604 |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 97,126,274 | \$ 29,822,119 | \$ 37,882,526 |

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

| Nonmajor Funds | Total Governmental Funds |
|-------------------|--------------------------------|
| \$ 6,377,012 | \$ 172,206,954 |
| 2,240,531 | 94,826,290 |
| 41,187,697 | 49,374,782 |
| 49,805,240 | 316,408,026 |
| 20,165,788 | 137,697,016 |
| 68,383 | 2,820,096 |
| 6,190,082 | 11,040,059 |
| 691,077 | 4,056,077 |
| 1,114,588 | 13,689,572 |
| 3,369,902 | 13,051,762 |
| 42,000 | 317,951 |
| 15,585 | 2,675,212 |
| 126,964 | 5,445,586 |
| 11,445,543 | 11,445,543 |
| 869,171 | 6,152,632 |
| 45,445 | 6,907,300 |
| 289,197 | 23,990,598 |
| 187,007 | 1,703,744 |
| - | 5,204,127 |
| 446,882 | 738,848 |
| - | 51,847,841 |
| 33,921 | 41,442,988 |
| 50,000 | 530,521 |
| - | 2,709 |
| - | 758,811 |
| 45,151,535 | 341,518,993 |
| 4,653,705 | (25,110,967) |
| - | 2,768,153 |
| - | (2,768,153) |
| - | - |
| 4,653,705 | (25,110,967) |
| 12,913,320 | 207,508,911 |
| \$ 17,567,025 | \$ 182,397,944 |

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, 2022**

| | |
|---|------------------------|
| TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS | \$ (25,110,967) |
| 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. | 30,016 |
| 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. | 38,300,069 |
| 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. | (20,887,790) |
| Current year long-term debt principal payments on bonds, loans and leases payable are expenditures in the fund financial statements, but are shown as reductions of long-term debt in the government-wide financial statements. | 31,442,653 |
| 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. | 4,126,449 |
| 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 | 169,569 |
| Interest is accrued on outstanding debt in the government-wide financial statements, but interest is expended as due in the fund financial statements. | 552,378 |
| 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. | (327,453) |
| Changes related to the District's pension are recorded as decreases in deferred outflows of resources of \$6,966,367, increases in deferred inflows of \$27,430,058, and a decrease in net pension liability of \$39,479,952, which nets to a cumulative increase of \$5,083,527. | 5,083,527 |
| Changes related to the District's OPEB are recorded increases in deferred outflows of resources of \$2,550,451, decreases in deferred inflows of (\$1,287,980) and a increase in net OPEB liability of \$91,936, which cumulatively nets to a cumulative increase of \$3,930,367. | 3,930,367 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 36,831,599 |

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

Birdville Independent School District

Statement of Net Position

Proprietary Funds

June 30, 2022

Exhibit D-1

| | Business-type Activities Enterprise Funds | Governmental Activities Internal Service Fund |
|--|--|--|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 83,216 | \$ - |
| Investments - current | 2,176,550 | 668,186 |
| Receivables | 840,932 | - |
| Prepaid expenses and other assets | 225,613 | - |
| Total current assets | 3,326,311 | 668,186 |
| Non-current assets: | | |
| Receivables | 8,537,773 | - |
| Property and equipment: | | |
| Land | 1,859,948 | - |
| Buildings and improvements | 9,528,415 | - |
| | 11,388,363 | - |
| Less accumulated depreciation | (1,429,138) | - |
| Property and equipment, net | 9,959,225 | - |
| Total non-current assets | 18,496,998 | - |
| TOTAL ASSETS | \$ 21,823,309 | \$ 668,186 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 29,204 | \$ - |
| Accrued expenses | 43,832 | 23,693 |
| Unearned revenue | 68,422 | - |
| Total current liabilities | 141,458 | 23,693 |
| Noncurrent liabilities: | | |
| Other long-term liabilities | 34,469 | - |
| Total Liabilities | 175,927 | 23,693 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows - Leases | 9,268,124 | - |
| Total Deferred Inflows of Resources | 9,268,124 | - |
| NET POSITION | | |
| Net investment in capital assets | 9,959,225 | - |
| Unrestricted net position | 2,420,033 | 644,493 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 21,823,309 | \$ 668,186 |

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, 2022

| | Business-type Activities Enterprise Funds | Governmental Activities Internal Service Fund |
|--|--|--|
| OPERATING REVENUES | | |
| Local and intermediate sources | \$ 1,275,888 | \$ 28,842 |
| Total operating revenues | 1,275,888 | 28,842 |
| OPERATING EXPENSES | | |
| Contracted services | 375,788 | - |
| Supplies | - | 136 |
| Depreciation | 317,586 | - |
| Other operating costs | 71,660 | - |
| Total operating expenses | 765,034 | 136 |
| Operating income | 510,854 | 28,706 |
| NONOPERATING REVENUES | | |
| Earnings from temporary deposits and investments | 4,043 | 1,310 |
| Total nonoperating revenues | 4,043 | 1,310 |
| Change in net position | 514,897 | 30,016 |
| Net position - July 1 (beginning) | 11,864,361 | 614,477 |
| NET POSITION - JUNE 30, 2022 | \$ 12,379,258 | \$ 644,493 |

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, 2022

Exhibit D-3

| | Business-type Activities Enterprise Funds | Governmental Activities Internal Service Fund |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers and interfund services | \$ 1,154,473 | \$ 28,842 |
| Cash payments to suppliers for goods and services | (639,922) | (28,981) |
| Net cash provided by (used in) operating activities | 514,551 | (139) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sales (purchases) of investments, net | (494,773) | (1,171) |
| Purchase of property and equipment | (830) | - |
| Interest and dividends on investments | 4,043 | 1,310 |
| Net cash provided by (used in) investing activities | (491,560) | 139 |
| Net change in cash and cash equivalents | 22,991 | - |
| Cash and cash equivalents at beginning of year | 60,224 | - |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 83,215 | \$ - |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Operating income: | \$ 510,854 | \$ 28,706 |
| Adjustments to reconcile change in operating income to net cash provided by (used in) operating activities | | |
| Depreciation | 317,586 | - |
| Effect of increases and decreases in current assets and liabilities: | | |
| Receivables | (105,329) | - |
| Prepaid expenses and other assets | (182,362) | - |
| Accounts payable | (110) | - |
| Accrued expenses | (10,002) | (28,845) |
| Unearned revenue | (16,086) | - |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | \$ 514,551 | \$ (139) |

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, 2022

Exhibit E-1

| | Custodial Fund Student Activity |
|------------------------------------|--|
| ASSETS | |
| Receivables | \$ 1,177,399 |
| Total assets | 1,177,399 |
| LIABILITIES | |
| Accounts payable | 603 |
| Due to others | 814,368 |
| Total liabilities | 814,971 |
| NET POSITION | |
| Restricted for other purposes | \$ 362,428 |
| Total liabilities and net position | \$ 1,177,399 |

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, 2022

Exhibit E-2

| | Custodial Fund Student Activity |
|---|--|
| ADDITIONS | |
| Revenue from student activities | \$ 615,673 |
| Total additions | 615,673 |
| DEDUCTIONS | |
| Payroll | 3,751 |
| Contracted services | 161,987 |
| Supplies | 231,753 |
| Miscellaneous | 206,774 |
| Total deductions | 604,265 |
| Net change in fiduciary net position | 11,408 |
| NET POSITION - BEGINNING OF YEAR | 351,020 |
| NET POSITION - END OF YEAR | \$ 362,428 |

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 of 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, 2022. 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.

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

Birdville Independent School District

Notes to the Basic Financial Statements

P. Defined Benefit Pension Plan

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

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. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the District's 2022 financial statements with no impact to amounts reported under previous standards.

Note 2. Fund Balance

Fund Balance Classification

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash.

Birdville Independent School District

Notes to the Basic Financial Statements

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **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 \$15,959,346 at June 30, 2022. Inventories of \$788,829 and prepaid items of \$138,339 are considered nonspendable fund balance.

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

This commitment was \$32,657,385 as of June 30, 2022. The District also committed General Fund fund balance of \$2,600,000 for future payments of compensated absences, \$7,750,000 related to property purchases, \$3,314,201 related to other capital projects at year-end, and \$2,828,065 for other purposes.

The District has assigned \$25,100,000 of General Fund fund balance as additional operating reserves. Additionally, \$5,990,109 was assigned due to utilization to balance the fiscal year 2022-2023 budget.

Other Major Funds

The Debt Service Fund has restricted funds of \$29,822,119 at June 30, 2022 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has fund balance of \$27,707,415 restricted for future capital acquisitions and \$10,175,111 committed for future capital acquisitions.

Birdville Independent School District

Notes to the Basic Financial Statements

Other Funds

Non-spendable fund balances of \$364,034 related to inventories, and restricted fund balances of \$6,159,898 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 \$13,619 are restricted by state or other grant restrictions related to advanced placement initiatives.

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

| | |
|-----------------------------------|---------------|
| Campus activities | \$ 1,846,512 |
| Other local special revenue funds | 36,568 |
| Career tech | 46,310 |
| Legacy fund | 9,077,059 |
| | <hr/> |
| Total | \$ 11,006,449 |
| | <hr/> |

Note 3. Bonded Debt Payable

Bonded debt payable as of June 30, 2022 is as follows:

| Description | Interest Rate Payable | Amount of Original Issue | Amount Outstanding 7/1/2021 | Issued Current Year | Refunded Current Year | Retired Current Year | Amount Outstanding 6/30/2022 |
|--|-----------------------------|--------------------------------|-----------------------------------|---------------------------|-----------------------------|----------------------------|------------------------------------|
| Unlimited Tax School Building Bonds Series 2015A | 2.00-5.00 | \$ 91,975,000 | \$ 85,390,000 | \$ - | \$ - | \$ 9,785,000 | \$ 75,605,000 |
| Unlimited Tax Refunding Bonds Series 2015B | 1.21-5.00 | 98,312,081 | 82,360,000 | - | - | 6,475,000 | 75,885,000 |
| Unlimited Tax School Building Bonds Series 2016 | 2.00-5.00 | 41,785,000 | 39,185,000 | - | - | 6,170,000 | 33,015,000 |
| Unlimited Tax School Building Bonds Series 2019 | 3.00-5.00 | 157,635,000 | 152,180,000 | - | - | 4,905,000 | 147,275,000 |
| Unlimited Tax School Building Bonds Series 2020 | 2.38-5.00 | 62,810,000 | 57,380,000 | - | - | 4,550,000 | 52,830,000 |
| Unlimited Tax School Building Bonds Series 2021 | 2.00-5.00 | 24,345,000 | 24,345,000 | - | - | - | 24,345,000 |
| Total bonded debt payable | | | <hr/> \$ 440,840,000 | <hr/> \$ - | <hr/> \$ - | <hr/> \$ 31,885,000 | <hr/> \$ 408,955,000 |

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 |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| 2023 | \$ 31,675,000 | \$ 18,187,425 | \$ 49,862,425 |
| 2024 | 27,420,000 | 16,603,674 | 44,023,674 |
| 2025 | 26,795,000 | 15,232,675 | 42,027,675 |
| 2026 | 28,105,000 | 13,985,274 | 42,090,274 |
| 2027 | 18,555,000 | 12,604,975 | 31,159,975 |
| 2028-2032 | 106,565,000 | 49,895,623 | 156,460,623 |
| 2033-2037 | 74,120,000 | 28,463,242 | 102,583,242 |
| 2038-2042 | 74,890,000 | 12,127,781 | 87,017,781 |
| 2043-2044 | 20,830,000 | 1,096,837 | 21,926,837 |
| | <u>\$ 408,955,000</u> | <u>\$ 168,197,506</u> | <u>\$ 577,152,506</u> |

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

Note 4. Debt Refunding and Defeased Bonds Outstanding

As of June 30, 2022, there were no defeased bonds outstanding.

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

| | |
|---------------------------|---------------------|
| Balance - June 30, 2021 | \$ 4,691,630 |
| Current year amortization | <u>(477,219)</u> |
| Balance - June 30, 2022 | <u>\$ 4,214,411</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, 2021 | \$ 2,930,121 |
| New entrants and sick leave accruals | 394,980 |
| Payments to participants | <u>(564,549)</u> |
| Balance, June 30, 2022 | <u>\$ 2,760,552</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, 2022 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|-----------------------|---------------------|----------------------|-----------------------|------------------------|
| Governmental activities | | | | | |
| Bonds and notes payable | | | | | |
| General obligation bonds | \$ 440,840,000 | \$ - | \$ 31,885,000 | \$ 408,955,000 | \$ 31,675,000 |
| Bond premiums | 62,456,608 | - | 4,126,449 | 58,330,159 | - |
| Compensated absences | 2,930,121 | 394,980 | 564,549 | 2,760,552 | 157,307 |
| Leases | - | 754,510 | 312,163 | 442,347 | 309,020 |
| Net pension liability | 74,224,260 | - | 39,479,952 | 34,744,308 | - |
| Net OPEB liability | 69,137,196 | 8,633,348 | 8,725,284 | 69,045,260 | - |
| | <u>\$ 649,588,185</u> | <u>\$ 9,782,838</u> | <u>\$ 85,093,397</u> | <u>\$ 574,277,626</u> | <u>\$ 32,141,327</u> |

During the year ended June 30, 2022, the District implemented GASB 87, Leases, which required the District to record lease agreements related to equipment. The District is subject to equipment leases with various terms, including monthly and annually payments of principal and interest with various borrowing rates. An initial lease liability was recorded in the amount of \$754,510 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$442,347. 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 \$304,738.

The future principal and interest lease payments as of June 30, 2022 were as follows:

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|-------------------------------|-------------------|-----------------|-------------------|
| 2023 | \$ 309,020 | \$ 3,761 | \$ 312,781 |
| 2024 | 50,261 | 1,348 | 51,609 |
| 2025 | 50,794 | 815 | 51,609 |
| 2026 | 32,272 | 279 | 32,551 |
| | <u>\$ 442,347</u> | <u>\$ 6,203</u> | <u>\$ 448,550</u> |

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, 2022 was as follows:

| | Beginning Balance | Additions | Transfers | Deletions | Ending Balance |
|--|----------------------|---------------|--------------|-----------|-------------------|
| Capital assets, not being depreciated | | | | | |
| Land | \$ 19,167,618 | \$ 269,164 | \$ - | \$ - | \$ 19,436,782 |
| Construction in progress | 177,442,977 | 32,400,080 | (20,559,078) | - | 189,283,979 |
| Total capital assets, not being depreciated | 196,610,595 | 32,669,244 | (20,559,078) | - | 208,720,761 |
| Capital assets, being depreciated | | | | | |
| Buildings and improvements | 589,114,673 | 1,238,042 | 14,462,722 | - | 604,815,437 |
| Furniture and equipment | 53,819,462 | 3,638,273 | 6,096,356 | 183,018 | 63,371,073 |
| Right to use leased equipment | - | 754,510 | - | - | 754,510 |
| Total capital assets, being depreciated | 642,934,135 | 5,630,825 | 20,559,078 | 183,018 | 668,941,020 |
| Less accumulated depreciation on | | | | | |
| Buildings and improvements | 319,805,829 | 15,463,045 | - | - | 335,268,874 |
| Furniture and equipment | 40,246,904 | 5,120,007 | - | 183,018 | 45,183,893 |
| Right to use leased equipment | - | 304,738 | - | - | 304,738 |
| Total accumulated depreciation | 360,052,733 | 20,887,790 | - | 183,018 | 380,757,505 |
| Total capital assets, being depreciated, net | 282,881,402 | (15,256,965) | 20,559,078 | - | 288,183,515 |
| Governmental activities capital assets, net | \$ 479,491,997 | \$ 17,412,279 | \$ - | \$ - | \$ 496,904,276 |

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

| | |
|---|----------------------|
| Instruction | \$ 12,800,676 |
| Instructional resources and media services | 833 |
| Guidance, counseling, and evaluation services | 10,340 |
| Student (pupil) transportation | 626,378 |
| Food services | 643,324 |
| Co-curricular/extracurricular activities | 937,350 |
| General administration | 156,053 |
| Facilities maintenance and operations | 3,021,147 |
| Security and monitoring services | 422,367 |
| Data processing services | 2,266,809 |
| Community services | 2,513 |
| Total depreciation/amortization expense | <u>\$ 20,887,790</u> |

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, 2022 was as follows:

| | Beginning Balance | Additions | Transfers | Deletions | Ending Balance |
|--|----------------------|--------------|-----------|-----------|-------------------|
| Capital assets, not being depreciated | | | | | |
| Land | \$ 1,859,948 | \$ - | \$ - | \$ - | \$ 1,859,948 |
| Total capital assets, not being depreciated | 1,859,948 | - | - | - | 1,859,948 |
| Capital assets, being depreciated | | | | | |
| Buildings and improvements | 9,527,585 | 830 | - | - | 9,528,415 |
| Total capital assets, being depreciated | 9,527,585 | 830 | - | - | 9,528,415 |
| Less accumulated depreciation on | | | | | |
| Buildings and improvements | 1,111,551 | 317,587 | - | - | 1,429,138 |
| Total accumulated depreciation | 1,111,551 | 317,587 | - | - | 1,429,138 |
| Total capital assets, being depreciated, net | 8,416,034 | (316,757) | - | - | 8,099,277 |
| Business activities capital assets, net | \$ 10,275,982 | \$ (316,757) | \$ - | \$ - | \$ 9,959,225 |

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.

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 |

Birdville Independent School District
Notes to the Basic Financial Statements

*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, 2022 are classified in the accompanying financial statements as follows:

| | |
|--------------------------|--------------|
| Primary government | \$ 4,392,333 |
| Business type activities | 83,216 |
| | <hr/> |
| | \$ 4,475,549 |
| | <hr/> |

Cash and investments as of June 30, 2022 consist of the following:

| | |
|--------------------------------------|----------------|
| Deposits with financial institutions | \$ 4,462,572 |
| Petty cash | 12,977 |
| Investments - current | 174,547,284 |
| Investments - long-term | 11,095,276 |
| | <hr/> |
| | \$ 190,118,109 |
| | <hr/> |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in investment pools which purchase a combination of shorter term investments with an average maturity of less than 120 days and by holding longer-term investments until maturity, thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The District's investment policy has no specific limitations with respect to this metric.

As of June 30, 2022, the District had the following current and long-term investments:

| Account/Investment Type | Amount | Weighted Average Maturity |
|------------------------------------|----------------|---------------------------------|
| TexPool | \$ 158,397,669 | 25 |
| Lone Star | 591,798 | 80 |
| MBIA TexasCLASS | 2,399,671 | 70 |
| Negotiable certificates of deposit | 68,352 | 0 |
| U.S. agency securities | 20,458,224 | N/A |
| State and municipal securities | 3,726,846 | N/A |
| | <hr/> | |
| | \$ 185,642,560 | |
| | <hr/> | |

Birdville Independent School District
Notes to the Basic Financial Statements

Disclosures Relating to Credit Risk

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

| Account/Investment Type | Amount | Minimum Legal Rating | Rating as of June 30, 2022 |
|------------------------------------|----------------|----------------------------|----------------------------------|
| TexPool | \$ 158,397,669 | AAA/AAAm | AAAm |
| Lone Star | 591,798 | AAA/AAAm | AAA |
| MBIA TexasCLASS | 2,399,671 | AAA/AAAm | AAAm |
| Negotiable certificates of deposit | 68,352 | N/A | N/A |
| U.S. Agency securities | 20,458,224 | N/A | AA+ |
| State and municipal securities | 3,726,846 | 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, 2022, other than bank deposits, external investment pools, and securities guaranteed by the U.S. Government, the District did not have five percent or more of its investment with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

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

Birdville Independent School District

Notes to the Basic Financial Statements

As of June 30, 2022, 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 \$30,725,895.
- C. Largest cash, savings and time deposit combined account balance amounted to \$25,274,233 and occurred during the month of July 2021.
- 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.

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.

Birdville Independent School District

Notes to the Basic Financial Statements

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 | | |
|------------------------------------|-------------------------|--|---|--|
| | | 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: | Balance at 6/30/2022 | | | |
| Negotiable certificates of deposit | \$ 68,352 | \$ - | \$ 68,352 | \$ - |
| U.S. Agency securities | 20,458,224 | - | 20,458,224 | - |
| State and municipal securities | 3,726,846 | - | 3,726,846 | - |
| Total | \$ 24,253,422 | \$ - | \$ 24,253,422 | \$ - |

The fair value of the negotiable certificates of deposit, U.S. Agency securities and state and municipal securities at June 30, 2022 was determined based on level 2 inputs. The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Note 9. Defined Benefit Pension Plan

Plan Description

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

Birdville Independent School District

Notes to the Basic Financial Statements

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

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

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 thru 2025.

Rates for such plan fiscal years are as follows:

| | Contribution Rates | |
|--|--------------------|-------|
| | 2021 | 2022 |
| Member | 7.70% | 8.00% |
| Non-employer contributing entity (state) | 7.50% | 7.75% |
| Employers (District) | 7.50% | 7.75% |

Birdville Independent School District
Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2022 are as follows:

| | | |
|------------------------------|----|------------|
| Employer Contributions | \$ | 5,822,186 |
| Member Contributions | | 13,468,823 |
| NECE On-behalf Contributions | | 8,562,485 |

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during the fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and, medical schools) are required to pay the employer contribution rate in the following instances:

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

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member’s salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

Birdville Independent School District
Notes to the Basic Financial Statements

Actuarial Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021, and was determined using the following actuarial methods and assumptions:

| | |
|---|--|
| Actuarial cost method | Individual entry age normal |
| Asset valuation method | Market value |
| Single discount rate | 7.25% |
| Long-term expected rate of return | 7.25% |
| Municipal bond rate as of August 2021 | 1.95%. 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) | 2120 |
| Inflation | 2.30% |
| Salary Increases | 3.05% to 9.05% including inflation |
| Ad hoc postemployment benefit changes | None |
| Active mortality rates | Based on 90% of the 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 based primarily on a study of actual experience for the three year period ending August 31, 2017, and adopted in July 2018.

Birdville Independent School District
Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2021, 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% | 3.60% | 0.94% |
| Non-U.S. developed | 13.00% | 4.40% | 0.83% |
| Emerging markets | 9.00% | 4.60% | 0.74% |
| Private equity | 14.00% | 6.30% | 1.36% |
| Stable value: | | | |
| Government Bonds | 16.00% | -0.20% | 0.01% |
| Absolute return | - | 1.10% | - |
| Stable value hedge funds | 5.00% | 2.20% | 0.12% |
| Real return: | | | |
| Real Estate | 15.00% | 4.50% | 1.00% |
| Energy, natural resources and infrastructure | 6.00% | 4.70% | 0.35% |
| Commodities | - | 1.70% | - |
| Risk parity: | | | |
| Risk parity | 8.00% | 2.80% | 0.28% |
| Asset Allocation Leverage: | | | |
| Cash | 2.00% | -0.70% | -0.01% |
| Asset Allocation Leverage | -6.00% | -0.50% | 0.03% |
| Inflation Expectation | | | 2.20% |
| Volatility Drag**** | | | -0.95% |
| Totals | 100.00% | | 6.90% |

* Absolute Return includes Credit Sensitive Investments

** Target allocations are based on the FY2021 policy model

*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021)

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

Birdville Independent School District
Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

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

| | 1% Decrease in Discount Rate (6.25%) | Discount Rate (7.25%) | 1% Increase in Discount Rate (8.25%) |
|--|--|--------------------------|--|
| District's proportionate share of the net pension liability | \$ 75,921,827 | \$ 34,744,308 | \$ 1,336,841 |

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

At June 30, 2022, the District reported a liability of \$34,744,308 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|--|----------------------|
| District's proportionate share of the collective net pension liability | \$ 34,744,308 |
| State's proportionate share that is associated with the District | 51,097,236 |
| Total | \$ 85,841,544 |

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020, rolled forward to August 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 30, 2020 through August 31, 2021. The net pension liability is typically liquidated by the General Fund and Child Nutrition Fund.

At August 31, 2021, the District's proportion of the collective net pension liability was 0.13643162 percent, a decrease of .00215517 percent from its proportion measured as of August 31, 2020.

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2022, the District recognized negative pension expense of \$2,044,628 and revenue of \$204,280 for support provided by the State.

Birdville Independent School District
Notes to the Basic Financial Statements

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual economic experience | \$ 58,144 | \$ (2,446,027) |
| Changes in actuarial assumptions | 12,281,434 | (5,353,652) |
| Difference between projected and actual investment earnings | | (29,132,651) |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 133,954 | (4,199,910) |
| Contributions paid to TRS subsequent to the measurement date | 5,926,472 | - |
| Total | \$ 18,400,004 | \$ (41,132,240) |

Contributions paid to TRS subsequent to the measurement dates will be recognized as a reduction of the pension liability in the year ended June 30, 2023 and are reported as deferred outflows of resources in the amount of \$5,926,472. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | |
|-------------------------|------------------------|
| 2023 | \$ (5,322,438) |
| 2024 | (5,392,351) |
| 2025 | (7,662,753) |
| 2026 | (9,575,415) |
| 2017 | (589,788) |
| Thereafter | (115,963) |
| | \$ (28,658,708) |

Note 10. Defined Other Post-Employment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Birdville Independent School District

Notes to the Basic Financial Statements

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care1) at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible 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. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

| | Medicare | Non Medicare |
|--|----------|--------------|
| 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. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

| | 2022 | 2021 |
|---|-------|-------|
| Active Employee | 0.65% | 0.65% |
| Non-employer contribution entity (state) | 1.25% | 1.25% |
| Employers/District | 0.75% | 0.75% |
| Federal/private funding remitted by employers | 1.25% | 1.25% |

Birdville Independent School District
Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2022 are as follows:

| | | |
|--------------------------------------|----|-----------|
| District contributions | \$ | 1,398,335 |
| Member contributions | | 1,065,263 |
| NECE on-behalf contributions (state) | | 1,873,457 |

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

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5.5 million in fiscal year 2021 for consumer protections against medical health care billing by certain out-of-network providers.

Actuarial Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

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 annual pension actuarial valuation:

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

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 initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-medicare retirees. There was an initial prescription drug trend rate of 8.50% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 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 | 1.95% |
| Aging factors | Based on plan specific experience |
| Election rates | Normal retirement: 65 percent participation prior to age 65 and 40 percent after age 65. 25 percent of pre age 65 retirees are assumed to discontinue coverage at age 65. |
| Expenses | Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs. |
| Ad hoc postemployment benefit changes | None |

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability at August 31, 2021. This was a decrease of 0.38% in the discount rate since the August 31, 2020 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members, and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2021.

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the net OPEB liability.

| | 1% Decrease (.95%) | Current Discount Rate (1.95%) | 1% Increase (2.95%) |
|--|-----------------------|-------------------------------------|------------------------|
| District's proportionate share of the Net OPEB Liability | \$ 83,284,494 | \$ 69,045,260 | \$ 57,838,520 |

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

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--|---------------|---------------------------------------|---------------|
| District's proportionate share of the Net OPEB Liability | \$ 55,924,373 | \$ 69,045,260 | \$ 86,650,232 |

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 OPEBs

At June 30, 2022, the District reported a liability of \$69,045,260 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

| | |
|--|-----------------------|
| District's proportionate share of the net OPEB liability | \$ 69,045,260 |
| State's proportionate share of the net OPEB liability associated with the District | 92,505,262 |
| Total | \$ 161,550,522 |

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. 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, 2020 through August 31, 2021. The net OPEB liability is typically liquidated by the General Fund and Child Nutrition Fund.

At August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.17899212 percent which was a decrease of 0.00287839 percent from its proportion measured as of August 31, 2020.

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

- The single discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021. This change increased the Total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

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

For the fiscal year ended June 30, 2022, the District recognized negative OPEB expense of \$5,961,487 and revenue of \$3,414,151 for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 2,972,725 | \$ (33,422,736) |
| Changes of assumptions | 7,647,573 | (14,601,795) |
| Net difference between projected and actual earnings on pension plan investments | 74,961 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan) | 1,924,235 | (3,376,261) |
| District contributions after measurement date | 1,292,987 | - |
| Totals | \$ 13,912,481 | \$ (51,400,792) |

Birdville Independent School District
Notes to the Basic Financial Statements

The deferred outflow of resources relating to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. The net amounts of the remaining balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30, | |
|-------------------------|------------------------|
| 2023 | \$ (7,357,492) |
| 2024 | (7,359,182) |
| 2025 | (7,358,719) |
| 2026 | (5,541,262) |
| 2027 | (3,080,749) |
| Thereafter | (8,083,894) |
| Total | <u>\$ (38,781,298)</u> |

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2020, June 30, 2021, and June 30, 2022, the subsidy payments received by the TRS-Care on behalf of the District were \$691,332, \$785,993 and \$526,243, respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

Note 11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

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.

Birdville Independent School District
Notes to the Basic Financial Statements

The claims liability of \$23,693 reported in the self-insurance fund at June 30, 2022 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, 2022 and 2021 are as follows:

| | 2022 | 2021 |
|--|------------------|------------------|
| Liability, beginning of year | \$ 52,538 | \$ 57,312 |
| Current year claims and changes in estimates | (28,845) | (628) |
| Claim payments | - | (4,146) |
| Liability, end of year | <u>\$ 23,693</u> | <u>\$ 52,538</u> |

Note 12. Commitments and Contingencies

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

Note 13. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2022, 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 | \$ 14,429,279 |
| Debt service | 5,392 |
| Nonmajor | 7,809,768 |
| Total | <u>\$ 22,244,439</u> |

Note 14. Unearned Revenue

Unearned revenue at June 30, 2022 consisted of the following:

| Fund | Nonmajor Fund | Enterprise Fund | Total |
|-----------------|-------------------|--------------------|-------------------|
| Local funding | \$ 63,555 | \$ - | \$ 63,555 |
| State funding | 101,949 | - | 101,949 |
| Federal funding | 676,080 | - | 676,080 |
| Rental payments | - | 68,422 | 68,422 |
| Total | <u>\$ 841,584</u> | <u>\$ 68,422</u> | <u>\$ 910,006</u> |

Birdville Independent School District
Notes to the Basic Financial Statements

Note 15. Interfund Balances and Activities

Interfund balances at June 30, 2022 consisted of the following individual fund balances:

| | Due To | Due From | Purpose |
|-----------------------|--------------|--------------|--|
| General fund | | | |
| Nonmajor fund | \$ - | \$ 2,282,151 | Investment maturities and reimbursement reimbursement of expenditures |
| Debt service fund | 783,679 | - | Investment maturity and pending tax collection transfers |
| Capital projects fund | - | 65,425 | Investment maturity and transfer in for year-end projects |
| | | | |
| Total general fund | 783,679 | 2,347,576 | |
| Debt service fund | | | |
| | | | Investment maturity and pending tax collection transfers |
| General fund | - | 783,679 | |
| Capital projects fund | | | |
| | | | Investment maturity and transfer in for year-end projects |
| General fund | 86,812 | 21,387 | |
| Nonmajor Funds | | | |
| General fund | 4,983,643 | 2,701,492 | Investment maturities and reimbursement of expenditures |
| Total Nonmajor Funds | 4,983,643 | 2,701,492 | |
| Totals | \$ 5,854,134 | \$ 5,854,134 | |

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

During the year ended June 30, 2022, the District transferred \$2,533,341 from the general fund to capital project funds to commit funds for capital projects, and transferred \$234,812 from capital project funds to capital project funds to commit funds for capital projects.

Note 16. Instructional Materials Allotment

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA instructional material purchases must be made through TEA's online registration system. Instructional materials acquired through the IMA totaling \$1,269,315 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, 2022, 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

Note 17. Construction Commitments

As of June 30, 2022, the District had entered into several construction contracts for various construction projects totaling \$44,238,638. At June 30, 2022, there was \$5,740,437 of remaining costs under these contracts.

Note 18. Lease Receivable

During the year ended June 30, 2022, the District implemented GASB 87, *Leases*, which required the District to record lease agreements related to leasing a building, land and cell towers. The District's lease receivables have various terms, including monthly and annually payments of principal and interest with various borrowing rates. During the year ended June 30, 2022, the District recognized \$876,029 in lease revenue and \$87,248 in interest revenue in the enterprise fund. During the year ended June 30, 2022 the District recognized \$59,062 in lease revenue and \$15,627 in interest revenue in the general fund, and \$60,607 in lease revenue and \$563 in interest revenue in the nonmajor fund. As of June 30, 2022, the District's receivables for lease payments were \$856,672 in the general fund, \$730,958 in the nonmajor fund, and \$9,378,705 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, 2022, the balances of the deferred inflows of resources were \$838,149 in the general fund, \$727,125 in the nonmajor fund, and \$9,268,124 in the enterprise fund.

The future principal and interest lease payments to be received as of June 30, 2022 were as follows:

| Fiscal Year Ending June 30 | Government-wide | | | Business-type | | | Total |
|-------------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Leases |
| 2023 | \$ 82,836 | \$ 31,162 | \$ 113,998 | \$ 840,932 | \$ 160,579 | \$ 1,001,511 | \$ 1,115,509 |
| 2024 | 87,384 | 29,589 | 116,973 | 844,538 | 148,686 | 993,224 | 1,110,197 |
| 2025 | 102,838 | 27,935 | 130,773 | 735,119 | 137,012 | 872,131 | 1,002,904 |
| 2026 | 104,797 | 25,976 | 130,773 | 773,753 | 125,174 | 898,927 | 1,029,700 |
| 2027 | 106,793 | 23,980 | 130,773 | 794,548 | 112,804 | 907,352 | 1,038,125 |
| 2028-2032 | 631,535 | 87,047 | 718,582 | 3,353,872 | 375,863 | 3,729,735 | 4,448,317 |
| 2033-2037 | 369,906 | 30,842 | 400,748 | 2,100 | 263,817 | 265,917 | 666,665 |
| 2038-2042 | 101,541 | 3,398 | 104,939 | 31,356 | 262,479 | 293,835 | 398,774 |
| 2043-2047 | - | - | - | 82,599 | 255,309 | 337,908 | 337,908 |
| 2048-2052 | - | - | - | 137,532 | 240,653 | 378,185 | 378,185 |
| 2053-2057 | - | - | - | 230,377 | 216,508 | 446,885 | 446,885 |
| 2058-2062 | - | - | - | 333,471 | 180,444 | 513,915 | 513,915 |
| 2063-2067 | - | - | - | 461,469 | 129,535 | 591,004 | 591,004 |
| 2068-2072 | - | - | - | 619,404 | 60,251 | 679,655 | 679,655 |
| 2073 | - | - | - | 137,635 | 1,933 | 139,568 | 139,568 |
| | <u>\$ 1,587,630</u> | <u>\$ 259,929</u> | <u>\$ 1,847,559</u> | <u>\$ 9,378,705</u> | <u>\$ 2,671,047</u> | <u>\$ 12,049,752</u> | <u>\$ 13,897,311</u> |

Note 19. Subsequent Events

The District evaluated all events or transactions that occurred after June 30, 2022 through November 15, 2022, the date these financial statements were available to be issued, noting the following:

In July 2022, the District purchased property with a cost of \$7,750,000.

Required Supplementary Information

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Birdville Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2022

Exhibit G-1

| Data Control Codes | | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance |
|--------------------------|---|------------------|----------------|-----------------------------------|---------------------------|
| | | | | | Final Budget |
| | | Original | Final | | Positive or (Negative) |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 115,353,481 | \$ 115,276,097 | \$ 115,535,666 | \$ 259,569 |
| 5800 | State program revenues | 96,279,130 | 91,374,840 | 92,001,212 | 626,372 |
| 5900 | Federal program revenues | 5,075,000 | 6,987,193 | 7,556,811 | 569,618 |
| 5020 | Total revenues | 216,707,611 | 213,638,130 | 215,093,689 | 1,455,559 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 129,298,231 | 123,424,858 | 117,503,324 | 5,921,534 |
| 0012 | Instructional resources and media services | 2,993,753 | 3,050,471 | 2,751,713 | 298,758 |
| 0013 | Curriculum and instructional staff development | 6,828,515 | 5,534,888 | 4,849,977 | 684,911 |
| 0021 | Instructional leadership | 3,107,611 | 3,501,354 | 3,365,000 | 136,354 |
| 0023 | School leadership | 13,889,436 | 13,072,253 | 12,574,984 | 497,269 |
| 0031 | Guidance, counseling and evaluation services | 9,997,973 | 10,516,333 | 9,681,860 | 834,473 |
| 0032 | Social work services | 312,420 | 337,420 | 275,951 | 61,469 |
| 0033 | Health services | 2,990,173 | 2,999,607 | 2,659,627 | 339,980 |
| 0034 | Student (pupil) transportation | 5,432,822 | 7,812,115 | 5,018,841 | 2,793,274 |
| 0036 | Extracurricular activities | 5,594,555 | 6,003,449 | 5,283,461 | 719,988 |
| 0041 | General administration | 7,074,522 | 7,373,535 | 6,861,855 | 511,680 |
| 0051 | Facilities maintenance and operations | 23,444,265 | 26,014,309 | 22,681,006 | 3,333,303 |
| 0052 | Security and monitoring services | 1,546,099 | 1,637,110 | 1,467,157 | 169,953 |
| 0053 | Data processing services | 5,309,296 | 5,511,482 | 5,060,275 | 451,207 |
| 0061 | Community services | 299,039 | 363,195 | 291,966 | 71,229 |
| Debt service: | | | | | |
| 0071 | Principal and interest on long-term debt | 9,783 | 442,261 | 312,781 | 129,480 |
| Capital outlay: | | | | | |
| 0081 | Facilities acquisition and construction | 40,000 | 7,870,000 | 14,022 | 7,855,978 |
| Intergovernmental: | | | | | |
| 0093 | Payments to fiscal agent SSA | 577,000 | 527,000 | 480,521 | 46,479 |
| 0095 | Payments to juvenile justice alternative education program | 50,000 | 12,709 | 2,709 | 10,000 |
| 0099 | Other intergovernmental charges | 783,000 | 783,000 | 758,811 | 24,189 |
| 6030 | Total expenditures | 219,578,493 | 226,787,349 | 201,895,841 | 24,891,508 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (2,870,882) | (13,149,219) | 13,197,848 | 26,347,067 |
| OTHER FINANCING USES | | | | | |
| 8911 | Transfers out | - | (2,533,341) | (2,533,341) | - |
| 7080 | Total other financing uses | - | (2,533,341) | (2,533,341) | - |
| 1200 | Net change in fund balances | (2,870,882) | (15,682,560) | 10,664,507 | 26,347,067 |
| 0100 | Fund balance - July I (beginning) | 86,461,767 | 86,461,767 | 86,461,767 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 83,590,885 | \$ 70,779,207 | \$ 97,126,274 | \$ 26,347,067 |

Birdville Independent School District

Exhibit G-2

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability (asset) | 0.13643163% | 0.13858679% | 0.14815058% | 0.14840880% | 0.14737013% | 0.15221500% | 0.15805076% | 0.11684070% |
| District's proportionate share or net pension liability (asset) | \$ 34,744,308 | \$ 74,224,260 | \$ 77,013,305 | \$ 81,687,805 | \$ 47,121,030 | \$ 57,519,786 | \$ 55,871,258 | \$ 31,209,767 |
| State's proportionate share of the net pension liability (asset) associated with the District | 51,097,236 | 108,644,453 | 102,814,965 | 113,232,127 | 68,174,989 | 86,004,619 | 82,444,446 | 71,390,585 |
| TOTALS | \$ 85,841,544 | \$ 182,868,713 | \$ 179,828,270 | \$ 194,919,932 | \$ 115,296,019 | \$ 143,524,405 | \$ 138,315,704 | \$ 102,600,352 |
| District's covered payroll | 163,876,798 | 163,010,578 | 155,077,804 | 152,239,652 | \$ 149,392,854 | \$ 148,703,880 | \$ 144,396,132 | \$ 141,661,698 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 21.20% | 45.53% | 49.66% | 53.66% | 31.54% | 38.68% | 38.69% | 22.03% |
| Plan fiduciary net position as a percentage of the total pension liabi | 88.79% | 75.54% | 75.24% | 73.74% | 82.17% | 78.00% | 78.43% | 83.25% |

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 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 eight years of data are presented this reporting period. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.

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

Exhibit G-3

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution | \$ 4,615,153 | \$ 3,707,250 | \$ 3,723,500 | \$ 3,443,297 | \$ 3,152,523 | \$ 3,211,300 | \$ 4,654,113 | 4,258,222 |
| Contribution in relation to the contractually required contribution | <u>(4,615,153)</u> | <u>(3,707,250)</u> | <u>(3,723,500)</u> | <u>(3,443,297)</u> | <u>(3,152,523)</u> | <u>(3,211,300)</u> | <u>(4,654,113)</u> | <u>(4,258,222)</u> |
| CONTRIBUTIONS DEFICIENCY (EXCESS) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 169,431,192 | \$ 162,513,120 | \$ 162,135,791 | \$ 154,589,354 | \$ 151,667,872 | \$ 149,392,854 | \$ 148,703,880 | 144,396,132 |
| Contributions as a percentage of covered payroll | 2.72% | 2.28% | 2.30% | 2.23% | 2.08% | 2.15% | 3.13% | 2.95% |

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 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 eight years of data are presented this reporting period. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.

Birdville Independent School District
Exhibit G-4

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

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net OPEB liability | 0.17899212340% | 0.18187051670% | 0.18466805330% | 0.18569339350% | 0.18009116910% |
| District's proportionate share of net OPEB liability | \$ 69,045,260 | \$ 69,137,196 | \$ 87,331,782 | \$ 92,718,411 | \$ 78,314,894 |
| State's proportionate share of the net OPEB liability associated with the District | 92,505,262 | 92,903,819 | 116,044,407 | 127,991,692 | 114,520,097 |
| TOTAL | \$ 161,550,522 | \$ 162,041,015 | \$ 203,376,189 | \$ 220,710,103 | \$ 192,834,991 |
| District's covered-employee payroll | \$ 163,876,798 | \$ 163,010,578 | \$ 155,077,804 | \$ 152,239,652 | \$ 149,392,854 |
| District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll | 42% | 42% | 56% | 61% | 52% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.18% | 4.99% | 2.66% | 1.57% | 0.91% |

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

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

Exhibit G-5

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 1,526,919 | \$ 1,369,166 | \$ 1,357,316 | \$ 983,474 | \$ 962,118 |
| Contribution in relation to the contractually required contribution | (1,526,919) | (1,369,166) | (1,357,316) | (983,474) | (962,118) |
| Contribution deficiency (excess) | - | - | - | - | - |
| District's covered-employee payroll | \$ 169,431,192 | \$ 162,513,120 | \$ 162,135,791 | \$ 154,589,354 | \$ 151,667,872 |
| Contributions as a percentage of covered-employee payroll | 0.90% | 0.84% | 0.84% | 0.64% | 0.63% |

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

Birdville Independent School District

Notes to Required Supplementary Information

Year Ended June 30, 2022

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 decrease to reflect decreased state revenue in the amount of \$4.9 million and increased federal revenue of \$1.9 million as a result of clarification of funding formulas.
2. Budget expenditures increase to reflect expected capital expenditures of \$7.8 million related to expected land purchase, and reclassify budget between functions due to expected facilities maintenance and transportation costs.

Birdville Independent School District
Notes to Required Supplementary Information
Year Ended June 30, 2022

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 |
| 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, 2021 – Net Pension Liability and Net OPEB Liability:

- There were no changes in assumptions since the prior measurement date for Net Pension Liability.
- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the Total OPEB liability.

Changes in benefit terms

For Measurement Date August 31, 2021 – Net Pension Liability and Net OPEB Liability:

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

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Other Supplementary Information

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Combining Statements

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| <u>Data Control Codes</u> | <u>211 ESEA I, A Improving Basic Programs</u> | <u>220 Adult Education Federal</u> | <u>224 IDEA - Part B Formula</u> | <u>225 IDEA - Part B Preschool</u> |
|--|---|--|--|--|
| ASSETS | | | | |
| 1110 Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| 1120 Investments-current | - | - | - | - |
| 1240 Due from other governments | 816,348 | - | 1,092,142 | 28,784 |
| 1250 Accrued interest | - | - | - | - |
| 1260 Due from other funds | - | - | - | - |
| 1290 Other receivables | 198 | - | - | - |
| 1300 Inventories | - | - | - | - |
| 1410 Prepaid items | - | - | - | - |
| 1910 Long-term investments | - | - | - | - |
| 1000 TOTAL ASSETS | <u>\$ 816,546</u> | <u>\$ -</u> | <u>\$ 1,092,142</u> | <u>\$ 28,784</u> |
| LIABILITIES | | | | |
| 2110 Accounts payable | \$ 6,101 | \$ - | \$ - | \$ - |
| 2160 Accrued wages payable | 446,535 | - | 645,611 | 18,450 |
| 2170 Due to other funds | 363,910 | - | 446,531 | 10,334 |
| 2190 Due to student groups | - | - | - | - |
| 2300 Unearned revenue | - | - | - | - |
| 2000 Total liabilities | <u>816,546</u> | <u>-</u> | <u>1,092,142</u> | <u>28,784</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2602 Deferred inflows | - | - | - | - |
| 2600 Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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 | - | - | - | - |
| 3000 Total fund balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 816,546</u> | <u>\$ -</u> | <u>\$ 1,092,142</u> | <u>\$ 28,784</u> |

| 240 National Breakfast and Lunch Program | 244 Career and Technical - Basic Grant | 255 ESEA II, A Training and Recruiting | 263 Title III, A English Lang. Acquisition | 265 Title IV, B Community Learning |
|---|---|---|---|---|
| \$ 14 | \$ - | \$ - | \$ - | \$ - |
| 5,748,906 | - | - | - | - |
| 133,266 | 24,222 | 140,796 | 109,792 | 228,827 |
| - | - | - | - | - |
| 901,381 | - | - | - | - |
| - | - | - | - | - |
| 364,034 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 7,147,601</u> | <u>\$ 24,222</u> | <u>\$ 140,796</u> | <u>\$ 109,792</u> | <u>\$ 228,827</u> |
| \$ 36,802 | \$ - | \$ 16,460 | \$ - | \$ 10,000 |
| 586,867 | - | 76,926 | 63,892 | 41,370 |
| - | 24,222 | 47,410 | 45,900 | 177,457 |
| - | - | - | - | - |
| - | - | - | - | - |
| 623,669 | 24,222 | 140,796 | 109,792 | 228,827 |
| - | - | - | - | - |
| - | - | - | - | - |
| 364,034 | - | - | - | - |
| - | - | - | - | - |
| 6,159,898 | - | - | - | - |
| - | - | - | - | - |
| 6,523,932 | - | - | - | - |
| <u>\$ 7,147,601</u> | <u>\$ 24,222</u> | <u>\$ 140,796</u> | <u>\$ 109,792</u> | <u>\$ 228,827</u> |

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| Data Control Codes | | 281 | 282 | 284 | 289 | 315 |
|-------------------------------|---|--------------|--------------|-----------------------|---|--------------------------------------|
| | | ESSER II | ESSER III | IDEA, Part B - ARP | Other Federal Special Revenue Funds | SSA IDEA, PART B Discretionary |
| ASSETS | | | | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1120 | Investments-current | - | - | - | - | - |
| 1240 | Due from other governments | 1,524,302 | 2,444,137 | 80,621 | 66,609 | 26,523 |
| 1250 | Accrued interest | - | - | - | - | - |
| 1260 | Due from other funds | - | - | - | 630,028 | - |
| 1290 | Other receivables | - | 1,668 | - | - | - |
| 1300 | Inventories | - | - | - | - | - |
| 1410 | Prepaid items | - | - | - | - | - |
| 1910 | Long-term investments | - | - | - | - | - |
| 1000 | TOTAL ASSETS | \$ 1,524,302 | \$ 2,445,805 | \$ 80,621 | \$ 696,637 | \$ 26,523 |
| LIABILITIES | | | | | | |
| 2110 | Accounts payable | \$ - | \$ - | \$ - | \$ 5,420 | \$ - |
| 2160 | Accrued wages payable | 865,323 | 1,428,170 | 38,653 | 15,137 | 13,652 |
| 2170 | Due to other funds | 658,979 | 1,017,635 | 41,968 | - | 12,871 |
| 2190 | Due to student groups | - | - | - | - | - |
| 2300 | Unearned revenues | - | - | - | 676,080 | - |
| 2000 | Total liabilities | 1,524,302 | 2,445,805 | 80,621 | 696,637 | 26,523 |
| 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 | \$ 1,524,302 | \$ 2,445,805 | \$ 80,621 | \$ 696,637 | \$ 26,523 |

Exhibit H-1 (Cont'd)

| 340 SSA - IDEA C Deaf - Early Intervention | 385 Visually Impaired SSVI | 397 Advanced Placement Incentives | 410 State Instructional Materials Fund | 429 Other State Special Revenue Funds | 435 SSA Regional Day School - Deaf |
|---|-------------------------------------|--|---|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | 14,339 | - | 934,793 | 4,352 | 139,915 |
| - | - | - | - | - | - |
| - | - | 13,619 | - | - | 266,461 |
| - | - | - | - | - | 691 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ 14,339</u> | <u>\$ 13,619</u> | <u>\$ 934,793</u> | <u>\$ 4,352</u> | <u>\$ 407,067</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,229 |
| - | - | - | 21,616 | - | 298,889 |
| - | 14,339 | - | 913,177 | 4,352 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 101,949 |
| - | 14,339 | - | 934,793 | 4,352 | 407,067 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 13,619 | - | - | - |
| - | - | - | - | - | - |
| - | - | 13,619 | - | - | - |
| <u>\$ -</u> | <u>\$ 14,339</u> | <u>\$ 13,619</u> | <u>\$ 934,793</u> | <u>\$ 4,352</u> | <u>\$ 407,067</u> |

Birdville Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| Data Control Codes | 461 Campus Activity Funds | 489 Other Local Special Revenue Funds | 492 Athletic Competition | 493 Afterschool Program |
|--|--|--|---|--|
| ASSETS | | | | |
| 1110 Cash and cash equivalents | \$ 768 | \$ - | \$ - | \$ - |
| 1120 Investments-current | 2,498,685 | 52,886 | - | - |
| 1240 Due from other governments | - | - | - | - |
| 1250 Accrued interest | - | - | - | - |
| 1260 Due from other funds | 775,562 | 47,237 | - | 12,343 |
| 1290 Other receivables | - | - | - | - |
| 1300 Inventories | - | - | - | - |
| 1410 Prepaid items | 23,025 | - | - | - |
| 1910 Long-term investments | - | - | - | - |
| 1000 TOTAL ASSETS | \$ 3,298,040 | \$ 100,123 | \$ - | \$ 12,343 |
| LIABILITIES | | | | |
| 2110 Accounts payable | \$ 10,650 | \$ - | \$ - | \$ - |
| 2160 Accrued wages payable | - | - | - | 12,343 |
| 2170 Due to other funds | 1,204,558 | - | - | - |
| 2190 Due to student groups | 213,295 | - | - | - |
| 2300 Unearned revenues | - | 63,555 | - | - |
| 2000 Total liabilities | 1,428,503 | 63,555 | - | 12,343 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2602 Deferred inflows | - | - | - | - |
| 2600 Total deferred inflows of resources | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable fund balance: | | | | |
| 3410 Inventories | - | - | - | - |
| 3430 Prepaids | 23,025 | - | - | - |
| Restricted fund balance | | | | |
| 3450 Federal or state funds grants | - | - | - | - |
| Committed fund balance | | | | |
| 3545 Other committed fund balance | 1,846,512 | 36,568 | - | - |
| 3000 Total fund balances | 1,869,537 | 36,568 | - | - |
| 4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 3,298,040 | \$ 100,123 | \$ - | \$ 12,343 |

Exhibit H-1 (Cont'd)

| 494 Career Tech | 497 Birdville Education Foundation | 498 Legacy Fund | Total Nonmajor Governmental Funds |
|-----------------------|---|-----------------------|--|
| \$ - | \$ - | \$ 1,718 | \$ 2,500 |
| - | - | 4,436,520 | 12,736,997 |
| - | - | - | 7,809,768 |
| - | - | 33,130 | 33,130 |
| 46,310 | 8,551 | - | 2,701,492 |
| - | - | 869,162 | 871,719 |
| - | - | - | 364,034 |
| - | - | - | 23,025 |
| - | - | 4,463,718 | 4,463,718 |
| <u>\$ 46,310</u> | <u>\$ 8,551</u> | <u>\$ 9,804,248</u> | <u>\$ 29,006,383</u> |
| \$ - | \$ 8,551 | \$ - | \$ 100,213 |
| - | - | - | 4,573,434 |
| - | - | - | 4,983,643 |
| - | - | 64 | 213,359 |
| - | - | - | 841,584 |
| - | 8,551 | 64 | 10,712,233 |
| - | - | 727,125 | 727,125 |
| - | - | 727,125 | 727,125 |
| - | - | - | 364,034 |
| - | - | - | 23,025 |
| - | - | - | 6,173,517 |
| 46,310 | - | 9,077,059 | 11,006,449 |
| 46,310 | - | 9,077,059 | 17,567,025 |
| <u>\$ 46,310</u> | <u>\$ 8,551</u> | <u>\$ 9,804,248</u> | <u>\$ 29,006,383</u> |

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2022

| Data Control Codes | | 211 ESEA I, A Improving Basic Programs | 220 Adult Education Federal | 224 IDEA - Part B Formula | 225 IDEA - Part B Preschool |
|--------------------------|---|---|--------------------------------------|---------------------------------|-----------------------------------|
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ - | \$ - | \$ - |
| 5800 | State program revenues | - | - | - | - |
| 5900 | Federal program revenues | 3,907,730 | 152,637 | 4,831,908 | 111,199 |
| 5020 | Total revenues | 3,907,730 | 152,637 | 4,831,908 | 111,199 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 2,772,580 | 73,609 | 2,449,411 | 68,364 |
| 0012 | Instructional resources and media services | - | - | - | - |
| 0013 | Curriculum and instructional staff development | 717,083 | 26,744 | - | - |
| 0021 | Instructional leadership | 206,124 | 50,284 | - | - |
| 0023 | School leadership | 2,516 | - | - | - |
| 0031 | Guidance, counseling and evaluation services | - | - | 2,248,440 | 42,835 |
| 0032 | Social work services | 42,000 | - | - | - |
| 0033 | Health services | - | - | - | - |
| 0034 | Student (pupil) transportation | - | - | 84,057 | - |
| 0035 | Food services | - | - | - | - |
| 0036 | Extracurricular activities | 12,794 | - | - | - |
| 0041 | General administration | - | - | - | - |
| 0051 | Facilities maintenance and operations | - | 2,000 | - | - |
| 0052 | Security and monitoring services | - | - | - | - |
| 0061 | Community services | 154,633 | - | - | - |
| 0081 | Facilities acquisition and construction | - | - | - | - |
| 0093 | Payment to fiscal agent/member districts of SSA | - | - | 50,000 | - |
| 6030 | Total expenditures | 3,907,730 | 152,637 | 4,831,908 | 111,199 |
| 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

| 240 National Breakfast and Lunch Program | 244 Career and Technical - Basic Grant | 255 ESEA II, A Training and Recruiting | 263 Title III, A English Lang. Acquisition | 265 Title IV, B Community Learning |
|---|---|---|---|---|
| \$ 885,062 | \$ - | \$ - | \$ - | \$ - |
| 292,746 | - | - | - | - |
| 13,964,021 | 239,038 | 612,236 | 624,147 | 1,682,745 |
| 15,141,829 | 239,038 | 612,236 | 624,147 | 1,682,745 |
| - | - | - | 153,458 | 762,521 |
| - | - | - | - | - |
| - | 239,038 | 607,236 | 371,669 | 652,710 |
| - | - | 5,000 | 360 | 145,825 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 11,445,543 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 64,000 |
| - | - | - | - | - |
| - | - | - | 98,660 | 57,689 |
| - | - | - | - | - |
| - | - | - | - | - |
| 11,445,543 | 239,038 | 612,236 | 624,147 | 1,682,745 |
| 3,696,286 | - | - | - | - |
| 3,696,286 | - | - | - | - |
| 2,827,646 | - | - | - | - |
| \$ 6,523,932 | \$ - | \$ - | \$ - | \$ - |

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2022

| Data Control Codes | | 281 | 282 | 284 | 289 | 315 |
|--------------------------|---|-----------|-----------|--------------------|---|--------------------------------------|
| | | ESSER II | ESSER II | IDEA, Part B - ARP | Other Federal Special Revenue Funds | SSA IDEA, Part B Discretionary |
| REVENUES | | | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5800 | State program revenues | - | - | - | - | - |
| 5900 | Federal program revenues | 5,328,619 | 7,472,192 | 271,093 | 1,902,875 | 87,137 |
| 5020 | Total revenues | 5,328,619 | 7,472,192 | 271,093 | 1,902,875 | 87,137 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| 0011 | Instruction | 5,328,619 | 2,598,308 | - | 1,350,949 | 87,137 |
| 0012 | Instructional resources and media services | - | - | - | - | - |
| 0013 | Curriculum and instructional staff development | - | 2,863,125 | 271,093 | 14,196 | - |
| 0021 | Instructional leadership | - | 161,847 | - | - | - |
| 0023 | School leadership | - | 1,097,596 | - | - | - |
| 0031 | Guidance, counseling and evaluation services | - | 693,174 | - | 207,101 | - |
| 0032 | Social work services | - | - | - | - | - |
| 0033 | Health services | - | 15,235 | - | - | - |
| 0034 | Student (pupil) transportation | - | 42,907 | - | - | - |
| 0035 | Food services | - | - | - | - | - |
| 0036 | Extracurricular activities | - | - | - | - | - |
| 0041 | General administration | - | - | - | - | - |
| 0051 | Facilities maintenance and operations | - | - | - | 200,385 | - |
| 0052 | Security and monitoring services | - | - | - | 130,244 | - |
| 0061 | Community services | - | - | - | - | - |
| 0081 | Facilities acquisition and construction | - | - | - | - | - |
| 0093 | Payment to fiscal agent/member districts of SSA | - | - | - | - | - |
| 6030 | Total expenditures | 5,328,619 | 7,472,192 | 271,093 | 1,902,875 | 87,137 |
| 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 (Cont'd)

| 340 SSA - IDEA C Deaf- Early Intervention | 385 Visually Impaired SSVI | 397 Advanced Placement Incentives | 410 Instructional Materials Fund | 429 Other State Special Revenue Funds | 435 SSA Regional Day School - Deaf |
|--|-------------------------------------|--|---|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,390,720 |
| - | 15,225 | 26,231 | 1,269,315 | 77,354 | 559,660 |
| 120 | - | - | - | - | - |
| 120 | 15,225 | 26,231 | 1,269,315 | 77,354 | 1,950,380 |
| 120 | 14,009 | - | 951,636 | 182 | 1,721,728 |
| - | - | - | - | 93 | - |
| - | 1,216 | 36,665 | 317,679 | 799 | 1,695 |
| - | - | - | - | - | 110,577 |
| - | - | - | - | - | - |
| - | - | - | - | 21,687 | 116,380 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 54,593 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 120 | 15,225 | 36,665 | 1,269,315 | 77,354 | 1,950,380 |
| - | - | (10,434) | - | - | - |
| - | - | (10,434) | - | - | - |
| - | - | 24,053 | - | - | - |
| \$ - | \$ - | \$ 13,619 | \$ - | \$ - | \$ - |

Birdville Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2022

| Data Control Codes | | 461 Campus Activity Funds | 489 Other Local Special Revenue Funds | 492 Athletic Competition | 493 After School Program |
|--------------------------|---|------------------------------------|--|--------------------------------|-----------------------------------|
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 3,089,350 | \$ 92,890 | \$ 23,783 | \$ 12,382 |
| 5800 | State program revenues | - | - | - | - |
| 5900 | Federal program revenues | - | - | - | - |
| 5020 | Total revenues | 3,089,350 | 92,890 | 23,783 | 12,382 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 1,582,981 | 27,652 | - | - |
| 0012 | Instructional resources and media services | 65,297 | - | - | - |
| 0013 | Curriculum and instructional staff development | 56,918 | 12,216 | - | - |
| 0021 | Instructional leadership | - | 11,060 | - | - |
| 0023 | School leadership | 14,476 | - | - | - |
| 0031 | Guidance, counseling and evaluation services | 2,308 | 37,225 | - | - |
| 0032 | Social work services | - | - | - | - |
| 0033 | Health services | 350 | - | - | - |
| 0034 | Student (pupil) transportation | - | - | - | - |
| 0035 | Food services | - | - | - | - |
| 0036 | Extracurricular activities | 821,372 | - | 22,623 | 12,382 |
| 0041 | General administration | - | - | - | - |
| 0051 | Facilities maintenance and operations | 22,812 | - | - | - |
| 0052 | Security and monitoring services | 1,010 | - | 1,160 | - |
| 0061 | Community services | 135,800 | 100 | - | - |
| 0081 | Facilities acquisition and construction | - | - | - | - |
| 0093 | Payment to fiscal agent/member districts of SSA | - | - | - | - |
| 6030 | Total expenditures | 2,703,324 | 88,253 | 23,783 | 12,382 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 386,026 | 4,637 | - | - |
| 1200 | Net change in fund balance | 386,026 | 4,637 | - | - |
| 0100 | Fund balance - July 1 (beginning) | 1,483,511 | 31,931 | - | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 1,869,537 | \$ 36,568 | \$ - | \$ - |

Exhibit H-2 (Cont'd)

| 494 Career Tech | 497 Birdville Education Foundation | 498 Legacy Fund | Total Nonmajor Governmental Funds |
|-----------------------|---|-----------------------|--|
| \$ - | \$ 101,483 | \$ 781,342 | \$ 6,377,012 |
| - | - | - | 2,240,531 |
| - | - | - | 41,187,697 |
| - | 101,483 | 781,342 | 49,805,240 |
| - | 97,738 | 124,786 | 20,165,788 |
| - | 2,993 | - | 68,383 |
| - | - | - | 6,190,082 |
| - | - | - | 691,077 |
| - | - | - | 1,114,588 |
| - | 752 | - | 3,369,902 |
| - | - | - | 42,000 |
| - | - | - | 15,585 |
| - | - | - | 126,964 |
| - | - | - | 11,445,543 |
| - | - | - | 869,171 |
| - | - | 45,445 | 45,445 |
| - | - | - | 289,197 |
| - | - | - | 187,007 |
| - | - | - | 446,882 |
| - | - | 33,921 | 33,921 |
| - | - | - | 50,000 |
| - | 101,483 | 204,152 | 45,151,535 |
| - | - | 577,190 | 4,653,705 |
| - | - | 577,190 | 4,653,705 |
| 46,310 | - | 8,499,869 | 12,913,320 |
| \$ 46,310 | \$ - | \$ 9,077,059 | \$ 17,567,025 |

Birdville Independent School District
Combining Balance Sheet – Capital Projects Fund
For the Fiscal Year Ended June 30, 2022

| Data Control Codes | | 650 Local Capital Projects | 651 2018 Capital Projects | 652 2019 Capital Projects |
|-----------------------------------|--|---|--|--|
| ASSETS | | | | |
| 1120 | Investments-current | \$ 525,781 | \$ 16 | \$ 2,302,576 |
| 1250 | Accrued interest | - | - | - |
| 1260 | Due from other funds | - | - | - |
| 1910 | Long-term investments | - | - | - |
| 1000 | Total assets | <u>\$ 525,781</u> | <u>\$ 16</u> | <u>\$ 2,302,576</u> |
| LIABILITIES | | | | |
| 2110 | Accounts payable | \$ - | \$ - | \$ - |
| 2171 | Due to other funds | - | - | - |
| 2000 | Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted fund balance: | | | | |
| 3470 | Capital acquisition and contractual obligation | - | - | - |
| Committed fund balance: | | | | |
| 3545 | Other committed fund balance | <u>525,781</u> | <u>16</u> | <u>2,302,576</u> |
| 3000 | Total fund balances | <u>525,781</u> | <u>16</u> | <u>2,302,576</u> |
| 4000 | TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 525,781</u></u> | <u><u>\$ 16</u></u> | <u><u>\$ 2,302,576</u></u> |

Exhibit H-3

| 653 Capital Projects Year 2020 | 654 Capital Projects Year 2021 | 655 Capital Projects Year 2022 | 690 2018 Bond Program | 694 Other Bond Funded Projects | Total Capital Projects |
|---|---|---|--------------------------------|---|------------------------------|
| \$ 183,789 | \$ 4,691,712 | \$ 2,764,068 | \$ 25,833,150 | \$ - | \$ 36,301,092 |
| - | - | - | 1,569 | - | 1,569 |
| - | 21,295 | - | - | 92 | 21,387 |
| - | - | - | 3,868,988 | - | 3,868,988 |
| <u>\$ 183,789</u> | <u>\$ 4,713,007</u> | <u>\$ 2,764,068</u> | <u>\$ 29,703,707</u> | <u>\$ 92</u> | <u>\$ 40,193,036</u> |
| \$ 15,916 | \$ 270,748 | \$ 8,769 | \$ 1,928,265 | \$ - | \$ 2,223,698 |
| - | - | 18,693 | 68,119 | - | 86,812 |
| <u>15,916</u> | <u>270,748</u> | <u>27,462</u> | <u>1,996,384</u> | <u>-</u> | <u>2,310,510</u> |
| - | - | | 27,707,323 | 92 | 27,707,415 |
| <u>167,873</u> | <u>4,442,259</u> | <u>2,736,606</u> | <u>-</u> | <u>-</u> | <u>10,175,111</u> |
| <u>167,873</u> | <u>4,442,259</u> | <u>2,736,606</u> | <u>27,707,323</u> | <u>92</u> | <u>37,882,526</u> |
| <u>\$ 183,789</u> | <u>\$ 4,713,007</u> | <u>\$ 2,764,068</u> | <u>\$ 29,703,707</u> | <u>\$ 92</u> | <u>\$ 40,193,036</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, 2022

| <u>Data Control Codes</u> | <u>650 Local Capital Projects</u> | <u>651 2018 Capital Projects</u> | <u>652 2019 Capital Projects</u> |
|--|---|--|--|
| REVENUES | | | |
| 5700 Local and intermediate sources | \$ 1,120 | \$ 16 | \$ 4,548 |
| 5900 Federal program revenues | - | - | - |
| 5020 Total revenues | 1,120 | 16 | 4,548 |
| EXPENDITURES | | | |
| Current: | | | |
| 0011 Instruction | - | - | - |
| 0034 Student (pupil) transportation | - | - | - |
| 0051 Facilities maintenance and operations | - | 79,977 | 59,007 |
| 0052 Security and monitoring services | - | - | - |
| 0053 Data processing services | 122,499 | - | - |
| Capital outlay: | | | |
| 0081 Facilities acquisition and construction | - | - | 26,742 |
| 6030 Total expenditures | 122,499 | 79,977 | 85,749 |
| 1100 Deficiency of revenues under expenditures | (121,379) | (79,961) | (81,201) |
| OTHER FINANCING SOURCES (USES) | | | |
| 7915 Transfers in | - | - | - |
| 8911 Transfers out | - | (7,051) | - |
| 7080 Total other financing sources (uses) | - | (7,051) | - |
| 1200 Net change in fund balance | (121,379) | (87,012) | (81,201) |
| 0100 Fund balance - July 1 (beginning) | 647,160 | 87,028 | 2,383,777 |
| 3000 FUND BALANCE - JUNE 30 (ENDING) | <u>\$ 525,781</u> | <u>\$ 16</u> | <u>\$ 2,302,576</u> |

| 653 Capital Projects Year 2020 | 654 Capital Projects Year 2021 | 655 Capital Projects Year 2022 | 690 2018 Bond Program | 694 Bond Funded Projects | Total Capital Projects |
|---|---|---|--------------------------------|-----------------------------------|------------------------------|
| \$ 926 | \$ 9,757 | \$ 2,174 | \$ (36,677) | \$ - | \$ (18,136) |
| - | - | - | 630,274 | - | 630,274 |
| 926 | 9,757 | 2,174 | 593,597 | - | 612,138 |
| - | - | 27,904 | - | - | 27,904 |
| 65,420 | 234,361 | - | - | - | 299,781 |
| 287,673 | 587,921 | 5,817 | - | - | 1,020,395 |
| - | 49,580 | - | - | - | 49,580 |
| - | - | - | 21,353 | - | 143,852 |
| 497,613 | 916,131 | - | 39,941,893 | 12,666 | 41,395,045 |
| 850,706 | 1,787,993 | 33,721 | 39,963,246 | 12,666 | 42,936,557 |
| (849,780) | (1,778,236) | (31,547) | (39,369,649) | (12,666) | (42,324,419) |
| - | - | 2,768,153 | - | - | 2,768,153 |
| (227,761) | - | - | - | - | (234,812) |
| (227,761) | - | 2,768,153 | - | - | 2,533,341 |
| (1,077,541) | (1,778,236) | 2,736,606 | (39,369,649) | (12,666) | (39,791,078) |
| 1,245,414 | 6,220,495 | - | 67,076,972 | 12,758 | 77,673,604 |
| \$ 167,873 | \$ 4,442,259 | \$ 2,736,606 | \$ 27,707,323 | \$ 92 | \$ 37,882,526 |

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TEA Required Schedules

Birdville Independent School District
Schedule of Delinquent Taxes Receivable
For the Fiscal Year Ended June 30, 2022

| Year Ended June 30, | (1) Tax Rates | | (2) | (3) Assessed / Appraised Value for School Tax Purposes | (10) Beginning Balance 7/1/2021 |
|---|------------------|----|--------------|---|--|
| | Maintenance | | Debt Service | | |
| 2013 and prior years | \$ Various | \$ | Various | \$ Various | \$ 3,189,367 |
| 2014 | 1.0400 | | 0.3950 | 7,356,610,245 | 440,212 |
| 2015 | 1.0400 | | 0.3950 | 7,729,615,278 | 375,480 |
| 2016 | 1.0400 | | 0.4139 | 7,655,135,278 | 419,794 |
| 2017 | 1.0400 | | 0.4139 | 8,451,129,156 | 389,377 |
| 2018 | 1.0400 | | 0.4139 | 9,474,869,141 | 365,254 |
| 2019 | 1.0400 | | 0.4139 | 10,364,461,281 | 774,463 |
| 2020 | 0.9700 | | 0.4139 | 11,557,915,321 | 698,488 |
| 2021 | 0.9664 | | 0.4139 | 12,158,792,548 | 2,411,603 |
| 2022 (School year under audit) | 0.9241 | | 0.4139 | 12,919,436,551 | - |
| 1000 TOTALS | | | | | <u>\$ 9,064,038</u> |
| 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 6/30/2022 |
|---|------------------------------------|-------------------------------------|---|--|
| \$ - | \$ 52,231 | \$ 14,831 | \$ (415,860) | \$ 2,706,445 |
| - | 9,634 | 3,659 | (10,254) | 416,665 |
| - | 11,236 | 4,268 | - | 359,976 |
| - | 10,694 | 4,256 | - | 404,844 |
| - | 16,847 | 6,705 | 1,556 | 367,381 |
| - | 38,171 | 15,191 | 3,643 | 315,535 |
| - | 118,144 | 47,019 | 6,318 | 615,618 |
| - | (30,907) | (13,188) | (199,802) | 542,781 |
| - | 480,241 | 205,682 | (1,158,829) | 566,851 |
| 162,915,773 | 110,731,652 | 49,596,164 | - | 2,587,957 |
| <u>\$ 162,915,773</u> | <u>\$ 111,437,943</u> | <u>\$ 49,884,587</u> | <u>\$ (1,773,228)</u> | <u>\$ 8,884,053</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Birdville Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – Child Nutrition Program

For the Fiscal Year Ended June 30, 2022

Exhibit J-2

| Data Control Codes | | Budgeted Amounts | | Actual Amounts (GAAP Basis) | Variance With Final Budget Positive or (Negative) |
|--------------------------|-----------------------------------|------------------|--------------|--------------------------------|--|
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 2,542,088 | \$ 883,421 | \$ 885,062 | \$ 1,641 |
| 5800 | State program revenues | 283,000 | 283,000 | 292,746 | 9,746 |
| 5900 | Federal program revenues | 8,141,873 | 14,041,505 | 13,964,021 | (77,484) |
| 5020 | Total revenues | 10,966,961 | 15,207,926 | 15,141,829 | (66,097) |
| EXPENDITURES | | | | | |
| 0035 | Food services | 10,544,025 | 12,780,778 | 11,445,543 | 1,335,235 |
| 6030 | Total expenditures | 10,544,025 | 12,780,778 | 11,445,543 | 1,335,235 |
| 1200 | Net change in fund balances | 422,936 | 2,427,148 | 3,696,286 | 1,269,138 |
| 0100 | Fund balance - July 1 (beginning) | 2,827,646 | 2,827,646 | 2,827,646 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 3,250,582 | \$ 5,254,794 | \$ 6,523,932 | \$ 1,269,138 |

Birdville Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – Debt Service Fund

For the Fiscal Year Ended June 30, 2022

Exhibit J-3

| Data Control Codes | | Budgeted Amounts | | Actual Amount (GAAP Basis) | Variance Final Budget Positive or (Negative) |
|--------------------------|--|------------------|---------------|-------------------------------------|---|
| | | Original | Final | | |
| | REVENUES | | | | |
| 5700 | Total local and intermediate sources | \$ 49,863,618 | \$ 50,420,101 | \$ 50,312,412 | \$ (107,689) |
| 5800 | State program revenues | 667,740 | 1,023,126 | 584,547 | (438,579) |
| 5020 | Total revenues | 50,531,358 | 51,443,227 | 50,896,959 | (546,268) |
| | EXPENDITURES | | | | |
| | Debt service: | | | | |
| 0071 | Principal and interest on long term debt | 50,531,358 | 51,557,560 | 51,535,060 | 22,500 |
| 6030 | Total expenditures | 50,531,358 | 51,557,560 | 51,535,060 | 22,500 |
| 1200 | Net change in fund balance | - | (114,333) | (638,101) | (523,768) |
| 0100 | Fund balance - July 1 (beginning) | 30,460,220 | 30,460,220 | 30,460,220 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 30,460,220 | \$ 30,345,887 | \$ 29,822,119 | \$ (523,768) |

| <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. | \$ 20,455,277 |
| 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) | \$ 9,735,363 |
| 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. | \$ 3,469,053 |
| AP8 | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35) | \$ 1,938,636 |

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, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 15, 2022.

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.

Board of Trustees
Birdville Independent School District

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*.

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 15, 2022

**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, 2022. 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, 2022.

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.

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

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 15, 2022

Birdville Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

| Federal Grantor Agency | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures 6/30/2022 |
|---|--|---|---------------------------------------|
| U.S. DEPARTMENT OF DEFENSE | | | |
| <u>Direct Funding</u> | | | |
| Junior ROTC | 12.000 | 220902 | \$ 205,298 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | <u>205,298</u> |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <u>Passed Thru Workforce Solutions for Tarrant County</u> | | | |
| Adult Education (ABE)-Federal | 84.002 | 20-SPC-AEL-003 | 152,637 |
| <u>Passed Thru State Department of Education</u> | | | |
| ESEA, Title I, Part A-Improving Basic Programs | 84.010A | 21610101220902 | 3,956,655 |
| ESEA, Title I, Part A-Improving Basic Programs | 84.010A | 20610101220902 | <u>107,774</u> |
| Total Federal Assistance Listing Number 84.010A | | | 4,064,429 |
| IDEA-Part B, Formula | 84.027A ¹ | 216600012209026600 | 5,018,793 |
| IDEA-Part B, Formula | 84.027A ¹ | 206600012209026600 | 5,850 |
| COVID-19 - IDEA-Part B, Formula ARP | 84.027A ¹ | 225350012209025000 | 281,963 |
| SSA-IDEA-Part B, Discretionary | 84.027A ¹ | 216600112209026673 | <u>90,631</u> |
| Total Federal Assistance Listing Number 84.027A | | | 5,397,237 |
| IDEA-B Preschool | 84.173A ¹ | 216610012209026610 | <u>115,658</u> |
| | | | 115,658 |
| Total Special Education Cluster (IDEA) | | | 5,512,895 |
| SSA-IDEA-C ECI | 84.181A | 203911012209023911 | <u>120</u> |
| Total Federal Assistance Listing Number 84.181A | | | 120 |
| Perkins Reserve Grant-Career Clusters | 84.048A | 21420006220902 | <u>248,623</u> |
| Total Federal Assistance Listing Number 84.048A | | | 248,623 |
| Title IV, Part B-21st Century Community Learning Center | 84.287C | 216950247110002 | 144,968 |
| Title IV, Part B-21st Century Community Learning Center | 84.287C | 216950267110006 | 135,478 |
| Title IV, Part B-21st Century Community Learning Center | 84.287C | 206950267110006 | <u>1,422,991</u> |
| Total Federal Assistance Listing Number 84.287C | | | 1,703,437 |
| ESEA Title III, Part A-English Language Acquisition | 84.365A | 21671001220902 | 645,048 |
| ESEA Title III, Part A-English Language Acquisition | 84.365A | 20671001220902 | <u>4,127</u> |
| Total Federal Assistance Listing Number 84.365A | | | 649,175 |
| ESEA, Title II, Part A, Teacher/Principal Training | 84.367A | 21694501220902 | 621,737 |
| ESEA, Title II, Part A, Teacher/Principal Training | 84.367A | 20694501220902 | <u>15,049</u> |
| Total Federal Assistance Listing Number 84.367A | | | 636,786 |
| Summer School LEP | 84.369A | 695519 | 2,949 |
| ESEA, Title IV, Part A, Subpart 1 | 84.424A | 21680101220902 | 364,600 |
| ESEA, Title IV, Part A, Subpart 1 | 84.424A | 20680101220902 | <u>1,036</u> |
| Total Federal Assistance Listing Number 84.424A | | | 365,636 |
| COVID-19 - CRRSA, Elementary & Secondary School Emergency Relief-ESSER II | 84.425D | 21521001220902 | 6,082,034 |
| COVID-19 - ARP, Elementary & Secondary School Emergency Relief-ESSER III | 84.425U | 20521001220902 | <u>8,528,685</u> |
| Total Federal Assistance Listing Number 84.425 | | | 14,610,719 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | <u>27,947,406</u> |

Birdville Independent School District
Schedule of Expenditures of Federal Awards – Continued
Year Ended June 30, 2022

| Federal Grantor Agency | Federal Assistance Listing Number | Grant Number | Expenditures, Indirect Costs and Refunds |
|--|--|------------------------|---|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <u><i>Passed Thru the State Department of Agriculture</i></u> | | | |
| School Breakfast Program | 10.553 ² | 71402101 | 2,854,308 |
| COVID-19 - School Breakfast Program - Summer Seamless Option | 10.553 ² | 71402101 | 1,508 |
| Total Federal Assistance Listing Number 10.553 | | | 2,855,816 |
| National School Lunch Program-Cash Assistance | 10.555 ² | 71302101 | 9,931,521 |
| COVID-19 - National School Lunch Program-Cash Assistance- Summer Seamless Option | 10.555 ² | 71302101 | 6,926 |
| National School Lunch Program-Non-Cash Assistance | 10.555 ² | 71302101 | 1,102,263 |
| COVID-19 - Emergency Operating Cost Reimbursement Program | 10.555 ² | 01018 | 901,933 |
| Total Federal Assistance Listing Number 10.555 | | | 11,942,643 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 14,798,459 |
| FEDERAL COMMUNICATIONS COMMISSION | | | |
| <u><i>Direct Funding</i></u> | | | |
| COVID-19 - Emergency Connectivity Fund | 32.009 | ECF202111730 | 1,348,000 |
| TOTAL FEDERAL COMMUNICATIONS COMMISSION | | | 1,348,000 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| <u><i>Direct Funding</i></u> | | | |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | HHS001114100001 | 200,365 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 200,365 |
| U.S. DEPARTMENT OF TREASURY | | | |
| <u><i>Passed Thru the Texas Department of Emergency Management</i></u> | | | |
| COVID-19 - Coronavirus Relief Funds | 21.019 | PA-06-TX-4485-PW-00416 | 123,040 |
| Total Federal Assistance Listing Number 21.019 | | | 123,040 |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | 123,040 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 44,622,568 |
| School Health & Related Services (SHARS) ⁽³⁾ | | | 4,121,940 |
| E-rate Program ⁽³⁾ | | | 630,274 |
| TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-3 | | | \$ 49,374,782 |

¹ Reported as Special Education Cluster (IDEA, Part B), as required by Compliance Supplement August 2022

² Reported as Child Nutrition Cluster, as required by Compliance Supplement August 2022

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

Birdville Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

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 \$1,102,263 for the year ended June 30, 2022.

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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:

| | |
|---------|---|
| 84.010A | ESEA, Title I, Part A-Improving Basic Programs |
| 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 |
| 84.287C | Title IV, Part B-21st Century Community Learning Center |
| 32.009 | COVID – 19 - Emergency Connectivity Fund |

Dollar threshold used to distinguish between type A and type B programs? \$1,338,677

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

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II – Financial Statement Findings

There were no matters reported.

Birdville Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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, 2022

Section IV – Prior Year Audit Findings

None noted.