



Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended June 30, 2016

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on December 16, 2016.



☑ Overview of Certain Financial/Bond Ratings

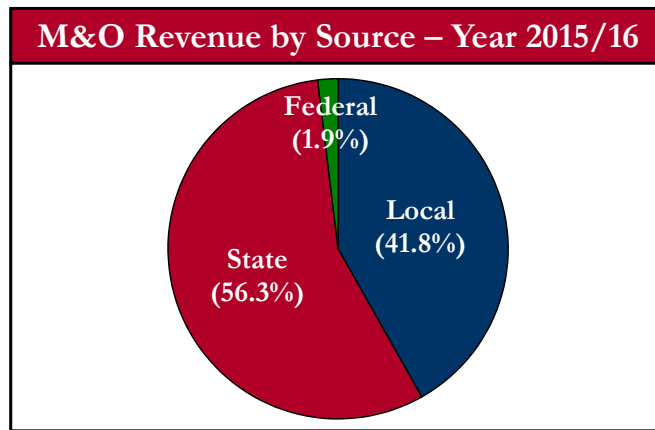
- ☐ **Overview:** Birdville Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
 - ✓ For year 2015/16, the District was assigned a FIRST Rating of “Superior” and the District’s score was 98 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service, S&P Global Ratings and Fitch Ratings, Inc., that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service:** Assigns a “Aa2” credit rating to the District, defined as “Judged to be of high quality and are subject to very low credit risk.”
 - ✓ **S&P Global Ratings:** Assigns a “AA” credit rating to the District, defined as “Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree.”
 - ✓ **Fitch Ratings, Inc.:** Assigns a “AA+” credit rating to the District, defined as “Very high quality. A “AA” rating denotes expectations of very low default risk and very strong capacity for payment of financial commitments.”

For comparison purposes, S&P Global Ratings assigns a credit rating of “AA” to the United States of America and a “BBB+” rating to Citigroup, Bank of America and Goldman Sachs – which is 2 rating categories below the District.



Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Birdville ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Tarrant Appraisal District:
- **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.
 - ✓ The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2015/16, the District’s sources for M&O revenues are summarized below.





☑ Overview of State Funding System

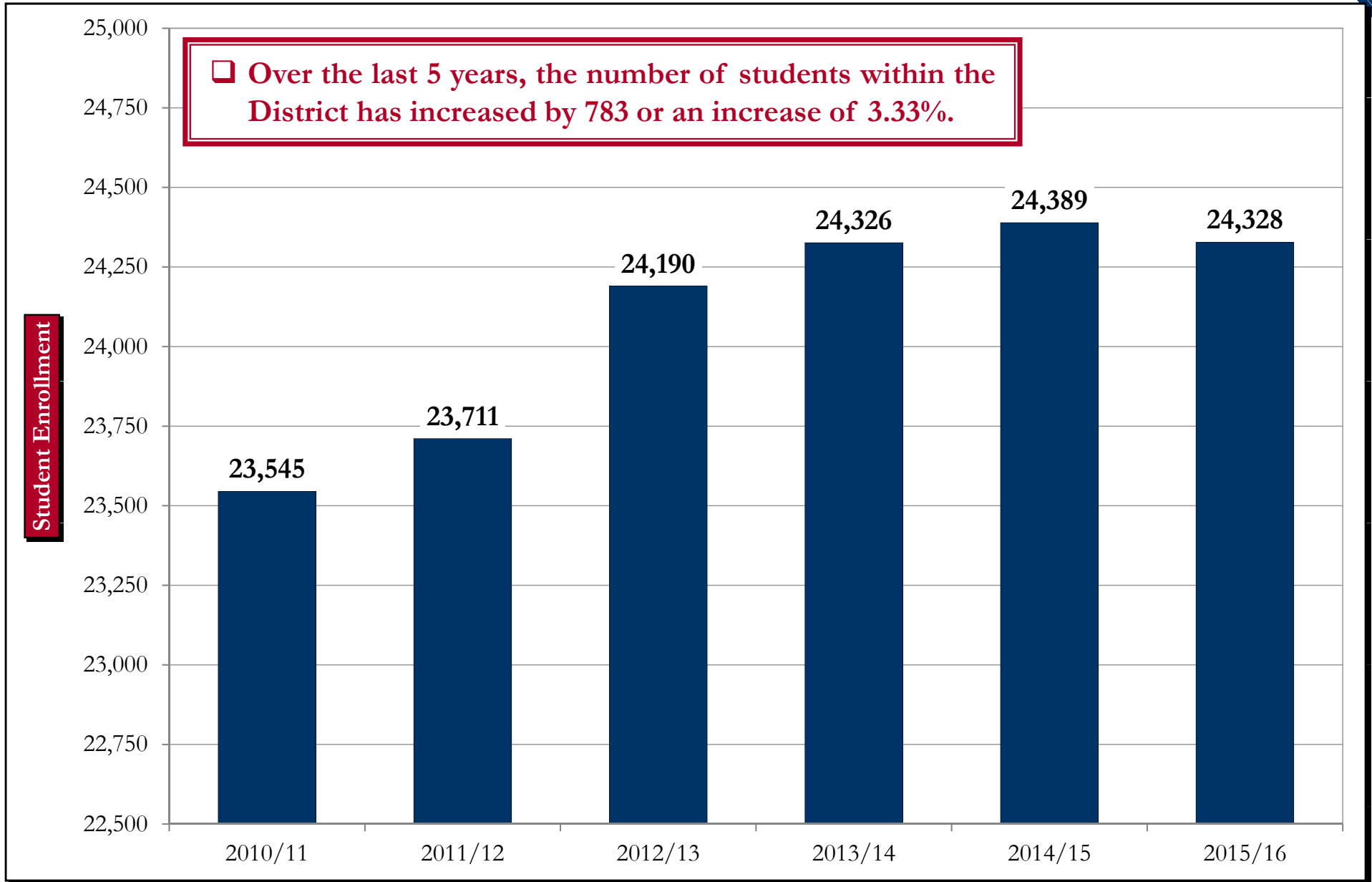
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The following summarizes the District’s bond programs approved by voters over the last 15 years:

District’s Historical Bond Elections Approved By Voters					
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Remaining To Be Issued - As of June 30, 2016	Dollar Amount Remaining To Be Issued - As of Dec. 1, 2016
September 10, 2005	Renovations & Technology	22,509	\$40,315,000	\$0	\$0
November 7, 2006	School Building & Renovations	22,541	\$128,600,000	\$0	\$0
November 4, 2014	School Building & Technology	24,389	\$163,200,000	\$58,200,000	\$9,000,000
Total Dollar Amount Of Authorized But Unissued Bonds:				\$58,200,000	\$9,000,000

- ✓ As of fiscal year ended June 30, 2016, the District had \$42,449,326 within its Capital Projects Fund for projects currently in progress.
- ✓ In August 2016, the District issued \$49,200,000 of its authorization from the 2014 Bond Program.

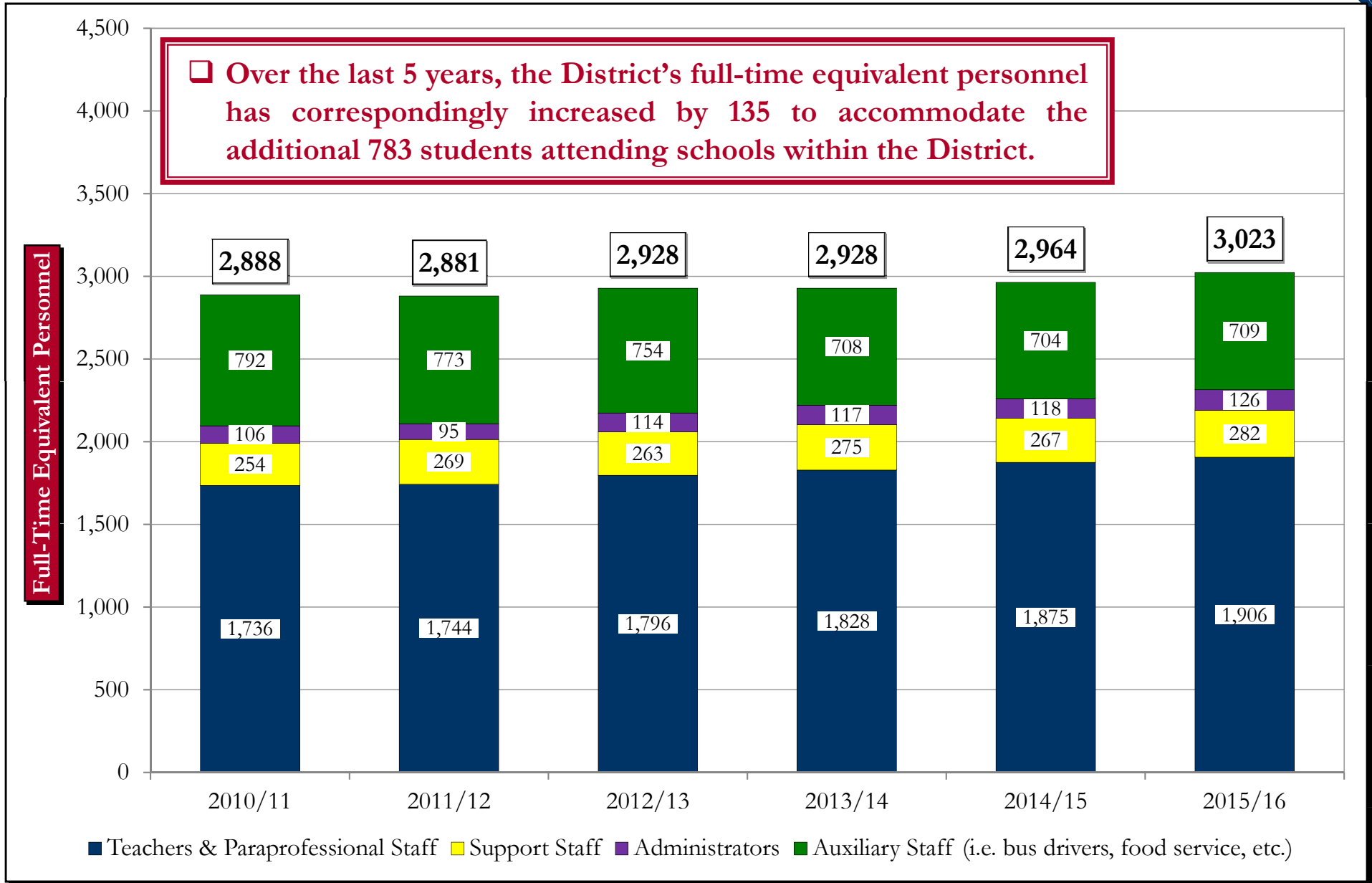


Historical Student Enrollment



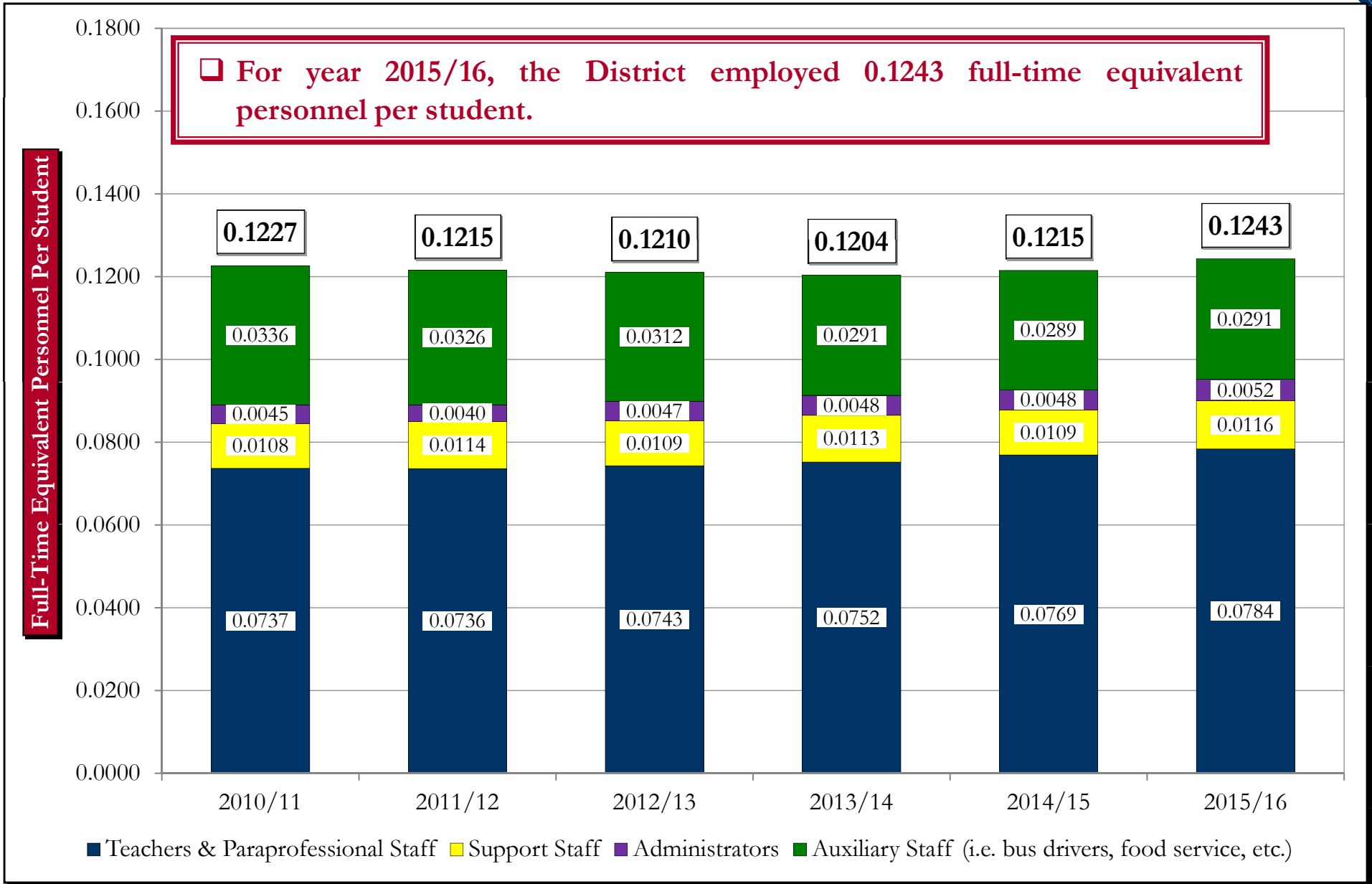


Full-Time Equivalent Personnel



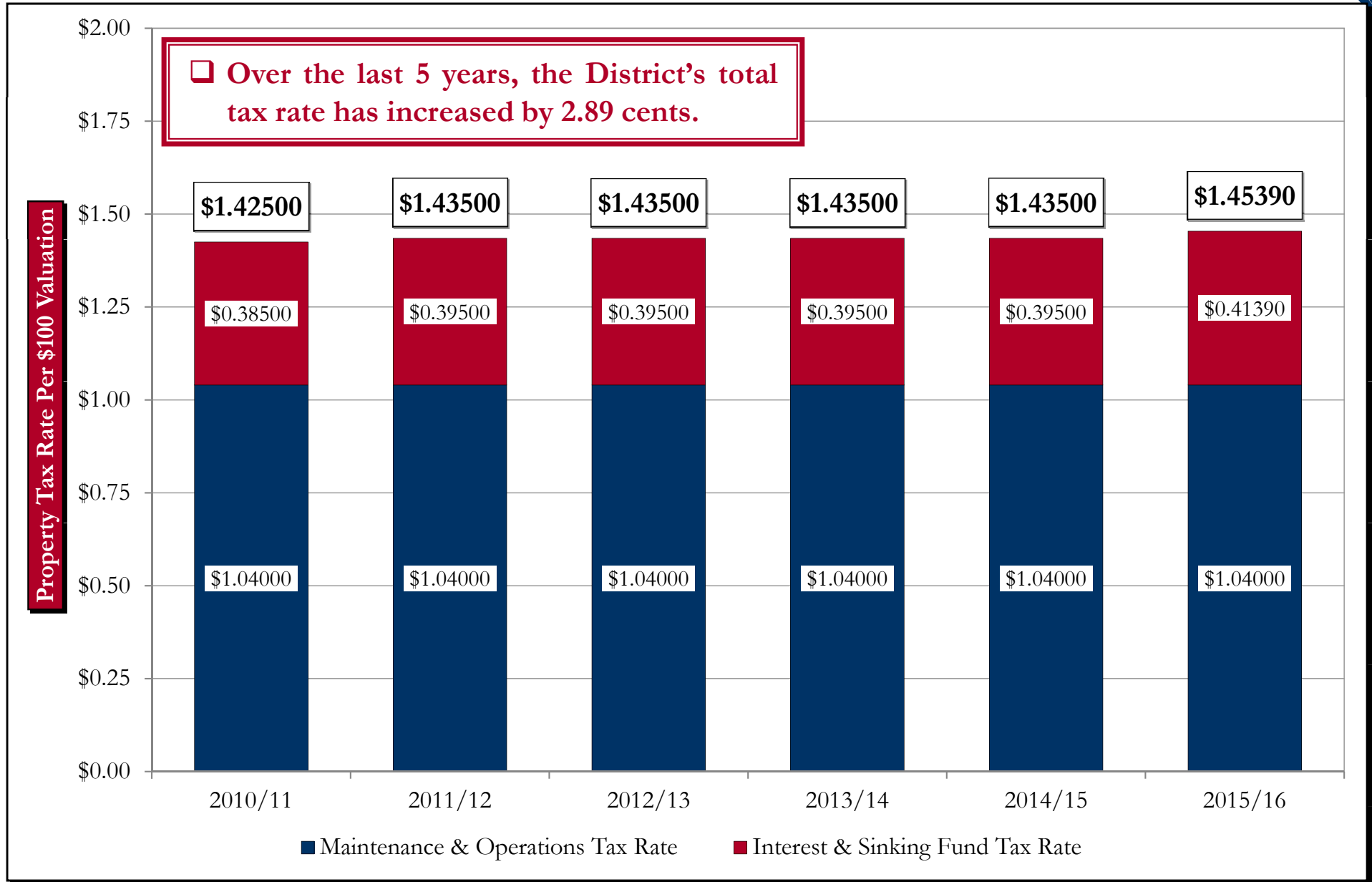


Full-Time Equivalent Personnel Per Student





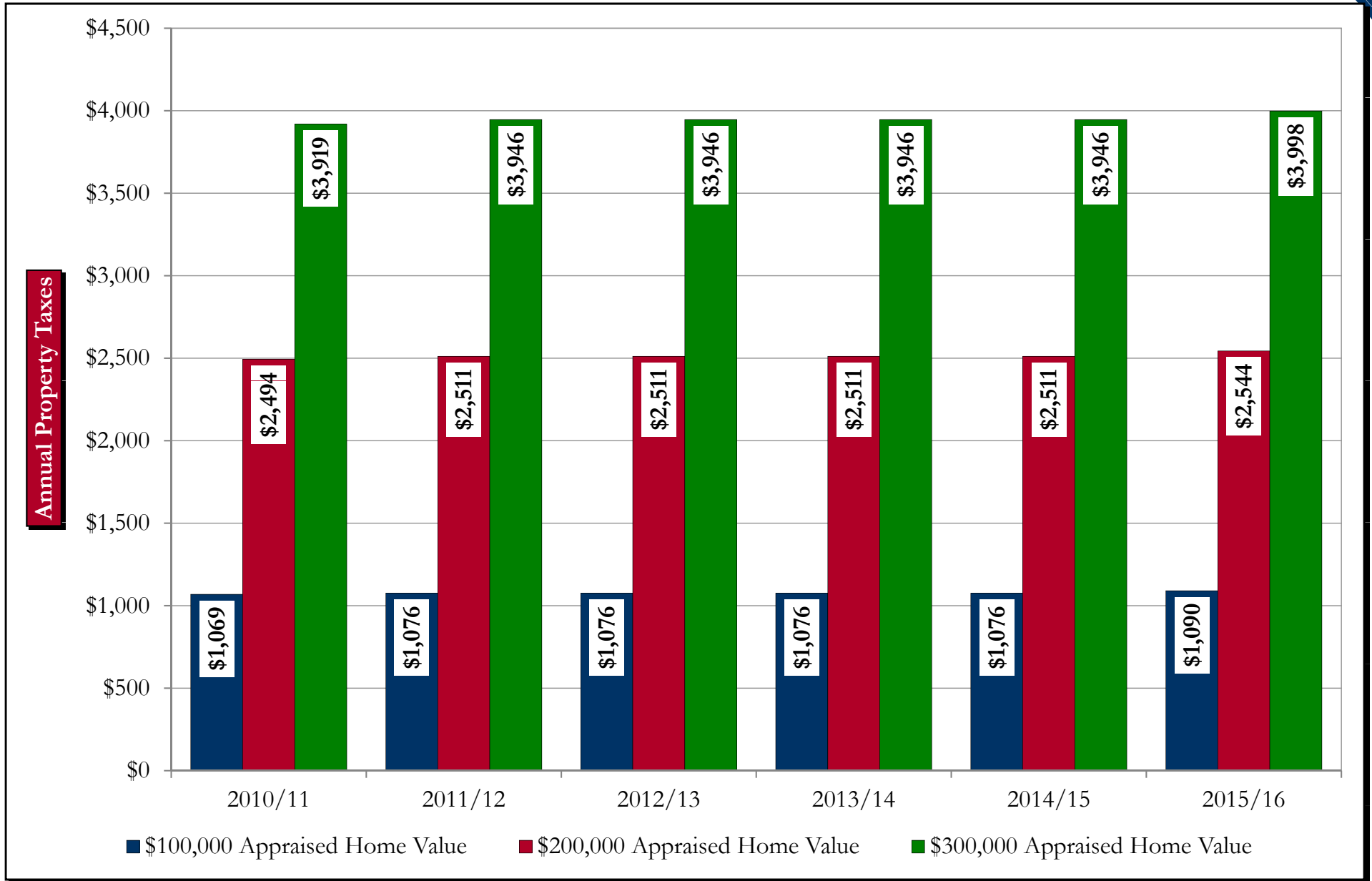
Historical Tax Rates



Source: District's Audited Financial Statements and District records.



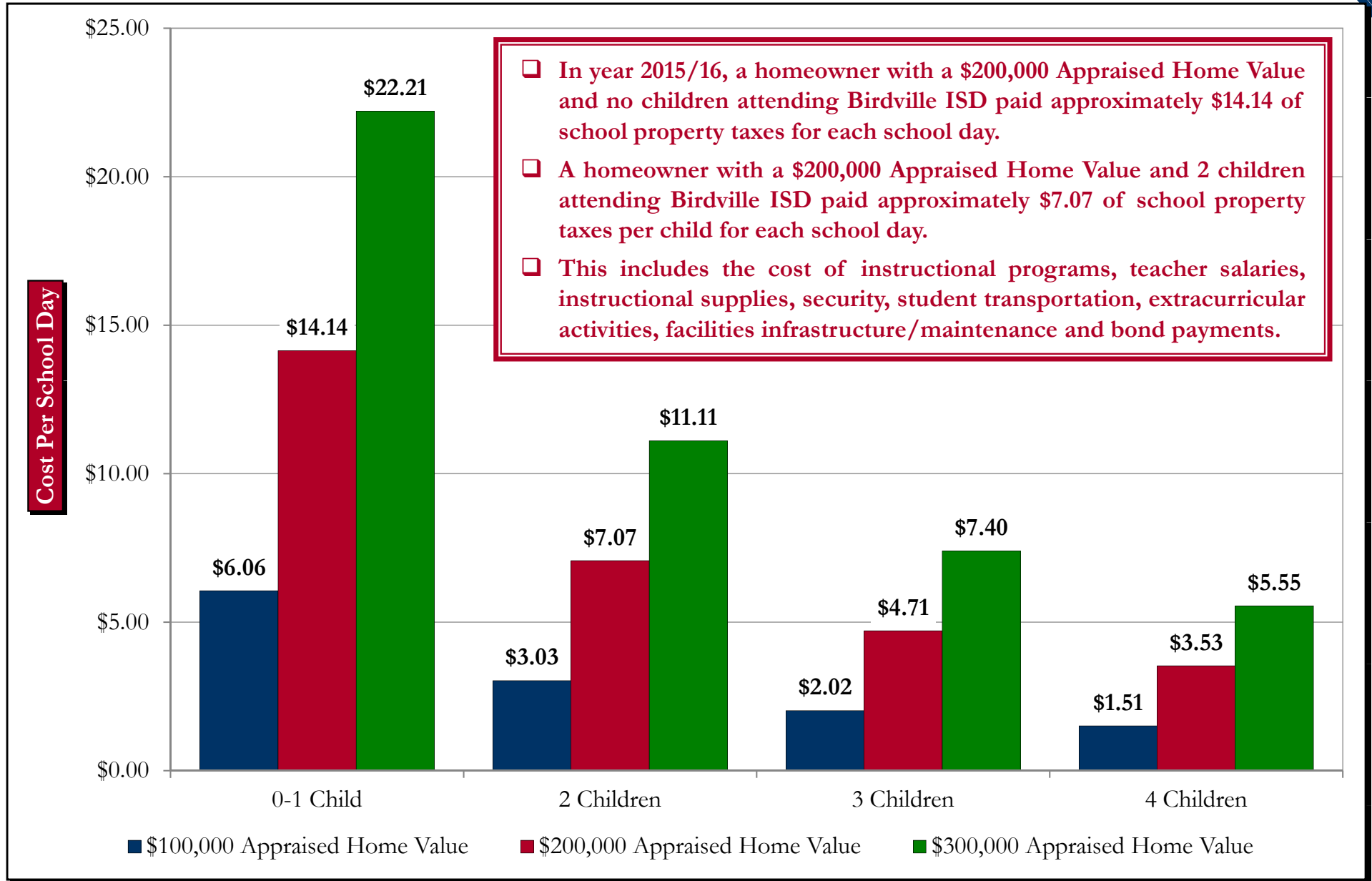
Historical Total Property Taxes For Maintenance & Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the \$25,000 Residential Homestead Exemption.



Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2015/16

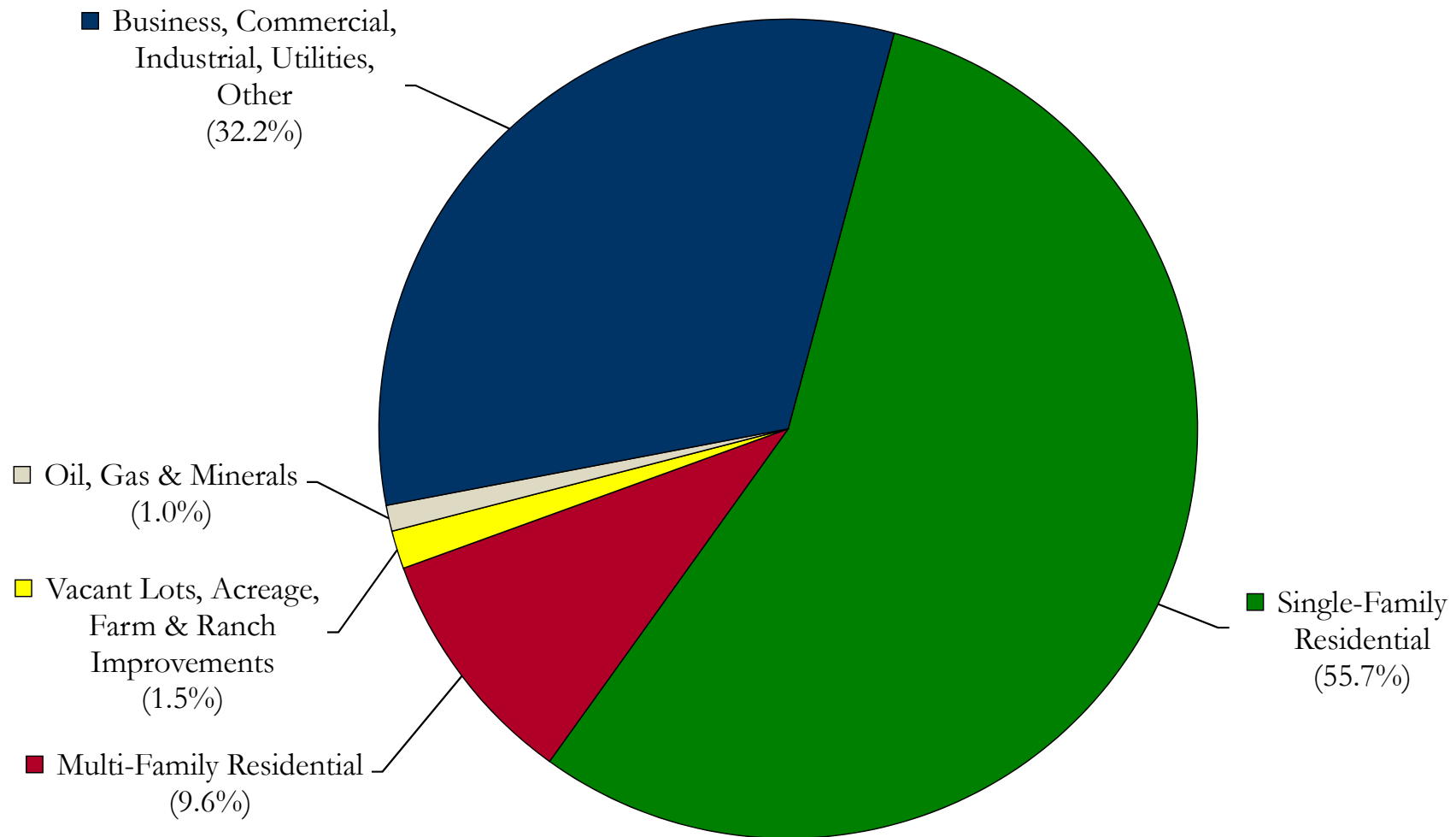


Note: Taxes are net of the \$25,000 Residential Homestead Exemption. Assumes a 180 school day year.



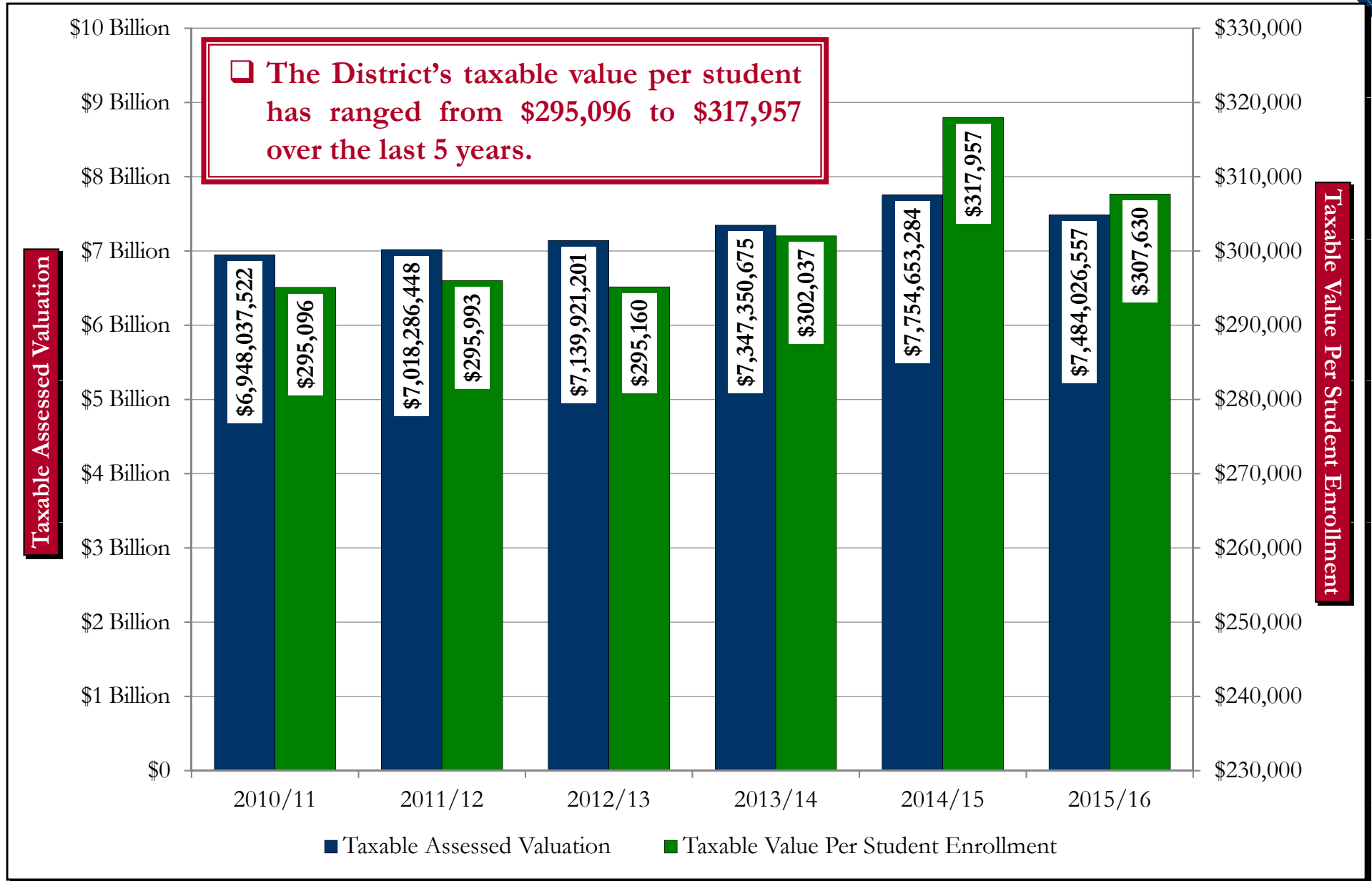
Composition of Total Assessed Valuation – Year 2015/16

For year 2015/16, Single-Family Residential properties comprised 55.7% of the District's total assessed valuation and other property categories comprised 44.3%.





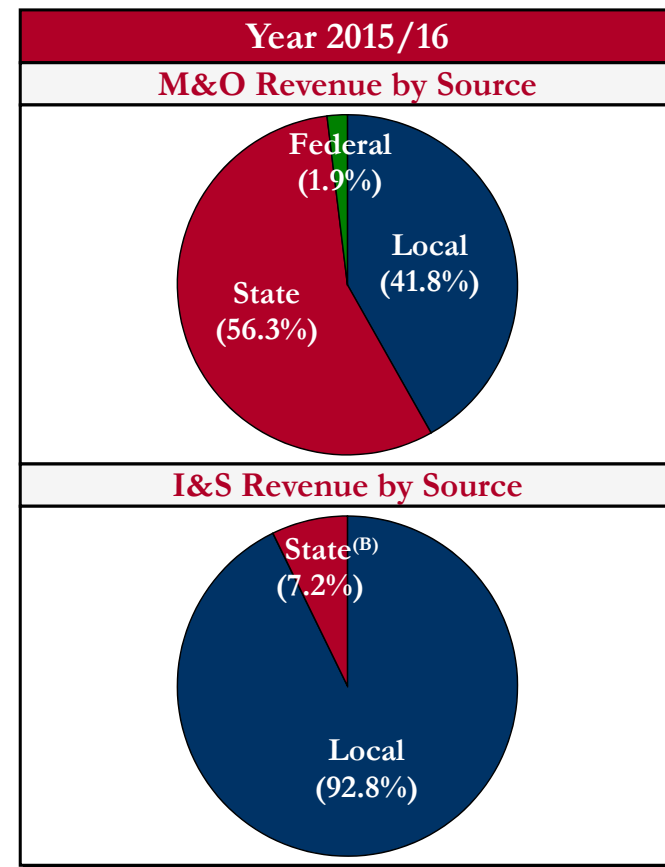
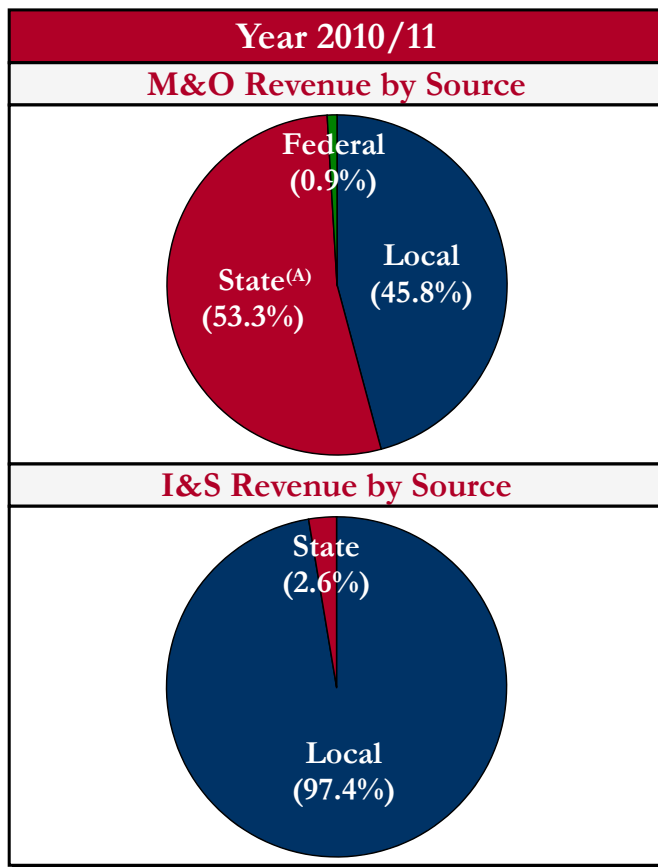
Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





General Fund and Debt Service Fund – Revenue By Source

- ❑ The State funding system is structured to provide the District with an “equalized” dollar amount per student. The percentage of M&O revenues funded by local revenues has declined from 45.8% to 41.8% over the last 5 years.
- ❑ For year 2015/16, the District received \$2,407,065^(B) in facilities funding from the State for the payment of voter-approved bonds.

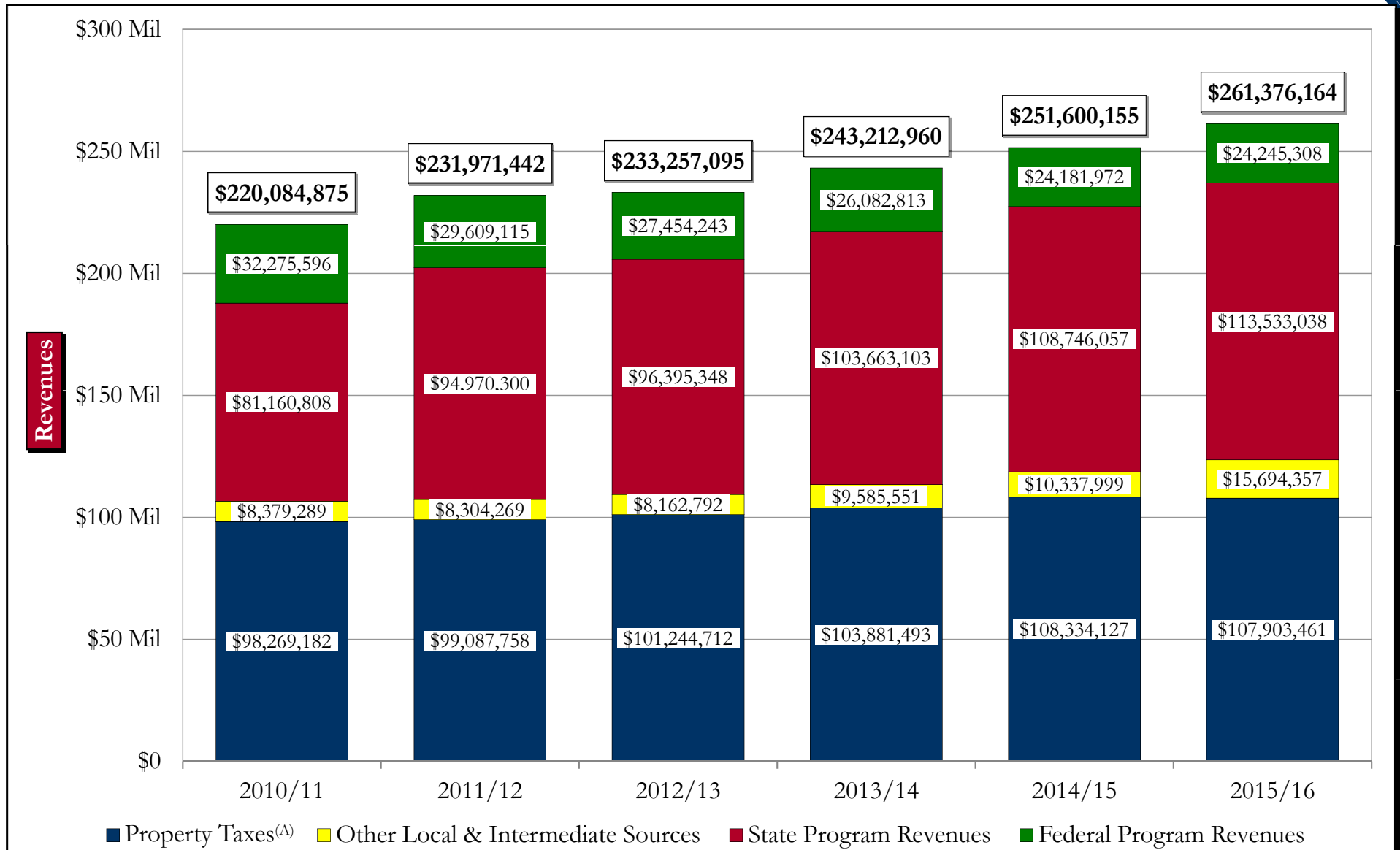


^(A) Includes \$9,818,603 from the State Fiscal Stabilization Fund, distributed under the Federal American Recovery and Reinvestment Act.

^(B) Includes payment from State received for lost tax revenues resulting from increase of residential homestead exemption in year 2015/16.



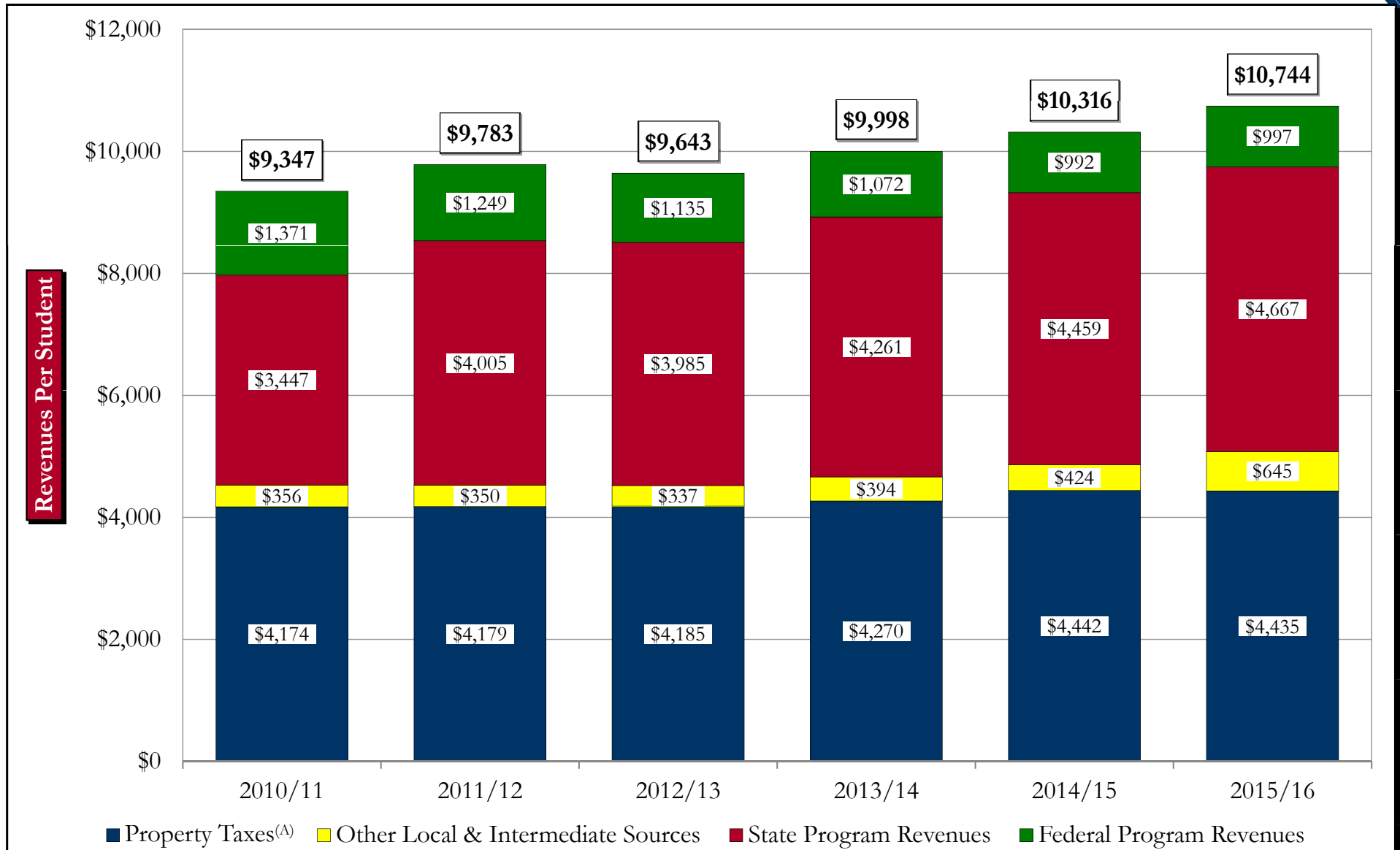
Total Revenues (All Governmental Funds*) By Source



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



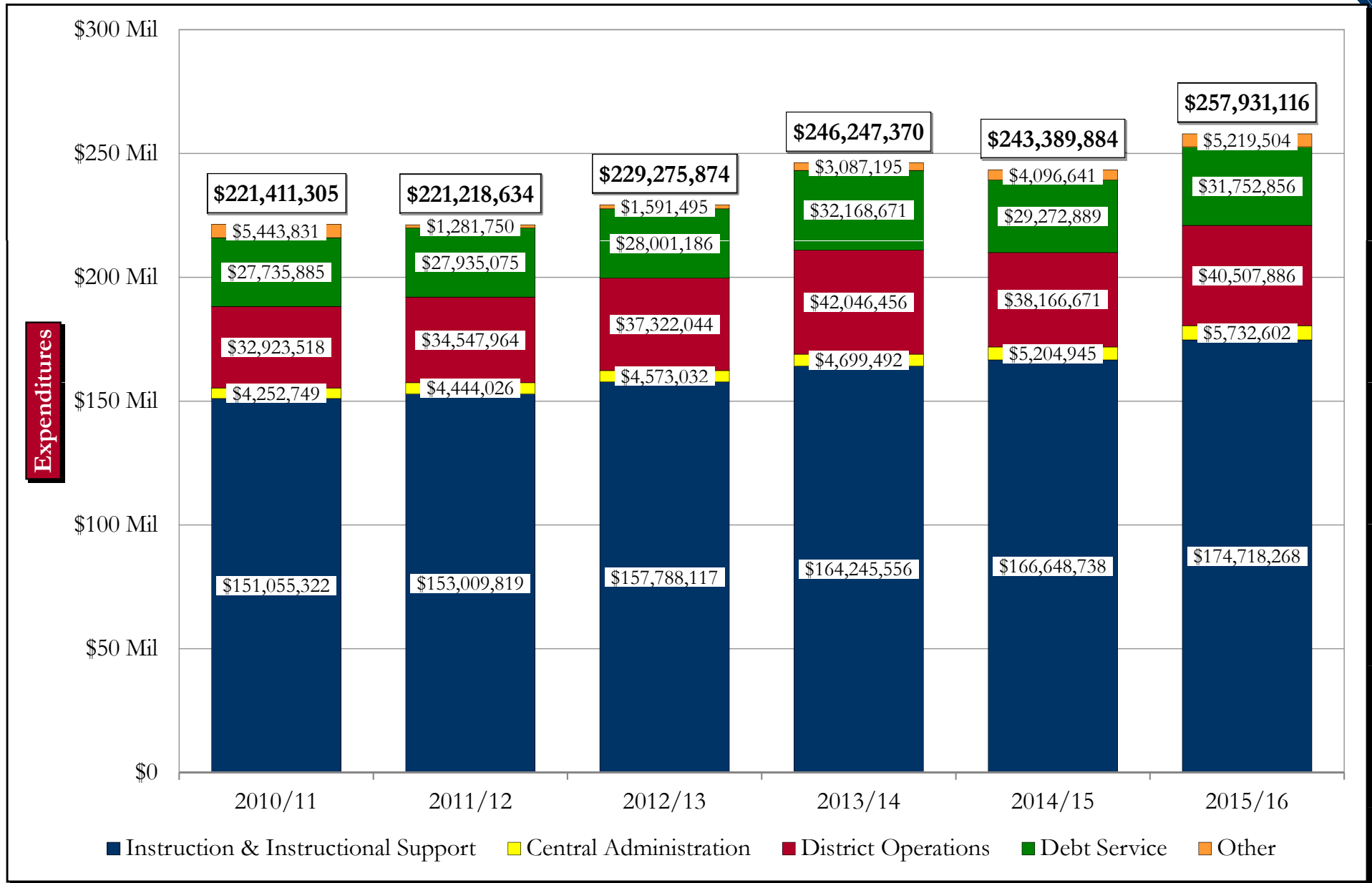
Total Revenues (All Governmental Funds*) Per Student



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



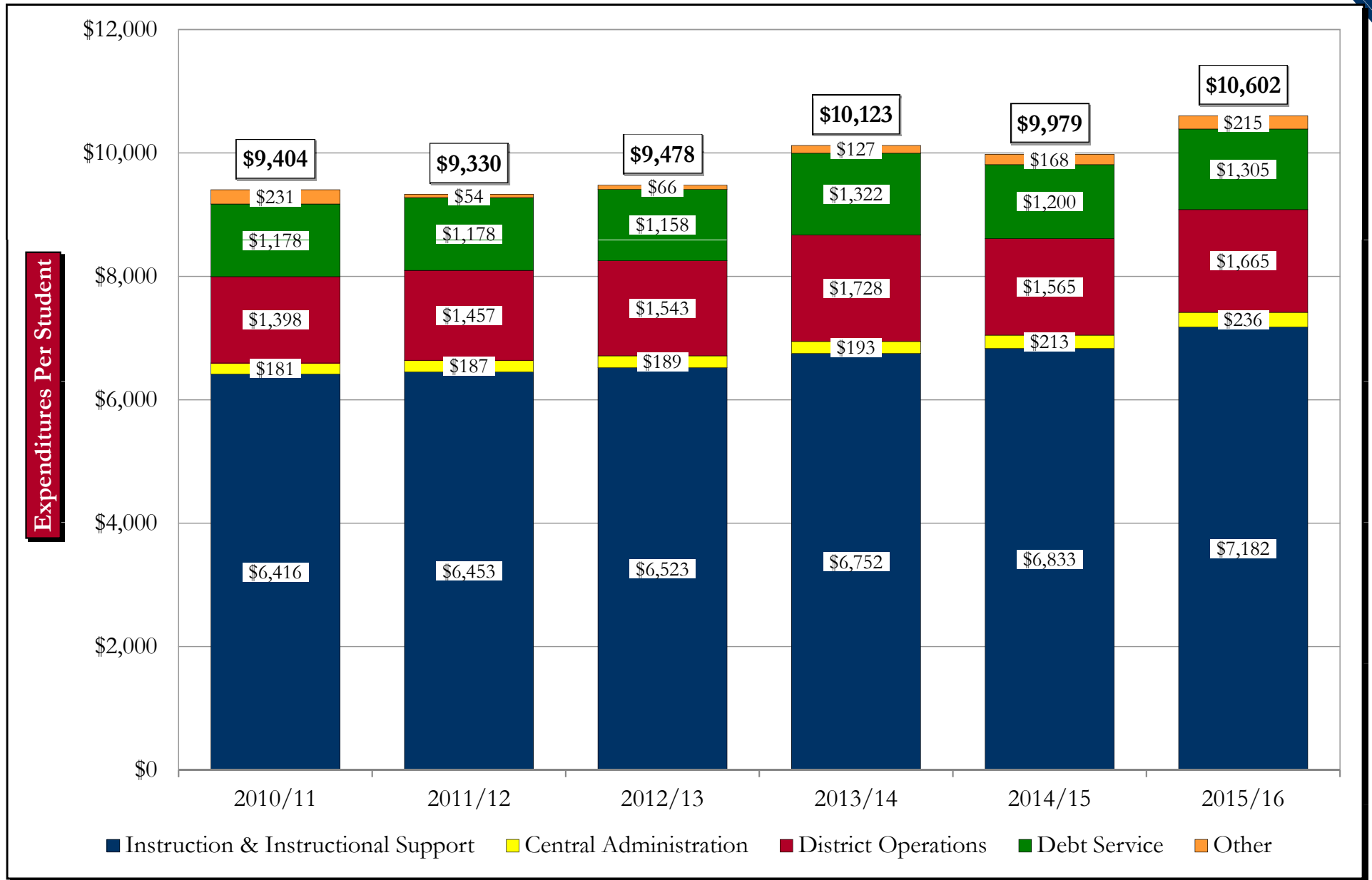
Total Expenditures (All Governmental Funds*) By Source



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.



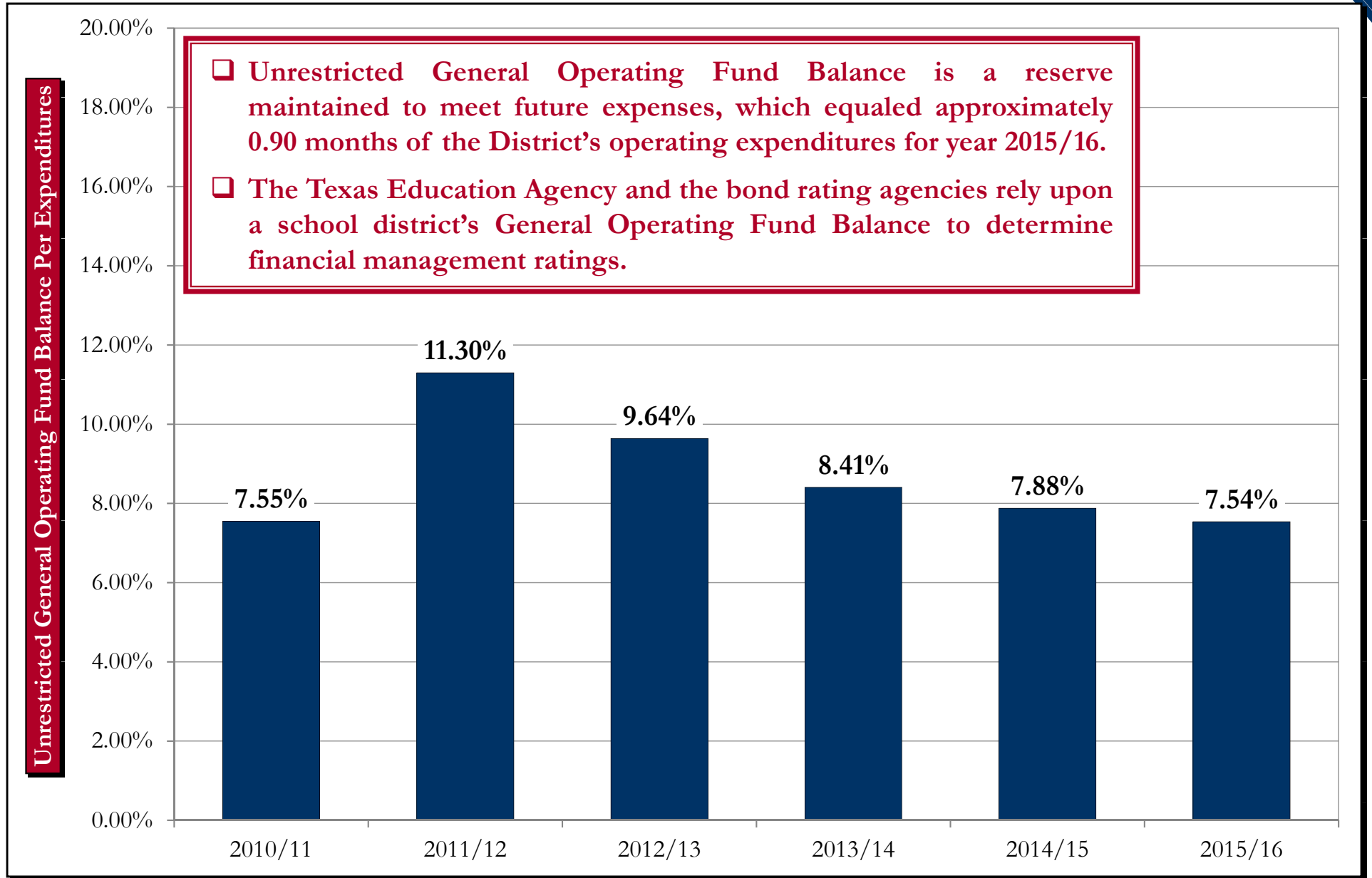
Total Expenditures (All Governmental Funds*) Per Student



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements, Texas Education Agency - PEIMS and District records.

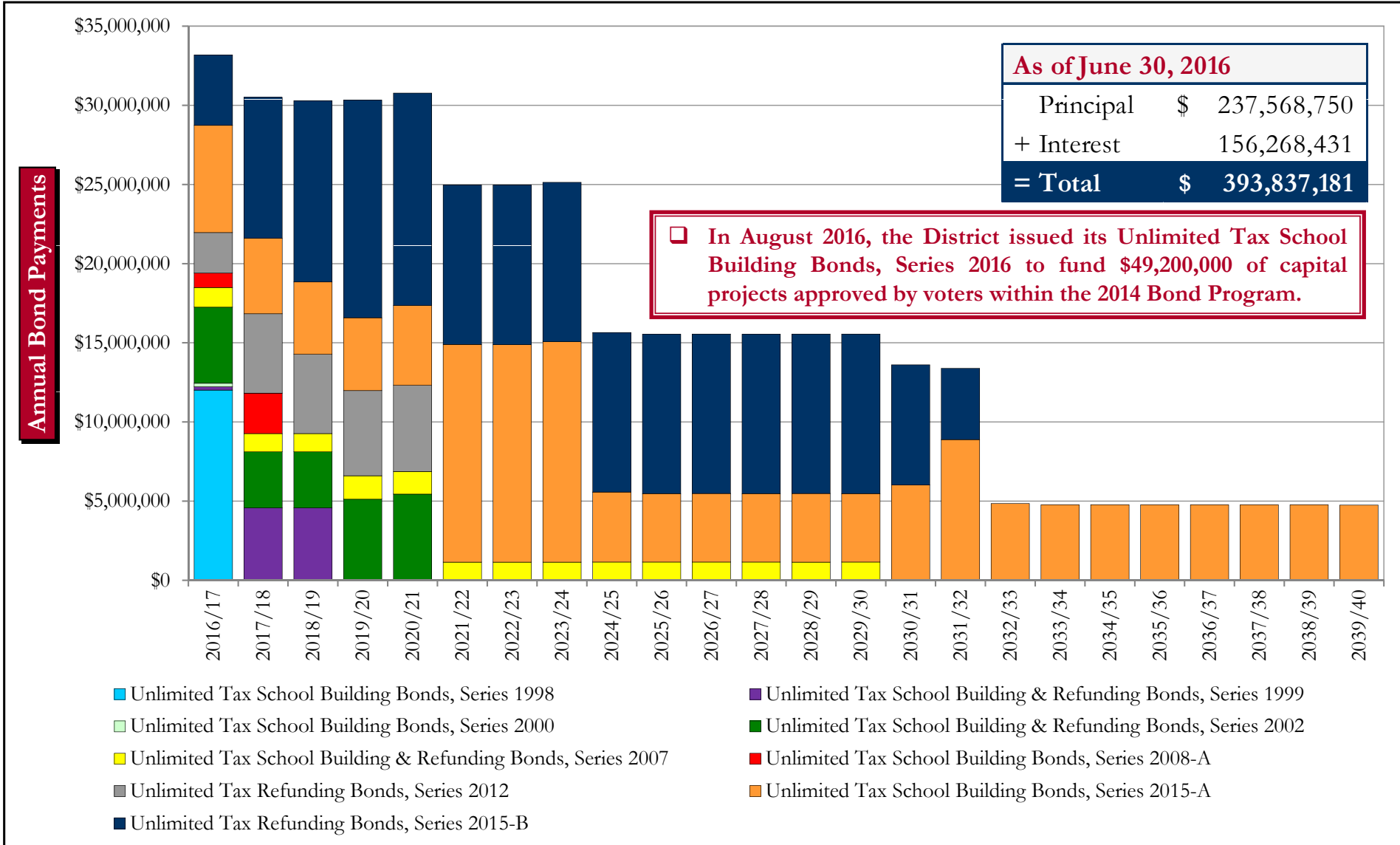


Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures





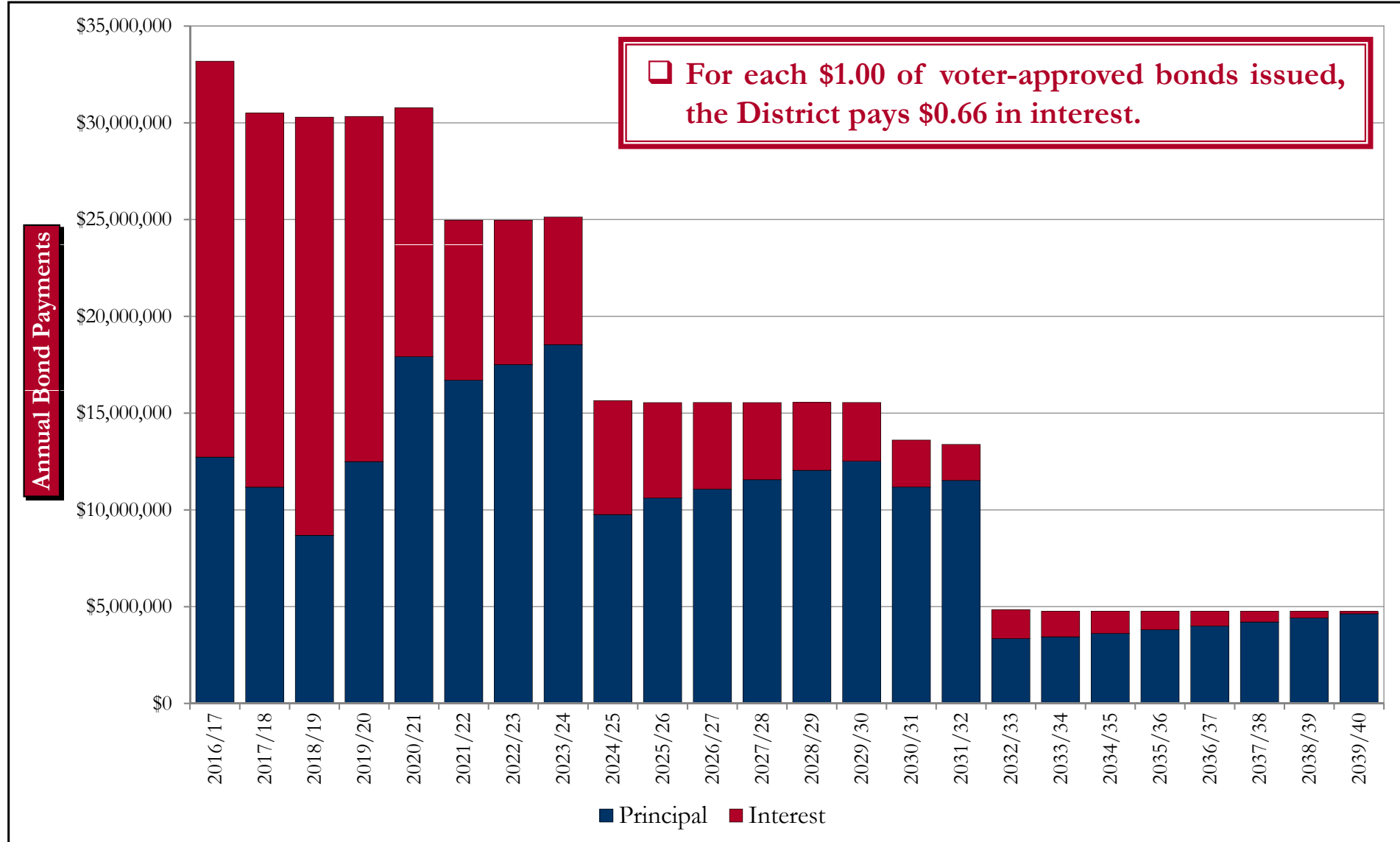
☑ Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: Although the District's fiscal year ends on June 30th, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District's budget. As such, the District's August 2016 debt payments are not portrayed in the graph above.



☑ Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Note: Although the District's fiscal year ends on June 30th, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District's budget. As such, the District's August 2016 debt payments are not portrayed in the graph above.



Savings from District's Recent Bond Refunding and Prepayment Programs to Lower Interest Costs

- ❑ Birdville ISD has implemented 5 refunding programs and prepaid \$10.77 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$30.6 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax School Building & Refunding Bonds, Series 2007	1997, 2000	\$ 9,805,565	\$ 3,276,700
Unlimited Tax Refunding Bonds, Series 2008-B	1997A	4,765,000	358,349
Unlimited Tax Refunding Bonds, Series 2012	2006	23,215,000	2,352,288
Unlimited Tax Refunding Bonds, Series 2014	2004	20,675,000	1,076,754
Prepayment of Series 2008-A Bonds - February 2014	2008-A	4,400,000	3,873,500
Prepayment of Series 2007 & 2008-A Bonds - February 2015	2007, 2008-A	5,230,000	3,963,000
Unlimited Tax Refunding Bonds, Series 2015-B	2007, 2008-A	98,312,148	14,931,944
Prepayment of Series 2007 Bonds - February 2016	2007	1,140,000	798,000
Totals	---	\$ 167,542,713	\$ 30,630,535

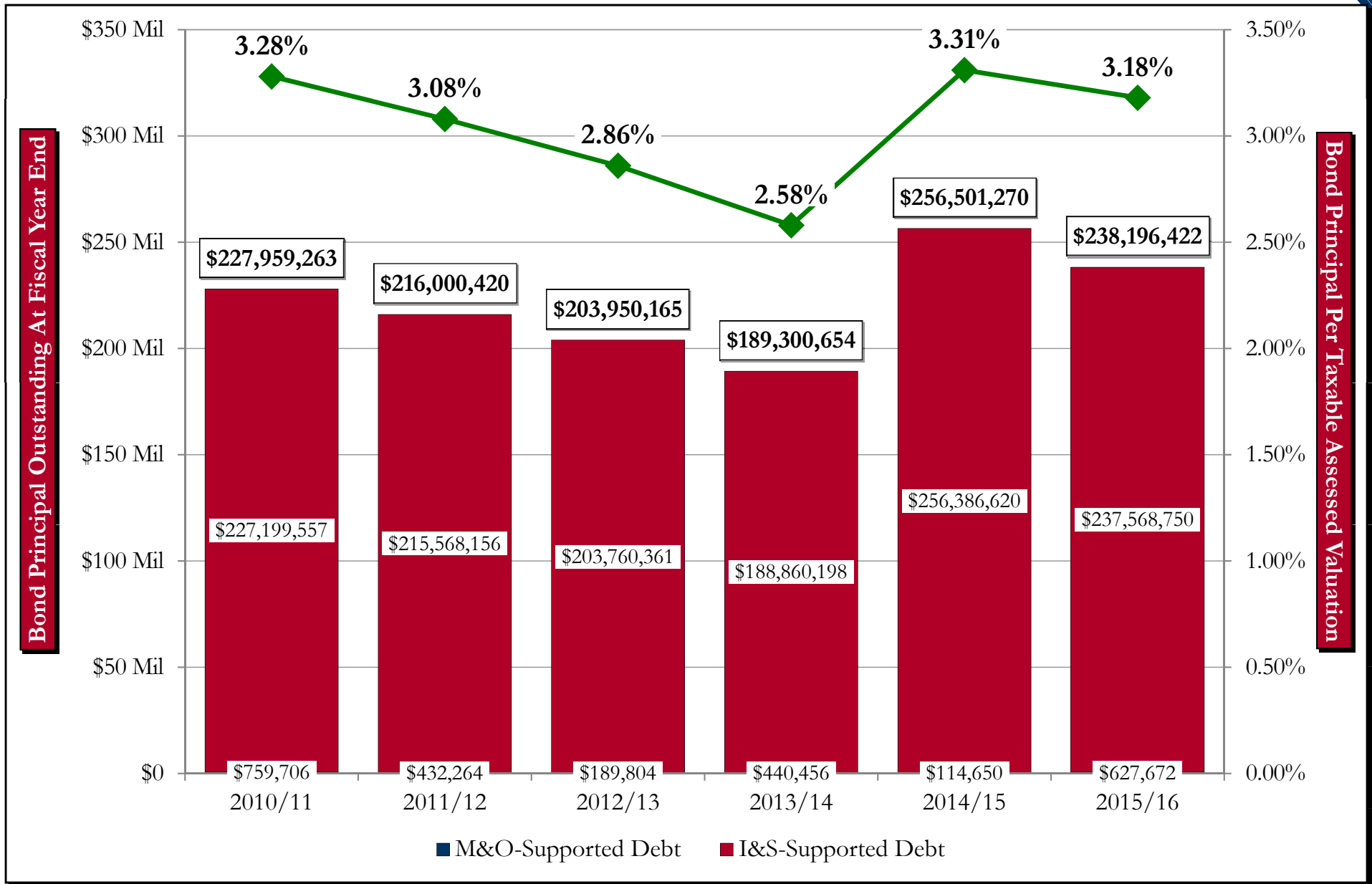


Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended June 30, 2016

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax School Building Bonds, Series 1998	Capital Improvements	\$9,495,589.47	\$4,915,225.57	\$12,015,000.00	\$36.33	\$88.81	02/15/2017	\$9,495,589.47	\$9,495,589.47	\$0.00
2	Unlimited Tax School Building & Refunding Bonds, Series 1999	Capital Improvements & Refunding at a lower interest rate, etc.	\$11,827,131.75	\$2,957,211.05	\$9,355,000.00	\$21.86	\$69.15	02/15/2019	\$11,824,131.77	\$11,824,131.77	\$0.00
3	Unlimited Tax School Building Bonds, Series 2000	Capital Improvements	\$10,140,000.00	\$80,118.00	\$225,000.00	\$0.59	\$1.66	02/15/2017	\$10,053,057.35	\$10,053,057.35	\$0.00
4	Unlimited Tax School Building & Refunding Bonds, Series 2002	Capital Improvements & Refunding at a lower interest rate, etc.	\$15,673,486.46	\$8,680,009.81	\$22,465,000.00	\$64.16	\$166.05	02/15/2021	\$15,808,658.22	\$15,808,658.22	\$0.00
5	Unlimited Tax School Building & Refunding Bonds, Series 2007	Capital Improvements & Refunding at a lower interest rate, etc.	\$96,507,115.41	\$9,054,104.93	\$16,960,531.34	\$66.92	\$125.36	02/15/2031	\$105,196,086.90	\$105,196,086.90	\$0.00
6	Unlimited Tax School Building Bonds, Series 2008-A	Capital Improvements	\$37,850,000.00	\$3,260,000.00	\$3,540,100.00	\$24.10	\$26.17	02/15/2018	\$38,756,431.36	\$38,756,431.36	\$0.00
7	Unlimited Tax Refunding Bonds, Series 2012	Refunding at a lower interest rate, etc.	\$21,616,597.10	\$20,620,000.00	\$23,920,000.00	\$152.41	\$176.80	02/15/2021	\$25,981,751.97	\$25,981,751.97	\$0.00
8	Unlimited Tax School Building Bonds, Series 2015-A	Capital Improvements	\$91,975,000.00	\$89,915,000.00	\$148,432,950.00	\$664.60	\$1,097.13	02/15/2040	\$106,952,708.86	\$63,782,712.86	\$43,169,996.00
9	Unlimited Tax Refunding Bonds, Series 2015-B	Refunding at a lower interest rate, etc.	\$98,312,081.10	\$98,087,081.10	\$156,923,600.00	\$725.00	\$1,159.89	02/15/2032	\$126,928,941.36	\$126,928,941.36	\$0.00



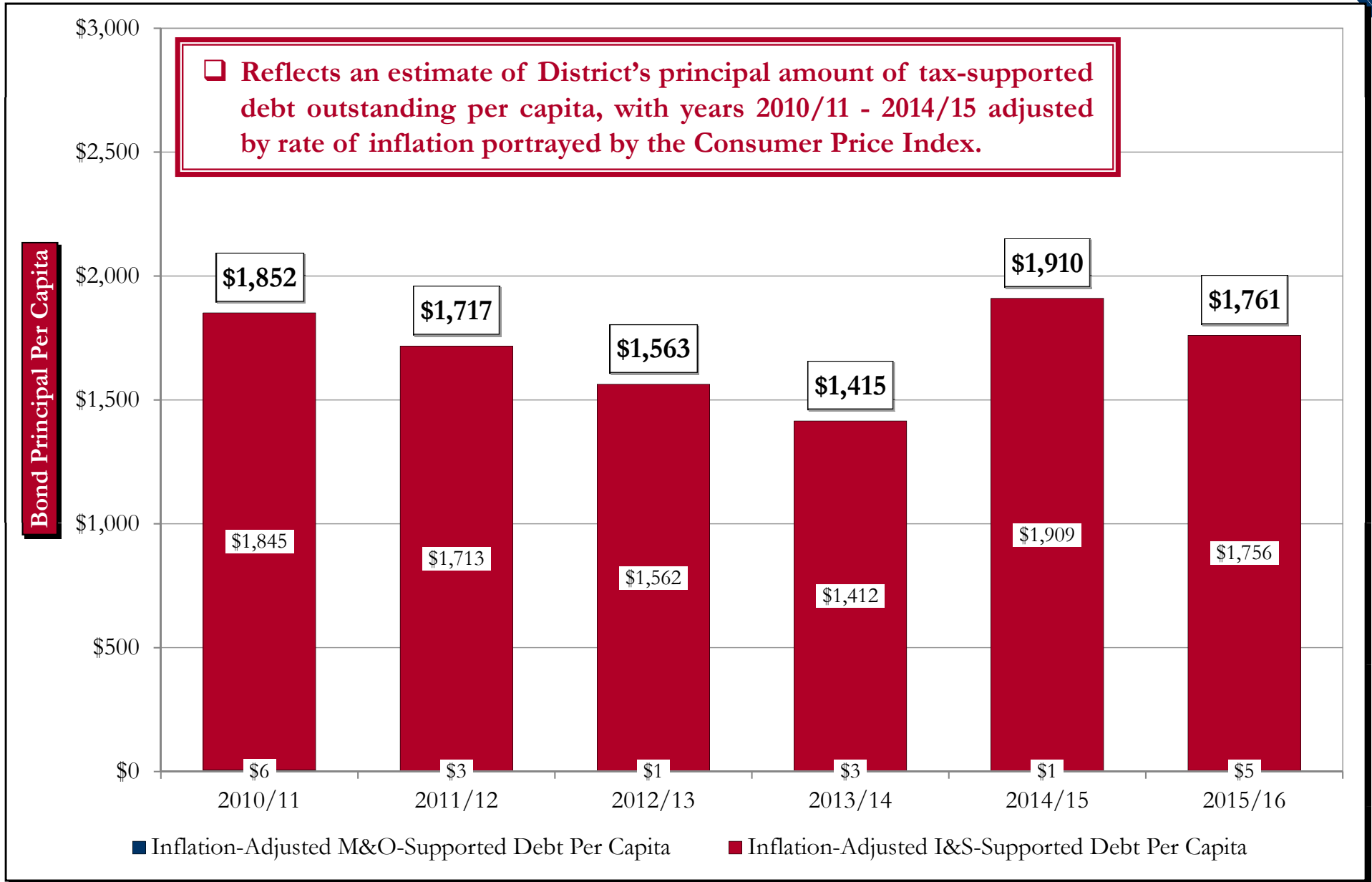
Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



Source: District's Audited Financial Statements, Tarrant Appraisal District and District records.

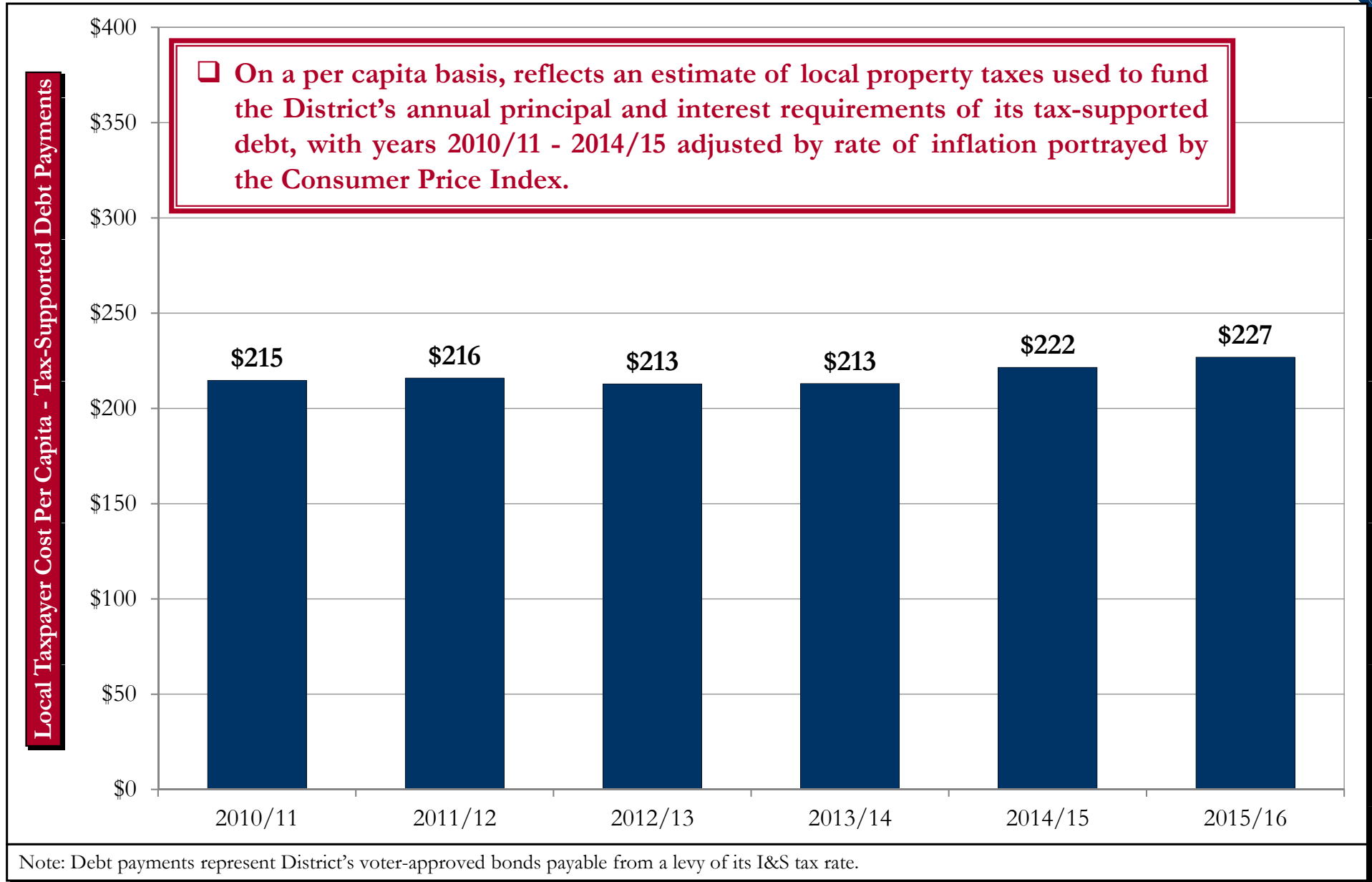


Inflation-Adjusted Tax-Supported Debt Per Capita





Inflation-Adjusted Tax-Supported Debt Cost Per Capita – Principal and Interest In Each of the Last 5 Years





Contact Information and Links to Additional Resources

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Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/isds.php>

http://www.brb.state.tx.us/local_debt_search.aspx