

BRENHAM  
INDEPENDENT SCHOOL DISTRICT

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED AUGUST 31, 2021*

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Brenham Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2021

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*Introductory Section*

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CERTIFICATE OF BOARD

Brenham Independent School District  
Name of School District

Washington  
County

239-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

If the board of trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):  
(attach list as necessary)

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*Financial Section*

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Trustees of  
Brenham Independent School District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brenham Independent School District (the "District"), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of required responses to selected school first indicators are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory section and the schedule of required responses to selected school first indicators have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 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 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 the District's 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
February 2, 2022

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*Management's Discussion and Analysis*

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# BRENHAM INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2021

This discussion and analysis of Brenham Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2021. It should be read in conjunction with the District's financial statements.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position at August 31, 2021 was a deficit of \$4,441,745.
- For the year, the District's general fund reported a total fund balance of \$15,581,481, of which \$25,947 is nonspendable for inventories, \$15,296 is nonspendable for prepaid items, \$1,400,000 is committed for construction, and \$14,140,238 is unassigned.
- At the end of the year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects funds) reported a combined ending fund balance of \$18,773,600.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- The *proprietary fund* statements provide information about the financial relationships in which the District acts in a manner similar to that of a private business. These statements include the District's enterprise and internal service funds.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the fiduciary resources belong. These statements include student activity funds and the Washington County Appraisal District fund.
- 

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2021

The Statement of Net Position and the Statement of Activities include the following class of activities:

*Governmental Activities* – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operations and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

*Business-Type Activities* – The District charges a fee to customers to help cover all or most of the costs of services it provides in the child care programs.

The government-wide financial statements can be found after the MD&A.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide more detail information about the District's most significant funds – not the District as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – The District maintains two proprietary fund types. Enterprise funds are used to report the same functions presented in *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for transportation funds, and the culinary arts program. The internal service funds are included within *governmental activities* in the government-wide financial statements.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was a deficit of \$4,441,745 at August 31, 2021. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2021. Current assets increased due to an increase in cash as a result of operations. Capital assets decreased primarily due to the disposal of vehicles and equipment and current year depreciation expense. Deferred outflows of resources decreased for the pension plan due to changes in actuarial assumptions and decreased for the other postemployment benefits (OPEB) plan due to changes in actuarial assumptions, changes in proportion and difference between the District's contributions, and the proportionate share of contributions. Current liabilities increased due to an increase in unearned revenue from state foundation. Long-term liabilities increased due to the issuance of Unlimited Tax Refunding Bonds, Series 2020. Deferred inflows increased for the OPEB plan due to changes in actuarial assumptions, differences between expected and actual economic experience, and differences between the District's contributions and the proportionate share of contributions.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2021

**Table 1**  
**Net Position**

Description	Governmental Activities		Business-Type Activities		Total Change
	2021	2020	2021	2020	2020-2021
Current assets	\$ 24,757,902	\$ 22,134,532	\$ -	\$ 5,027	\$ 2,618,343
Capital assets	56,819,385	58,174,385	-	-	(1,355,000)
<b>Total Assets</b>	<b>81,577,287</b>	<b>80,308,917</b>	<b>-</b>	<b>5,027</b>	<b>1,263,343</b>
Deferred charges on refunding	12,900	392,195	-	-	(379,295)
Deferred outflows related to pensions	5,506,072	7,323,978	-	-	(1,817,906)
Deferred outflows related to OPEB	3,172,916	3,638,819	-	-	(465,903)
<b>Total Deferred Outflows of Resources</b>	<b>8,691,888</b>	<b>11,354,992</b>	<b>-</b>	<b>-</b>	<b>(2,663,104)</b>
Current liabilities	4,572,015	3,457,246	-	3,327	1,111,442
Long-term liabilities	76,744,792	74,856,526	-	-	1,888,266
<b>Total Liabilities</b>	<b>81,316,807</b>	<b>78,313,772</b>	<b>-</b>	<b>3,327</b>	<b>2,999,708</b>
Deferred charges on refunding	141,104	-	-	-	141,104
Deferred inflows related to pensions	2,714,689	2,555,294	-	-	159,395
Deferred inflows related to OPEB	10,538,320	7,604,680	-	-	2,933,640
<b>Total Deferred Inflows of Resources</b>	<b>13,394,113</b>	<b>10,159,974</b>	<b>-</b>	<b>-</b>	<b>3,234,139</b>
<b>Net Position:</b>					
Net invested in capital assets	6,504,505	14,808,747	-	-	(8,304,242)
Restricted	3,192,119	1,379,907	-	1,700	1,810,512
Unrestricted	(14,138,369)	(12,998,491)	-	-	(1,139,878)
<b>Total Net Position</b>	<b>\$ (4,441,745)</b>	<b>\$ 3,190,163</b>	<b>\$ -</b>	<b>\$ 1,700</b>	<b>\$ (7,633,608)</b>

Within Table 2, the District reported a decrease of \$7,633,608 in net position from the prior year. Revenues for the District increased in operating grants and contributions and in property tax revenues due to an increase in appraised values for the District. Expenses increased significantly for the District in interest on long-term debt and bond issuance costs due to the issuance of Unlimited Tax Refunding Bond, Series 2020 and in plant maintenance and operations due to repairs in the District.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Total Change	Business-Type Activities	
	2021	2020	2021-2020	2021	2020
<b>Revenues</b>					
Program revenues:					
Charges for services	\$ 793,905	\$ 868,034	\$ (74,129)	\$ 29,091	\$ 32,436
Operating grants and contributions	12,717,798	10,342,318	2,375,480	-	-
General revenues:					
Property taxes	33,383,491	31,831,183	1,552,308	-	-
Grants and contributions not restricted for specific programs	12,747,389	14,970,678	(2,223,289)	-	-
Investment earnings	152,169	439,078	(286,909)	-	-
Other revenue	858,765	754,068	104,697	-	-
Transfers	(24,039)	-	(24,039)	24,039	-
<b>Total Revenue</b>	<b>60,629,478</b>	<b>59,205,359</b>	<b>1,424,119</b>	<b>53,130</b>	<b>32,436</b>
<b>Expenses</b>					
Instruction	33,670,544	34,671,294	(1,000,750)	-	-
Instructional resources and media services	663,505	705,865	(42,360)	-	-
Curriculum and staff development	770,011	725,651	44,360	-	-
Instructional leadership	683,363	697,740	(14,377)	-	-
School leadership	2,937,779	2,958,844	(21,065)	-	-
Guidance, counseling, and evaluation services	2,323,882	2,431,258	(107,376)	-	-
Social work services	21,588	6,993	14,595	-	-
Health services	740,703	660,373	80,330	-	-
Student (pupil) transportation	2,581,873	2,697,676	(115,803)	-	-
Food services	2,471,867	2,647,433	(175,566)	-	-
Extracurricular activities	1,940,777	1,821,254	119,523	-	-
General administration	2,461,458	2,502,940	(41,482)	-	-
Plant maintenance and operations	5,235,250	4,947,162	288,088	-	-
Security and monitoring services	509,686	550,827	(41,141)	-	-
Data processing services	945,026	919,961	25,065	-	-
Community services	180,127	191,247	(11,120)	54,830	55,963
Interest on long-term debt	9,496,970	1,151,283	8,345,687	-	-
Bond issuance costs and fees	626,977	24,048	602,929	-	-
<b>Total Expenses</b>	<b>68,261,386</b>	<b>60,311,849</b>	<b>7,949,537</b>	<b>54,830</b>	<b>55,963</b>
<b>Change in Net Position</b>	<b>(7,631,908)</b>	<b>(1,106,490)</b>	<b>(6,525,418)</b>	<b>(1,700)</b>	<b>(23,527)</b>
Beginning net position	3,190,163	4,296,653	(1,106,490)	1,700	25,227
<b>Ending Net Position</b>	<b>\$ (4,441,745)</b>	<b>\$ 3,190,163</b>	<b>\$ (7,631,908)</b>	<b>\$ -</b>	<b>\$ 1,700</b>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At the close of the fiscal year end August 31, 2021, the District's governmental funds reported a combined fund balance of \$18,773,600. This compares to a combined fund balance of \$17,088,034 at August 31, 2020. The fund balance in the general fund increased primarily due to an increase in local revenues due to an increase in property tax revenues and state revenues due to an increase in additional state funding. ESSER II fund is a special revenue fund that provides funds for purchase of COVID-19 related items and for salaries. Revenues equaled expenditures resulting in no fund balance at fiscal year end. The District's combined governmental funds revenue increased by \$2,589,738. This consisted of an increase in local revenue due to receiving more property tax revenue due to an increase in appraised values and federal revenues due to receiving several ESSER grants. The total combined revenue was \$59,944,249 this year compared to \$57,354,511 last year. The District's combined governmental funds expenditures increased by \$2,330,287 due to increases in instruction; school leadership; guidance, counseling, and evaluation services; student transportation; food service; cocurricular/extracurricular activities; general administration; facilities maintenance and operations, long-term debt, and capital outlays. Total expenditures were \$58,612,909 this year compared to \$56,282,622 last year.

# **BRENHAM INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2021**

### **BUDGETARY HIGHLIGHTS**

In accordance with State law and generally accepted accounting principles, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were material changes between the original budget and the final amended budget due to budget amendments for hiring new personnel and additional state funding. The general fund's actual revenues exceeded budgeted revenues by \$1,772,292 due to greater than anticipated revenue in property tax revenue and state foundation revenue. The budgeted expenditures exceeded actual expenditures by \$746,359, due to spending less in curriculum and staff development and student transportation.

### **CAPITAL ASSETS**

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost of an amount determined by the Board. Donated capital assets are recorded at acquisition value at the date of donation. During the year, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At year end, the District had a total of \$56,819,385 invested in capital assets (net of accumulated depreciation) such as land, construction in progress, buildings, vehicles, and District equipment. This total includes \$1,388,833 invested in land, buildings and improvements, equipment, and vehicles and \$34,000 in disposals of equipment and vehicles during the fiscal year ended August 31, 2021.

Major capital asset events during the year included the following:

- Purchase of several school buses for \$320,194
- Purchase of stadium turf for \$571,419
- Purchase of an alarm system at junior high for \$31,887
- Purchase of HVAC system for \$63,567
- Purchase of chillers at the high school for \$183,664
- Purchase of a plasma table for \$27,700
- Purchase of a serving counter for \$57,100

More detailed information about the District's capital assets can be found in the notes to the financial statements.

### **LONG-TERM DEBT**

At year end, the District had \$32,157,160 in general obligation bonds, notes, a capital lease, and a loan outstanding versus \$34,094,969 last year. The District issued Unlimited Tax Refunding Bonds, Series 2020 during the year.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

### **COVID-19**

The District has seen a decline in average daily attendance (ADA) as a result of the pandemic. During the 2018-19 school year the ADA was at 4,666, and now it is at 4,400. This will result in a loss of state funding. The demographers are projecting the growth to return to this area next year.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's budgeted general fund expenditures for the 2021-2022 school year total \$47,775,297 and the District's Board adopted a Maintenance and Operations tax rate of \$0.9084 and an Interest and Sinking tax rate of \$0.0800 for a combined rate of \$0.9884 per \$100 of valuation.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Superintendent at 711 E. Mansfield, Brenham, Texas 77833 or by calling (979) 277-3710.



*Basic Financial Statements*

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2021**

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110	\$ 5,257,282	\$ 2,786	\$ 5,260,068
1120	14,604,721	--	14,604,721
1225	1,986,388	--	1,986,388
1230	(462,859)	--	(462,859)
1240	3,331,127	--	3,331,127
1300	25,947	--	25,947
1410	15,296	--	15,296
Capital Assets:			
1510	2,896,987	--	2,896,987
1520	52,311,295	--	52,311,295
1530	1,053,628	--	1,053,628
1530	557,475	--	557,475
1000	<u>81,577,287</u>	<u>2,786</u>	<u>81,580,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
1701	12,900	--	12,900
1705	5,506,072	--	5,506,072
1706	3,172,916	--	3,172,916
1700	<u>8,691,888</u>	<u>--</u>	<u>8,691,888</u>
<b>LIABILITIES:</b>			
2110	63,591	--	63,591
2140	155,803	--	155,803
2165	2,091,096	2,786	2,093,882
2177	36,522	--	36,522
2300	2,225,003	--	2,225,003
Noncurrent Liabilities:			
2501	643,896	--	643,896
2502	49,542,780	--	49,542,780
2540	12,686,844	--	12,686,844
2545	13,871,272	--	13,871,272
2000	<u>81,316,807</u>	<u>2,786</u>	<u>81,319,593</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2601	141,104	--	141,104
2605	2,714,689	--	2,714,689
2606	10,538,320	--	10,538,320
2600	<u>13,394,113</u>	<u>--</u>	<u>13,394,113</u>
<b>NET POSITION:</b>			
3200	6,504,505	--	6,504,505
Restricted For:			
3820	637,688	--	637,688
3850	1,061,513	--	1,061,513
3860	773,337	--	773,337
3890	719,581	--	719,581
3900	(14,138,369)	--	(14,138,369)
3000	<u>\$ (4,441,745)</u>	<u>\$ --</u>	<u>\$ (4,441,745)</u>

The accompanying notes are an integral part of this statement.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1  Expenses	3  Program Revenues	
			Charges for Services	4  Operating Grants and Contributions
	Governmental Activities:			
11	<i>Instruction</i>	\$ 33,670,544	\$ 121,032	\$ 6,962,461
12	<i>Instructional Resources and Media Services</i>	663,505	15,190	43,425
13	<i>Curriculum and Staff Development</i>	770,011	--	327,144
21	<i>Instructional Leadership</i>	683,363	--	67,534
23	<i>School Leadership</i>	2,937,779	54,585	262,773
31	<i>Guidance, Counseling, and Evaluation Services</i>	2,323,882	--	1,003,440
32	<i>Social Work Services</i>	21,588	--	21,582
33	<i>Health Services</i>	740,703	--	105,011
34	<i>Student Transportation</i>	2,581,873	--	427,918
35	<i>Food Service</i>	2,471,867	190,689	2,650,836
36	<i>Cocurricular/Extracurricular Activities</i>	1,940,777	375,436	107,501
41	<i>General Administration</i>	2,461,458	--	236,365
51	<i>Facilities Maintenance and Operations</i>	5,235,250	--	245,963
52	<i>Security and Monitoring Services</i>	509,686	--	30,090
53	<i>Data Processing Services</i>	945,026	--	76,199
61	<i>Community Services</i>	180,127	36,973	97,795
72	<i>Interest on Long-term Debt</i>	9,496,970	--	51,761
73	<i>Bond Issuance Costs and Fees</i>	626,977	--	--
TG	Total Governmental Activities	<u>68,261,386</u>	<u>793,905</u>	<u>12,717,798</u>
	Business-type Activities:			
01	<i>BISD Child Development Center</i>	54,830	29,091	--
TB	Total Business-type Activities	<u>54,830</u>	<u>29,091</u>	<u>--</u>
TP	Total Primary Government	<u>\$ 68,316,216</u>	<u>\$ 822,996</u>	<u>\$ 12,717,798</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
IE	<i>Investment Earnings</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
MI	<i>Miscellaneous</i>			
FR	<i>Transfers</i>			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	Prior Period Adjustment			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (26,587,051)	\$ --	\$ (26,587,051)
(604,890)	--	(604,890)
(442,867)	--	(442,867)
(615,829)	--	(615,829)
(2,620,421)	--	(2,620,421)
(1,320,442)	--	(1,320,442)
(6)	--	(6)
(635,692)	--	(635,692)
(2,153,955)	--	(2,153,955)
369,658	--	369,658
(1,457,840)	--	(1,457,840)
(2,225,093)	--	(2,225,093)
(4,989,287)	--	(4,989,287)
(479,596)	--	(479,596)
(868,827)	--	(868,827)
(45,359)	--	(45,359)
(9,445,209)	--	(9,445,209)
(626,977)	--	(626,977)
<u>(54,749,683)</u>	<u>--</u>	<u>(54,749,683)</u>
--	(25,739)	(25,739)
--	(25,739)	(25,739)
<u>(54,749,683)</u>	<u>(25,739)</u>	<u>(54,775,422)</u>
30,830,923	--	30,830,923
2,552,568	--	2,552,568
152,169	--	152,169
12,747,389	--	12,747,389
858,765	--	858,765
(24,039)	24,039	--
<u>47,117,775</u>	<u>24,039</u>	<u>47,141,814</u>
(7,631,908)	(1,700)	(7,633,608)
2,840,685	1,700	2,842,385
349,478	--	349,478
3,190,163	1,700	3,191,863
<u>\$ (4,441,745)</u>	<u>\$ --</u>	<u>\$ (4,441,745)</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	10 General Fund	ESSER II of CRRSA Act	Nonmajor Governmental Funds	98 Total Governmental Funds	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 3,323,710	\$ --	\$ 1,889,011	\$ 5,212,721
1120	Current Investments	13,215,966	--	1,388,755	14,604,721
1220	Property Taxes Receivable	1,818,170	--	168,218	1,986,388
1230	Allowance for Uncollectible Taxes	(414,158)	--	(48,701)	(462,859)
1240	Due from Other Governments	138,427	2,256,004	936,696	3,331,127
1260	Due from Other Funds	3,050,614	--	17,711	3,068,325
1300	Inventories	25,947	--	--	25,947
1410	Prepaid Items	15,296	--	--	15,296
1000	Total Assets	<u>\$ 21,173,972</u>	<u>\$ 2,256,004</u>	<u>\$ 4,351,690</u>	<u>\$ 27,781,666</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 63,591	\$ --	\$ --	\$ 63,591
2160	Accrued Wages Payable	1,915,765	--	175,331	2,091,096
2170	Due to Other Funds	--	2,256,004	812,321	3,068,325
2177	Due to Fiduciary Funds	36,522	--	--	36,522
2300	Unearned Revenue	2,172,601	--	52,402	2,225,003
2000	Total Liabilities	<u>4,188,479</u>	<u>2,256,004</u>	<u>1,040,054</u>	<u>7,484,537</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2600	Unavailable Revenue for Property Taxes	1,404,012	--	119,517	1,523,529
2600	Total Deferred Inflows of Resources	<u>1,404,012</u>	<u>--</u>	<u>119,517</u>	<u>1,523,529</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	25,947	--	--	25,947
3430	Prepaid Items	15,296	--	--	15,296
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	637,688	637,688
3470	Capital Acquisitions and Contractual Obligations	--	--	773,337	773,337
3480	Retirement of Long-Term Debt	--	--	1,061,513	1,061,513
3490	Other Restrictions of Fund Balance	--	--	719,581	719,581
Committed Fund Balances:					
3510	Construction	1,400,000	--	--	1,400,000
3600	Unassigned	14,140,238	--	--	14,140,238
3000	Total Fund Balances	<u>15,581,481</u>	<u>--</u>	<u>3,192,119</u>	<u>18,773,600</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,173,972</u>	<u>\$ 2,256,004</u>	<u>\$ 4,351,690</u>	<u>\$ 27,781,666</u>

The accompanying notes are an integral part of this statement.

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 AUGUST 31, 2021*

Total fund balances - governmental funds balance sheet	\$ 18,773,600
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	56,819,385
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,523,529
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	44,561
Payables for bond principal which are not due in the current period are not reported in the funds.	(30,802,261)
Payables for loan principal which are not due in the current period are not reported in the funds.	(1,354,899)
Payables for bond interest which are not due in the current period are not reported in the funds.	(155,803)
Deferred charges on refunding are not reported in the funds.	(128,204)
Bond premiums are amortized in the SNP but not in the funds.	(9,095,759)
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(8,933,757)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(12,686,844)
Deferred outflows of resources related to Teacher Retirement System of Texas (TRS) are not reported in the funds.	5,506,072
Deferred inflows of resources related to TRS are not reported in the funds.	(2,714,689)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(13,871,272)
Deferred outflows of resources related to the OPEB plan are not reported in the funds.	3,172,916
Deferred inflows of resources related to the OPEB plan are not reported in the funds.	<u>(10,538,320)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (4,441,745)</u>

The accompanying notes are an integral part of this statement.

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

Data Control Codes	10		98		
	General Fund	ESSER II of CRRSA Act	Nonmajor Governmental Funds	Total Governmental Funds	
<b>REVENUES:</b>					
5700	<i>Local and Intermediate Sources</i>	\$ 31,816,767	\$ --	\$ 3,410,213	\$ 35,226,980
5800	<i>State Program Revenues</i>	15,267,757	--	267,336	15,535,093
5900	<i>Federal Program Revenues</i>	882,592	2,339,352	5,960,232	9,182,176
5020	Total Revenues	<u>47,967,116</u>	<u>2,339,352</u>	<u>9,637,781</u>	<u>59,944,249</u>
<b>EXPENDITURES:</b>					
Current:					
0011	<i>Instruction</i>	26,489,243	2,339,352	2,162,365	30,990,960
0012	<i>Instructional Resources and Media Services</i>	566,317	--	7,262	573,579
0013	<i>Curriculum and Staff Development</i>	432,236	--	276,694	708,930
0021	<i>Instructional Leadership</i>	623,768	--	8,000	631,768
0023	<i>School Leadership</i>	2,792,977	--	59,612	2,852,589
0031	<i>Guidance, Counseling, and Evaluation Services</i>	1,394,972	--	735,718	2,130,690
0032	<i>Social Work Services</i>	--	--	21,588	21,588
0033	<i>Health Services</i>	679,654	--	53,678	733,332
0034	<i>Student Transportation</i>	2,218,926	--	383,856	2,602,782
0035	<i>Food Service</i>	64,795	--	2,229,414	2,294,209
0036	<i>Cocurricular/Extracurricular Activities</i>	1,469,573	--	274,347	1,743,920
0041	<i>General Administration</i>	2,327,222	--	--	2,327,222
0051	<i>Facilities Maintenance and Operations</i>	5,091,604	--	75,816	5,167,420
0052	<i>Security and Monitoring Services</i>	497,153	--	10,867	508,020
0053	<i>Data Processing Services</i>	815,102	--	43,004	858,106
0061	<i>Community Services</i>	88,640	--	71,568	160,208
0071	<i>Principal on Long-term Debt</i>	145,433	--	1,792,319	1,937,752
0072	<i>Interest on Long-term Debt</i>	28,368	--	821,657	850,025
0073	<i>Bond Issuance Costs and Fees</i>	--	--	626,977	626,977
0081	<i>Capital Outlay</i>	821,418	--	71,414	892,832
6030	Total Expenditures	<u>46,547,401</u>	<u>2,339,352</u>	<u>9,726,156</u>	<u>58,612,909</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>1,419,715</u>	<u>--</u>	<u>(88,375)</u>	<u>1,331,340</u>
Other Financing Sources and (Uses):					
7911	<i>Capital-Related Debt Issued (Regular Bonds)</i>	--	--	26,622,261	26,622,261
7915	<i>Transfers In</i>	--	--	156,628	156,628
7916	<i>Premium or Discount on Issuance of Bonds</i>	--	--	9,446,065	9,446,065
8911	<i>Transfers Out</i>	(180,667)	--	--	(180,667)
8949	<i>Other Uses</i>	--	--	(35,690,061)	(35,690,061)
7080	Total Other Financing Sources and (Uses)	<u>(180,667)</u>	<u>--</u>	<u>534,893</u>	<u>354,226</u>
1200	Net Change in Fund Balances	<u>1,239,048</u>	<u>--</u>	<u>446,518</u>	<u>1,685,566</u>
0100	Fund Balances - Beginning	14,342,433	--	2,421,441	16,763,874
1300	Prior Period Adjustment	--	--	324,160	324,160
	Fund Balances - Beginning, as Restated	14,342,433	--	2,745,601	17,088,034
3000	Fund Balances - Ending	<u>\$ 15,581,481</u>	<u>\$ --</u>	<u>\$ 3,192,119</u>	<u>\$ 18,773,600</u>

The accompanying notes are an integral part of this statement.

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2021*

Net change in fund balances - total governmental funds	\$ 1,685,566
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	1,388,833
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,739,016)
The gain or loss on the sale of capital assets is not reported in the funds.	(4,817)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(38,650)
Reversal of fiscal year on-behalf revenues is reported in the funds but not in the SOA.	(2,368,728)
Reversal of fiscal year on-behalf expenditures is reported in the funds but not in the SOA.	2,368,728
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,792,320
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	145,433
Bond premium and deferred charges on refunding are amortized in the SOA but not in the funds.	425,028
The accretion of interest on capital appreciation bonds is not reported in the funds.	(8,933,757)
(Increase) decrease in accrued interest from beginning of period to end of period.	(138,216)
The net revenue (expense) of internal service funds is reported with governmental activities.	(99)
Payment to escrow agent is recognized as other financial uses in the funds, but not an expense in the SOA,	35,690,061
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(26,622,261)
Bond premiums are reported in the funds but not in the SOA.	(9,446,065)
GASB 68 on-behalf revenues are reported with governmental activities.	2,987,197
The District's share of the net pension expense is reported with governmental activities.	(4,131,056)
GASB 75 on-behalf revenues are reported with governmental activities.	129,427
The District's share of the net OPEB expense is reported with governmental activities.	178,142
GASB 75 federal funding recognized in the SOA is reported with governmental activities.	<u>22</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (7,631,908)</u>

The accompanying notes are an integral part of this statement.

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

AUGUST 31, 2021

Data Control Codes	Nonmajor Enterprise Fund <u>Brenham Child Development Center</u>	Internal Service Funds <u>                    </u>
<b>ASSETS:</b>		
Current Assets:		
1110	\$ 2,786	\$ 44,561
	<u>2,786</u>	<u>44,561</u>
1000	<u>2,786</u>	<u>44,561</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2160	2,786	--
	<u>2,786</u>	<u>--</u>
2000	<u>2,786</u>	<u>--</u>
<b>NET POSITION:</b>		
3800	--	44,561
3000	<u>\$ --</u>	<u>\$ 44,561</u>

The accompanying notes are an integral part of this statement.

**BREHAM INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN FUND NET POSITION - PROPRIETARY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Nonmajor Enterprise Fund	Internal Service Funds
	Brenham Child Development Center	
<b>OPERATING REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 29,091	\$ 644,464
5020 Total Revenues	<u>29,091</u>	<u>644,464</u>
<b>OPERATING EXPENSES:</b>		
6100 <i>Payroll Costs</i>	53,747	581,580
6200 <i>Professional and Contracted Services</i>	--	2,910
6300 <i>Supplies and Materials</i>	1,060	60,073
6400 <i>Other Operating Costs</i>	23	--
6030 Total Expenses	<u>54,830</u>	<u>644,563</u>
Income (Loss) before Contributions and Transfers	(25,739)	(99)
7915 <i>Transfers In</i>	24,039	--
1300 Change in Net Position	<u>(1,700)</u>	<u>(99)</u>
0100 Total Net Position - Beginning	1,700	19,342
Prior Period Adjustment	--	25,318
Total Net Position - Beginning, as Restated	1,700	44,660
3300 Total Net Position - Ending	<u>\$ --</u>	<u>\$ 44,561</u>

The accompanying notes are an integral part of this statement.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

YEAR ENDED AUGUST 31, 2021

	Nonmajor Enterprise Funds	Internal Service Funds
	<u>          </u>	<u>          </u>
<b>Cash Flows from Operating Activities:</b>		
<i>Cash Received from Customers</i>	\$ 29,091	\$ --
<i>Operating Transactions with Other Funds</i>	--	62,884
<i>Receipts from Other Governments</i>	--	581,580
<i>Cash Payments to Employees for Services</i>	<u>(55,370)</u>	<u>(644,563)</u>
Net Cash Provided (Used) by Operating Activities	<u>(26,279)</u>	<u>(99)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
<i>Transfers From (To) Primary Government</i>	<u>24,039</u>	<u>--</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>24,039</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,240)	(99)
Cash and Cash Equivalents at Beginning of Year	5,026	44,660
Cash and Cash Equivalents at End of Year	<u>\$ 2,786</u>	<u>\$ 44,561</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (25,739)	\$ (99)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
<i>Increase (Decrease) in Accrued Wages Payable</i>	(541)	--
<i>Increase (Decrease) in Due From Other Funds</i>	1	--
Total Adjustments	<u>(540)</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (26,279)</u>	<u>\$ (99)</u>

The accompanying notes are an integral part of this statement.

**BRENHAM INDEPENDENT SCHOOL DISTRICT***STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**AUGUST 31, 2021*

Data Control Codes	Custodial Funds
<b>ASSETS:</b>	
1110 <i>Cash and Cash Equivalents</i>	\$ 561,321
1120 <i>Current Investments</i>	11
1243 <i>Due from Other Governments</i>	526
1260 <i>Due from Other Funds</i>	36,522
1000 Total Assets	<u>598,380</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
2110 <i>Accounts Payable</i>	15,046
2000 Total Liabilities	<u>15,046</u>
<b>NET POSITION:</b>	
3800 <i>Restricted for Individuals and Organizations</i>	583,334
3000 Total Net Position	<u>\$ 583,334</u>

The accompanying notes are an integral part of this statement.



**BREHAM INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Funds
<b>Additions:</b>	
Concession Sales	\$ 4,017
Fees and Dues	41,440
Fundraising	453,976
Interest	5,395
Taxing Jurisdiction Assessments	329,914
Total Additions	<u>834,742</u>
<b>Deductions:</b>	
Fees and Dues	12,228
Fundraising Expenses	471,636
Contracted Services	162,350
Rent and Utilities	30,164
Supplies	98,214
Miscellaneous	10,679
Total Deductions	<u>785,271</u>
<b>Change in Net Position</b>	49,471
Net Position-Beginning of the Year	--
Prior Period Adjustment	533,863
Net Position-Beginning of the Year, as Restated	<u>533,863</u>
Net Position-End of the Year	<u>\$ 583,334</u>

The accompanying notes are an integral part of this statement.

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# BRENHAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Brenham Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas (the "State"). It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

#### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental and internal service funds, while business-type activities incorporates data from the District's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided and other charges between the District's business-type activities and other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

##### General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

# **BRENHAM INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED AUGUST 31, 2021*

## **Debt Service Fund**

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes.

## **Capital Projects Fund**

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

## **Special Revenue Funds**

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund. The ESSER II of Coronavirus Response and Relief Supplemental Appropriations (CRRSA) fund is a special revenue fund used to account for revenues and expenditures related to the CRRSA grant awards and entitlements. This fund is primarily on a reimbursement basis and has a program year that does not coincide with the District's fiscal year. This special revenue fund is considered a major fund for reporting purposes.

## **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business-type activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses includes costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund types used by the District includes the following:

### **Enterprise Fund**

The enterprise fund is used to account for and report operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses including depreciation) of providing goods or services on a continuing basis will be financed or recovered primarily through user charges. This fund is reported as business-type activities in the government-wide financial statements.

### **Internal Service Funds**

These funds are used to account for and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. These funds account for the District's transportation fund, culinary arts, and contracted tax appraisal and collection services. Because the principal users of the internal service funds are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the governmental-wide financial statements.

## **Fiduciary Funds**

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. 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.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED AUGUST 31, 2021

The District has the following type of fiduciary fund:

### **Custodial Funds**

The custodial funds report resources, not in a trust, that are held by the District for other parties outside of the District. The custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity and Washington Count Appraisal funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

The 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 District 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the District.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

### 1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

### 2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

### 3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

### 4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

### 5. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government 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 acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	15 to 20 years
Vehicles	2 to 15 years
Equipment	3 to 20 years
Infrastructure	30 years

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so 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/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

## 7. Receivable and Payables Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

## 8. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidations. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide Statement of Net Position.

## 9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

# **BRENHAM INDEPENDENT SCHOOL DISTRICT**

## *NOTES TO FINANCIAL STATEMENTS, Continued* *FOR THE YEAR ENDED AUGUST 31, 2021*

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

### **10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### **11. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **12. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **13. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

### **14. Data Control Codes**

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.



# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## 15. Pensions

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.

## 16. Other Postemployment Benefits

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") 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 OPEB, 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.

## G. Revenues and Expenditures/Expenses

### 1. Program Revenues

Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### 2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. There were material changes between the original budget and the final amended budget.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED AUGUST 31, 2021

## A. Expenditures in Excess of Appropriations

For the year, expenditures exceeded appropriations at the legal level of control as follows:

General Fund		
Instructional Resources and Media	\$	180
Transfer (Out)	\$	154,667
Debt Service Fund		
Bond Issuance Costs and Fees	\$	245,700

## III. DETAILED NOTES ON ALL FUNDS

### A. 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 the District's 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.

#### 1. Cash Deposits

At August 31, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$18,269,454 and the bank balance was \$18,750,409.

#### 2. Investments

The District is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), 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.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

As of August 31, 2021, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Rating</u>	<u>Weighted Average Maturity (Years)</u>
Texpool	\$ 246,418	AAAm*	0.08
Texas CLASS	1,413,768	AAAm*	0.12
Lone Star	496,484	AAA*	0.15
Certificates of deposit	4,143,086	-	0.86
	<u>\$ 6,299,756</u>		

Portfolio weighted average maturity 0.60

\*Rated by Standard and Poor's Financial Services

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED AUGUST 31, 2021

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/P1' as provided by two of the top nationally recognized rating agencies. As of August 31, 2021, the District's investments in investment pools were rated 'AAAm' or AAA, respectively, by Standard and Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of August 31, 2021, fair market values of pledged securities and FDIC coverage exceeded bank balances.

*Custodial credit risk – investments.* For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

### **TexPool**

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight 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. The advisory board members review the investment policy and management fee structure. Finally, Standard and Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard and Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

### **Texas CLASS**

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member Board of Trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at [www.texasclass.com](http://www.texasclass.com).

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED AUGUST 31, 2021

## Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Associate of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both Lone Star members and nonmembers. Lone Star is rated 'AAA' by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

## B. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

<b>Governmental Activities:</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balances</b>
Capital assets not being depreciated:				
Land	\$ 2,896,987	\$ -	\$ -	\$ 2,896,987
Total capital assets not being depreciated	<u>2,896,987</u>	<u>-</u>	<u>-</u>	<u>2,896,987</u>
Other capital assets:				
Buildings and improvements	102,746,313	740,383	-	103,486,696
Equipment	2,883,882	314,249	(17,500)	3,180,631
Vehicles	4,472,070	334,201	(16,500)	4,789,771
Total other capital assets	<u>110,102,265</u>	<u>1,388,833</u>	<u>(34,000)</u>	<u>111,457,098</u>
Less accumulated depreciation for:				
Buildings and improvements	(48,703,243)	(2,472,158)	-	(51,175,401)
Equipment	(2,001,545)	(138,141)	12,683	(2,127,003)
Vehicles	(4,120,079)	(128,717)	16,500	(4,232,296)
Total accumulated depreciation	<u>(54,824,867)</u>	<u>(2,739,016)</u>	<u>29,183</u>	<u>(57,534,700)</u>
Other capital assets, net	55,277,398	(1,350,183)	(4,817)	53,922,398
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 58,174,385</u>	<u>\$ (1,350,183)</u>	<u>\$ (4,817)</u>	<u>\$ 56,819,385</u>

Depreciation was charged to governmental functions as follows:

	<b>Governmental Activities</b>
11 Instruction	\$ 1,728,203
12 Instructional resources/media services	82,082
13 Curriculum and staff development	18,340
21 Instructional leadership	29,337
23 School leadership	18,340
34 Student (pupil) transportation	300,173
35 Food service	144,763
36 Extracurricular activities	195,103
41 General administration	30,038
51 Plant maintenance and operations	116,659
53 Data processing services	75,978
<b>Total Depreciation Expense</b>	<u>\$ 2,739,016</u>

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
QSCB MTN, Series 2010	\$ 1,200,000	\$ -	\$ (300,000)	\$ 900,000	\$ 300,000
Refunding, Series 2012	27,684,637	-	(27,079,637)	605,000	-
Refunding, Series 2020	-	26,622,261	(875,000)	25,747,261	36,100
Direct Borrowings/Placements:					
QZAB MTN, Series 2016	3,710,000	-	(160,000)	3,550,000	160,000
SECO Loan	1,500,332	-	(145,433)	1,354,899	147,796
	<u>34,094,969</u>	<u>26,622,261</u>	<u>(28,560,070)</u>	<u>32,157,160</u>	<u>643,896</u>
<b>Other liabilities:</b>					
Issuance premiums/discount	1,836,172	9,446,065	(2,186,478)	9,095,759	*
Accreted interest	7,826,692	8,933,757	(7,826,692)	8,933,757	*
Net pension liability	13,520,286	-	(833,442)	12,686,844	-
Net OPEB liability	17,578,407	-	(3,707,135)	13,871,272	-
<b>Total Governmental Activities</b>	<u>\$ 74,856,526</u>	<u>\$ 45,002,083</u>	<u>\$ (43,113,817)</u>	<u>\$ 76,744,792</u>	<u>\$ 643,896</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 76,100,896</u>	
<b>*Debt associated with capital assets</b>				<u>\$ 50,186,676</u>	

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Current requirements for principal and interest expenditures are accounted for in the general fund, the debt service fund, and the capital projects fund. These bonds, notes, leases, and loans were issued as school building bonds, refunding bonds, qualified school construction bonds (QSCB), qualified zone academy bonds (QZAB), a capital lease, and a loan. Interest rates on the bonds are 1.00% for Series 2010, 2.750% to 3.125% for Series 2012, 4.19% for Series 2016, and 1.78% to 4.00% for Series 2020. The interest rate on the loan is 2.00%. Interest expense was \$850,025 for the year ended August 31, 2021.

### Unlimited Tax Refunding Bonds, Series 2020

In the current fiscal year, the District issued \$26,622,261 in Unlimited Tax Refunding Bonds, Series 2020 with interest rates ranging from 1.78% to 4.00%. The proceeds were used to advance refund \$26,622,317 of outstanding Series 2012 Unlimited Tax Refunding Bonds, which had interest rates ranging from 2.750% to 3.125%. The net proceeds of \$35,940,061 (including a \$250,000 payment from District and after payment of \$375,577 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the Series 2012 Unlimited Tax Refunding Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The reacquisition price was more than the net carrying amount of the old debt by \$147,518. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunding debt, which has a shorter life than the refunded debt. The advance refunding reduced total debt service payments by \$5,263,407 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,118,549.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED AUGUST 31, 2021

## Direct Borrowings/Placements

The District issued the Brenham Independent School District Qualified Zone Academy Limited Maintenance Tax Notes, Taxable Series 2016 (the "Notes") dated October 1, 2016 in the amount of \$4,030,000. These Notes are for the purposes of providing funds to pay the costs of (i) rehabilitation and repair of public school facilities as qualified zone academies and equipment related thereto, including the replacement of HVAC, flooring, and lighting, installation of information technology controls systems (hardware and software); renovation of restrooms; and rehabilitation of the roof; and (ii) payment of professional services related to the projects. The Notes shall be issued as fully registered obligations and have principal installments of \$160,000 on August 15, 2019 through 2031.

In the event that any associated tax credits related to the Notes recognized prior to the date of redemption are finally determined to be ineligible and thereby disallowed to be claimed as tax credits as a result of the determination of loss of Qualified Zone Academy Bond Status, the redemption price shall include an additional amount payable to the owners, as of the applicable prior tax credit allowance dates, of the Notes for such prior disallowed tax credits equal to the amount of such disallowed tax credits, plus interest thereon from the applicable tax credit allowance date of the date of redemption, at a rate equal to the large corporate underpayment rate determined from time to time by the Secretary of the Treasury; provided however, the calculation of such amount shall only cover a period up to the expiration of the statute of limitations applicable to the federal income tax return on which such owner claimed the disallowed tax credit. Notwithstanding anything herein to the contrary, if due, the additional premium shall only be payable to the owners of such disallowed tax credits and shall not be prorated by the paying agent/registrant between the tax credits and the principal component of the Notes.

## SECO Loan

The District entered into a loan agreement (the "Loan") with the State Energy Conservation Office (SECO) in the amount of \$1,571,693, to pay for the lighting retrofits and EMS upgrades. The Loan has an interest rate of 2% which begins to accrue when the lender processes a reimbursement to the District. The term of the loan is 10 years. The first loan repayment date was May 31, 2020, with quarterly payments being made beginning on August 31, 2020. The loan will be repaid with maintenance and operations tax revenues out of the general fund.

The annual requirements to amortize debt issues outstanding at year end were as follows:

Fiscal Year Ended August 31	Bonds Payable		
	Principal	Interest	Total Requirements
2022	\$ 36,100	\$ 2,113,555	\$ 2,149,655
2023	34,690	2,069,966	2,104,656
2024	34,171	2,070,484	2,104,655
2025	33,930	2,080,726	2,114,656
2026	32,947	2,071,708	2,104,655
2027-2031	5,250,423	5,257,799	10,508,222
2032-2036	8,465,000	2,079,015	10,544,015
2037-2041	9,315,000	1,035,188	10,350,188
2042-2046	3,150,000	77,085	3,227,085
<b>Totals</b>	<b>\$ 26,352,261</b>	<b>\$ 18,855,526</b>	<b>\$ 45,207,787</b>

Fiscal Year Ended August 31	Notes Payable - QSCB MTN, Series 2010		
	Principal	Interest	Total Requirements
2022	\$ 300,000	\$ 7,500	\$ 307,500
2023	300,000	4,500	304,500
2024	300,000	1,500	301,500
	<b>\$ 900,000</b>	<b>\$ 13,500</b>	<b>\$ 913,500</b>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, Continued  
 FOR THE YEAR ENDED AUGUST 31, 2021

The debt service requirements for direct borrowings/placements are as follows:

Fiscal Year Ended August 31	Direct Borrowings / Direct Placements - QZAB Series 2016		
	Principal	Interest	Total Requirements
2022	\$ 160,000	\$ 7,500	\$ 167,500
2023	160,000	4,500	164,500
2024	160,000	1,500	161,500
2025	440,000	-	440,000
2026	440,000	-	440,000
2027-2031	2,190,000	-	2,190,000
<b>Totals</b>	<b>\$ 3,550,000</b>	<b>\$ 13,500</b>	<b>\$ 3,563,500</b>

Fiscal Year Ended August 31	Direct Borrowings / Direct Placements - SECO Loan		
	Principal	Interest	Total Requirements
2022	\$ 147,796	\$ 26,005	\$ 173,801
2023	150,774	23,027	173,801
2024	153,812	19,989	173,801
2025	156,912	16,890	173,802
2026	160,073	13,728	173,801
2027-2030	585,532	22,216	607,748
<b>Totals</b>	<b>\$ 1,354,899</b>	<b>\$ 121,855</b>	<b>\$ 1,476,754</b>

**D. Commitments Under Noncapitalized Leases**

The District has various operating lease agreements where the future minimum payments are immaterial to the operations of the District and, accordingly, the District has elected not to disclose future payments by fiscal year.

Rental Expenditures in 2021 \$ 229,587

**E. Interfund Transactions**

The interfund balances and transfers at August 31, 2021 were as follows:

Due To Fund	Due From Fund	Amount	Reason
General Fund	Nonmajor Governmental Funds	\$ 3,050,614	Short-term loans
Nonmajor Governmental Funds	Nonmajor Governmental Funds	17,711	Short-term loans
	Total	<u>\$ 3,068,325</u>	

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

Transfers From	Transfers To	Amount	Reason
General Fund	Nonmajor Governmental Funds	\$ 156,628	To supplement revenue
General Fund	Enterprise Funds	24,039	To supplement revenue
	Total	<u>\$ 180,667</u>	

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## IV. OTHER INFORMATION

### A. 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 purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

### B. Contingent Liabilities

#### Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

#### Claims and Judgements

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

#### Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

### C. Defined Benefit Pension Plan

#### Teacher Retirement System

##### 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 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. TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

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

##### Pension Plan Fiduciary Net Position

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



# BRENHAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued FOR THE YEAR ENDED AUGUST 31, 2021

### Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

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.

In May 2019, the 86<sup>th</sup> Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the Legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

### Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

<b>Contribution Rates</b>			
<b>Fiscal Year</b>	<b>State</b>	<b>Public Education Employer*</b>	<b>Active Employee</b>
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

<b>Contribution Rates</b>		
	<b>2020</b>	<b>2021</b>
Member	7.7%	7.7%
NECE (State)	7.5%	7.5%
Employer	7.5%	7.5%

	<b>Measurement Year (2020)</b>	<b>Fiscal Year (2021)</b>
Employer contributions	\$ 977,376	\$ 1,003,329
Member contributions	\$ 2,535,220	\$ 2,581,470
NECE on-behalf contributions	\$ 1,913,312	\$ 1,972,088

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

*NOTES TO FINANCIAL STATEMENTS, Continued*  
*FOR THE YEAR ENDED AUGUST 31, 2021*

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

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS during that fiscal year reduced by the amounts described below, which are paid by the employers. Employers (public school, junior college, other entities, or the State 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, from noneducational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS 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 to which an employer is subject:

- All public schools, charter schools, and regional educational service centers must contribute 1.5% of the member’s salary beginning in the fiscal year 2020, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate	7.25%
Municipal bond rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Inflation	0.023
Salary increases	3.05% to 9.05%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2019. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 14, 2019.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
FOR THE YEAR ENDED AUGUST 31, 2021

## Discount Rate

A single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, TRS' fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS 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' target asset allocation as of August 31, 2020 are summarized below:

### Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Real Rate of Returns August 31, 2020

Asset Class	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contributions to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources, and Infrastructure	6.00%	6.00%	0.42%
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.80%
<b>Inflation Expectation</b>			2.00%
<b>Volatility Drag (3)</b>			-0.67%
<b>Total</b>	100.00%	33.30%	7.32%

(1) Target allocations are based on the FY 2020 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
FOR THE YEAR ENDED AUGUST 31, 2021

## Discount Rate Sensitivity Analysis

The schedule shows the impact of the net pension liability (NPL) of TRS using the discount rate of 7.25% and what the NPL would be if it was calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current year rate:

	<b>1% Decrease in Discount Rate (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase in Discount Rate (8.25%)</b>
District's proportionate share of the net pension liability	<u>\$ 19,562,886</u>	<u>\$ 12,686,844</u>	<u>\$ 7,100,210</u>

## Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At August 31, 2021, the District reported a liability of \$12,686,844 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 12,686,844
State's proportionate share that is associated with the District	24,835,814
<b>Total</b>	<u>\$ 37,522,658</u>

The NPL was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2019 through August 31, 2020.

At August 31, 2021, the District's proportion of the collective NPL was 0.0236881%, which was an increase of 0.0023209% from its proportion measured as of August 31, 2020.

## Changes Since the Prior Actuarial Valuation

The following were no changes since the prior measurement period.

For the year ended August 31, 2021, the District recognized pension expense of \$2,987,197 and revenue of \$2,987,197 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 23,165	\$ (354,056)
Changes in actuarial assumptions	2,943,799	(1,251,683)
Difference between projected and actual investment earnings	256,835	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,278,944	(1,108,950)
Contributions paid to TRS subsequent to the measurement date	1,003,329	-
<b>Total</b>	<u>\$ 5,506,072</u>	<u>\$ (2,714,689)</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, Continued  
 FOR THE YEAR ENDED AUGUST 31, 2021

The net amounts of the District’s balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended August 31	Pension Expense
2022	\$ 643,446
2023	662,777
2024	612,928
2025	193,937
2026	(274,363)
Thereafter	(50,671)
<b>Total</b>	<b>\$ 1,788,054</b>

**D. Defined Other Postemployment Benefits Plan**

Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined benefit OPEB plan that has a special funding situation. TRS-Care is administered through a trust by the TRS Board of Trustees (the “Board”). It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

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

Components of the net OPEB liability of TRS-Care as of August 31, 2020 are as follows:

Total OPEB liability	\$ 40,010,833,815
Less: plan fiduciary net position	<u>1,996,317,932</u>
<b>Net OPEB Liability</b>	<b>\$ <u>38,014,515,883</u></b>

Net position as a percentage of total OPEB liability 4.99%

Benefits Provided

TRS-Care provides a basic health insurance coverage to retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of TRS. 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 TRS. There are no automatic postemployment benefit changes, including automatic COLAs.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED AUGUST 31, 2021

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

<b>TRS-Care Plan Premium Rates</b>				
	<b>Medicare</b>		<b>Non-Medicare</b>	
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 TRS-Care are established in state statute by the Texas Legislature and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 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 0.75% 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 GAA:

	<b>Contribution Rates</b>	
	<b>Fiscal Year</b>	
	<b>2020</b>	<b>2021</b>
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

  

	<b>Measurement Year (2020)</b>	<b>Fiscal Year (2021)</b>
Employer contributions	\$ 278,385	\$ 276,829
Member contributions	\$ 107,006	\$ 108,958
NECE on-behalf contributions	\$ 372,680	\$ 419,070

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

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

Actuarial Assumptions

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

# BRENHAM INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued* FOR THE YEAR ENDED AUGUST 31, 2021

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for TRS, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

- |                                  |                            |
|----------------------------------|----------------------------|
| 1. Rates of Mortality            | 5. General Inflation       |
| 2. Rates of Retirement           | 6. Wage Inflation          |
| 3. Rates of Termination          | 7. Expected Payroll Growth |
| 4. Rates of Disability Incidence |                            |

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. 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 scale.

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2019 rolled forward to 8/31/2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.33% as of August 31, 2020
Aging factors	Based on plan-specific experience
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs
Projected salary increases*	3.05% to 9.05%, including inflation
Healthcare trend rates	Medical trend rates: 9% (Medicare retirees) and 7.30% (non-Medicare retirees) prescription drug trend rate: 9%
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad hoc postemployment benefit changes	None

### Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% in the discount rate since the previous year. Because TRS-Care is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED AUGUST 31, 2021

## Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis – The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (2.33%) in measuring the net OPEB liability:

	<b>1% Decrease in Discount Rate (1.33%)</b>	<b>Current Discount Rate (2.33%)</b>	<b>1% Increase in Discount Rate (3.33%)</b>
District's proportionate share of net OPEB liability	\$ 16,645,495	\$ 13,871,272	\$ 11,680,034

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care 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% less than or 1% higher than the assumed healthcare cost trend rate:

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
District's proportionate share of net OPEB liability	\$ 11,331,052	\$ 13,871,272	\$ 17,254,486

## OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At August 31, 2021, the District reported a liability of \$13,871,272 for its proportionate share of TRS-Care'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 collective net OPEB liability	\$ 13,871,272
State's proportionate share that is associated with the District	18,639,665
<b>Total</b>	<b>\$ 32,510,937</b>

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

At August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.0364894%, compared to 0.0371705% as of August 31, 2020.

## Changes Since the Prior Actuarial Valuation

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

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

For the year ended August 31, 2021, the District recognized OPEB expense of \$129,427 and revenue of \$129,427 for support provided by the State.



**BRENHAM INDEPENDENT SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED AUGUST 31, 2021

At August 31, 2021, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 726,294	\$ (6,348,203)
Changes in actuarial assumptions	855,569	(3,809,123)
Differences between projected and actual investment earnings	4,508	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,309,716	(380,994)
Contributions paid to TRS subsequent to the measurement date	276,829	-
<b>Total</b>	<b>\$ 3,172,916</b>	<b>\$ (10,538,320)</b>

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

<b>Fiscal Year Ended August 31</b>	<b>OPEB Expense</b>
2022	\$ (1,265,261)
2023	(1,265,863)
2024	(1,266,208)
2025	(1,266,115)
2026	(895,611)
Thereafter	(1,683,175)
<b>Total</b>	<b>\$ (7,642,233)</b>

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on behalf of the District were \$148,910, \$140,064, and \$116,898, respectively.

**E. Employee Health Care Coverage**

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$325 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2021 and terms of coverage and premiums costs are included in the contractual provisions.

**F. Workers' Compensation**

During the year ended August 31, 2021, the District provided workers' compensation coverage to its employees through participation in the Deep East Texas Self-Insurance Fund (the "Fund"). The District had no claims liability at year end.

The District was provided stop-loss insurance through the Fund. The reinsurance coverage was in effect for any claim that reaches \$1,000,000 with no upper limit.

# BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*  
 FOR THE YEAR ENDED AUGUST 31, 2021

## G. Unemployment Compensation

During the year ended August 31, 2021, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's unemployment compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool. For the year ended August 31, 2021, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

## H. Prior Period Adjustment

Beginning net position of governmental activities and custodial funds, and fund balance for campus activity, scholarship, private-purpose trust funds, internal service funds, and other governmental funds were restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*.

	<b>Funds 489-496 Campus Activity</b>	<b>Fund 499 Scholarship</b>	<b>Funds 890-896 Custodial Funds</b>	<b>Private- Purpose Trust Funds</b>	<b>Internal Service Funds</b>	<b>Nonmajor Governmental Funds</b>	<b>Governmental Activities</b>
Beginning net position/fund balance	\$ 371,714	\$ -	\$ -	\$ 29,795	\$ 19,342	\$ 1,120,542	\$ 2,840,685
Campus activity adjustment	294,365	-	-	-	-	294,365	294,365
Custodial fund adjustment	-	-	533,863	-	25,318	25,318	25,318
Private-purpose trust adjustment	-	29,795	-	(29,795)	-	29,795	29,795
Ending net position/fund balance	<u>\$ 666,079</u>	<u>\$ 29,795</u>	<u>\$ 533,863</u>	<u>\$ -</u>	<u>\$ 44,660</u>	<u>\$ 1,470,020</u>	<u>\$ 3,190,163</u>

## *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2021

**EXHIBIT G-1**

Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 30,484,905	\$ 30,928,954	\$ 31,816,767	\$ 887,813
5800	State Program Revenues	16,763,654	14,423,049	15,267,757	844,708
5900	Federal Program Revenues	572,820	842,820	882,592	39,772
5020	Total Revenues	<u>47,821,379</u>	<u>46,194,823</u>	<u>47,967,116</u>	<u>1,772,293</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	28,311,119	26,624,673	26,489,243	135,428
0012	Instructional Resources and Media Services	556,758	566,137	566,317 *	(180)
0013	Curriculum and Staff Development	618,071	548,277	432,236	116,041
	Total Instruction and Instr. Related Services	<u>29,485,948</u>	<u>27,739,087</u>	<u>27,487,797</u>	<u>251,289</u>
Instructional and School Leadership:					
0021	Instructional Leadership	637,559	631,125	623,768	7,357
0023	School Leadership	2,623,603	2,798,019	2,792,977	5,042
	Total Instructional and School Leadership	<u>3,261,162</u>	<u>3,429,144</u>	<u>3,416,745</u>	<u>12,399</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling, and Evaluation Services	1,632,440	1,460,057	1,394,972	65,085
0033	Health Services	590,992	704,329	679,654	24,675
0034	Student (Pupil) Transportation	2,595,875	2,410,875	2,218,926	191,949
0035	Food Services	70,047	100,093	64,795	35,298
0036	Cocurricular/Extracurricular Activities	1,598,553	1,510,239	1,469,573	40,666
	Total Support Services - Student (Pupil)	<u>6,487,907</u>	<u>6,185,593</u>	<u>5,827,920</u>	<u>357,673</u>
Administrative Support Services:					
0041	General Administration	2,203,738	2,342,420	2,327,222	15,198
	Total Administrative Support Services	<u>2,203,738</u>	<u>2,342,420</u>	<u>2,327,222</u>	<u>15,198</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	4,770,331	5,118,955	5,091,604	27,351
0052	Security and Monitoring Services	482,405	551,221	497,153	54,068
0053	Data Processing Services	832,074	834,687	815,102	19,585
	Total Support Services - Nonstudent Based	<u>6,084,810</u>	<u>6,504,863</u>	<u>6,403,859</u>	<u>101,004</u>
Ancillary Services:					
0061	Community Services	124,012	97,432	88,640	8,792
	Total Ancillary Services	<u>124,012</u>	<u>97,432</u>	<u>88,640</u>	<u>8,792</u>
Debt Service:					
0071	Principal on Long-Term Debt	146,323	145,433	145,433	--
0072	Interest on Long-Term Debt	27,479	28,369	28,368	1
	Total Debt Service	<u>173,802</u>	<u>173,802</u>	<u>173,801</u>	<u>1</u>
Capital Outlay:					
0081	Capital Outlay	--	821,419	821,418	1
	Total Capital Outlay	<u>--</u>	<u>821,419</u>	<u>821,418</u>	<u>1</u>
6030	Total Expenditures	<u>47,821,379</u>	<u>47,293,760</u>	<u>46,547,401</u>	<u>746,359</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2021

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	\$ --	\$ (1,098,937)	\$ 1,419,715	\$ 2,518,652
	Other Financing Sources (Uses):				
7915	Transfers In	--	14,779	--	(14,779)
8911	Transfers Out	--	(26,000)	(180,667) *	(154,667)
7080	Total Other Financing Sources and (Uses)	--	(11,221)	(180,667)	(169,446)
1200	Net Change in Fund Balance	--	(1,110,158)	1,239,048	2,349,206
0100	Fund Balance - Beginning	14,342,433	14,342,433	14,342,433	--
3000	Fund Balance - Ending	\$ 14,342,433	\$ 13,232,275	\$ 15,581,481	\$ 2,349,206

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

\*2. Expenditures exceeded appropriations at the legal level of control.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)  
FOR THE YEAR ENDED AUGUST 31, 2021*

	Measurement Year*			
	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0236881%	0.0260090%	0.0255746%	0.0219640%
District's proportionate share of the net pension liability (asset)	\$ 12,686,844	\$ 13,520,286	\$ 14,076,904	\$ 7,022,897
State's proportionate share of the net pension liability (asset) associated with the District	24,835,814	23,109,171	25,235,202	15,611,299
Total	<u>\$ 37,522,658</u>	<u>\$ 36,629,457</u>	<u>\$ 39,312,106</u>	<u>\$ 22,634,196</u>
District's covered payroll**	\$ 32,924,940	\$ 31,193,151	\$ 30,195,960	\$ 28,359,156
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.53%	43.34%	46.62%	24.76%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%

\* Only seven years' worth of information is currently available.

\*\*As of measurement date.

**Notes to Required Supplementary Information:***Changes in Assumptions:*

There were no changes in assumptions or other inputs that affected measurement of the total pension liability (TPL) since the prior measurement period.

*Changes in Benefits:*

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

Measurement Year*		
<u>2016</u>	<u>2014</u>	<u>2014</u>
0.0237652%	0.0133948%	0.0133948%
\$ 8,980,509	\$ 3,577,936	\$ 3,577,936
<u>18,121,670</u>	<u>16,050,650</u>	<u>16,050,650</u>
<u>\$ 27,102,179</u>	<u>\$ 19,628,586</u>	<u>\$ 19,628,586</u>
\$ 27,808,701	\$ 27,119,270	\$ 27,119,270
32.29%	13.19%	13.19%
78.00%	83.25%	83.25%

**BRENHAM INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF DISTRICT CONTRIBUTIONS**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**FOR THE YEAR ENDED AUGUST 31, 2021*

	Fiscal Year*			
	2021	2020	2019	2018
Contractually required contribution	\$ 1,003,329	\$ 975,274	\$ 914,149	\$ 861,545
Contributions in relation to the contractually required contribution	1,003,329	975,274	914,149	861,545
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 33,525,579	\$ 32,924,940	\$ 31,193,151	\$ 30,195,960
Contributions as a percentage of covered payroll	2.99%	2.96%	2.93%	2.85%

\*Only eight years' of information is currently available. The District will build this schedule over the next two years.



Fiscal Year*				
	2017	2016	2015	2014
\$	719,851	\$ 755,079	\$ 707,663	\$ 339,596
	719,851	755,079	707,663	339,596
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	28,359,156	\$ 27,808,701	\$ 27,095,156	\$ 27,119,270
	2.54%	2.72%	2.61%	1.25%

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET OPEB LIABILITY

TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)

FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year*			
	2020	2019	2018	2017
District's proportion of the collective net OPEB liability (asset)	0.0364894%	0.0371705%	0.0365728%	0.0340955%
District's proportionate share of the collective net OPEB liability (asset)	\$ 13,871,272	\$ 17,578,407	\$ 18,261,131	\$ 14,826,864
State proportionate share of the collective net OPEB liability (asset) associated with the District	18,639,665	23,357,772	25,499,757	21,820,634
Total	<u>\$ 32,510,937</u>	<u>\$ 40,936,179</u>	<u>\$ 43,760,888</u>	<u>\$ 36,647,498</u>
District's covered payroll***	\$ 32,924,940	\$ 31,193,151	\$ 30,195,960	\$ 28,359,156
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.13%	56.35%	60.48%	52.28%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

\*Only four years' worth of information is currently available.

\*\*As of the measurement date.

**Notes to Required Supplementary Information**

*Changes in Assumptions:* There were changes in assumptions that affected measurement of the total OPEB liability since the prior measurement period:

The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.

The participation rate for post-65 retirees was lowered from 50% to 40%. This change lowered the total OPEB liability.

The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

*Changes in Benefits:* There were no changes in benefits that affected measurement of the total OPEB liability since the prior measurement period.

**BRENHAM INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF DISTRICT CONTRIBUTIONS**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE)**FOR THE YEAR ENDED AUGUST 31, 2021*

	Fiscal Year*			
	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 276,829	\$ 278,385	\$ 263,238	\$ 252,108
Contributions recognized by OPEB in relations statutorily or contractually required contribution	276,829	278,385	263,238	252,108
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 33,525,579	\$ 32,924,940	\$ 31,193,151	\$ 30,195,960
Contributions as a percentage of covered payroll	0.83%	0.85%	0.84%	0.83%

\* Only four years' worth of information is currently available.

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## *Combining Statements as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund  Non-Operating Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 1,391,245	\$ 356,752	\$ 141,014	\$ 1,889,011
1120	Current Investments	51,671	704,761	632,323	1,388,755
1220	Property Taxes Receivable	--	168,218	--	168,218
1230	Allowance for Uncollectible Taxes	--	(48,701)	--	(48,701)
1240	Due from Other Governments	936,696	--	--	936,696
1260	Due from Other Funds	17,711	--	--	17,711
1000	Total Assets	<u>\$ 2,397,323</u>	<u>\$ 1,181,030</u>	<u>\$ 773,337</u>	<u>\$ 4,351,690</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2160	Accrued Wages Payable	\$ 175,331	\$ --	\$ --	\$ 175,331
2170	Due to Other Funds	812,321	--	--	812,321
2300	Unearned Revenue	52,402	--	--	52,402
2000	Total Liabilities	<u>1,040,054</u>	<u>--</u>	<u>--</u>	<u>1,040,054</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2600	Unavailable Revenue for Property Taxes	--	119,517	--	119,517
2600	Total Deferred Inflows of Resources	<u>--</u>	<u>119,517</u>	<u>--</u>	<u>119,517</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	637,688	--	--	637,688
3470	Capital Acquisitions and Contractual Obligations	--	--	773,337	773,337
3480	Retirement of Long-Term Debt	--	1,061,513	--	1,061,513
3490	Other Restrictions of Fund Balance	719,581	--	--	719,581
3000	Total Fund Balances	<u>1,357,269</u>	<u>1,061,513</u>	<u>773,337</u>	<u>3,192,119</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,397,323</u>	<u>\$ 1,181,030</u>	<u>\$ 773,337</u>	<u>\$ 4,351,690</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund Non-Operating Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)	
<b>REVENUES:</b>					
5700	<i>Local and Intermediate Sources</i>	\$ 570,401	\$ 2,565,195	\$ 274,617	\$ 3,410,213
5800	<i>State Program Revenues</i>	215,575	51,761	--	267,336
5900	<i>Federal Program Revenues</i>	5,960,232	--	--	5,960,232
5020	Total Revenues	<u>6,746,208</u>	<u>2,616,956</u>	<u>274,617</u>	<u>9,637,781</u>
<b>EXPENDITURES:</b>					
Current:					
0011	<i>Instruction</i>	2,162,365	--	--	2,162,365
0012	<i>Instructional Resources and Media Services</i>	7,262	--	--	7,262
0013	<i>Curriculum and Staff Development</i>	276,694	--	--	276,694
0021	<i>Instructional Leadership</i>	8,000	--	--	8,000
0023	<i>School Leadership</i>	59,612	--	--	59,612
0031	<i>Guidance, Counseling, and Evaluation Services</i>	735,718	--	--	735,718
0032	<i>Social Work Services</i>	21,588	--	--	21,588
0033	<i>Health Services</i>	53,678	--	--	53,678
0034	<i>Student Transportation</i>	383,856	--	--	383,856
0035	<i>Food Service</i>	2,229,414	--	--	2,229,414
0036	<i>Cocurricular/Extracurricular Activities</i>	274,347	--	--	274,347
0051	<i>Facilities Maintenance and Operations</i>	75,816	--	--	75,816
0052	<i>Security and Monitoring Services</i>	10,867	--	--	10,867
0053	<i>Data Processing Services</i>	43,004	--	--	43,004
0061	<i>Community Services</i>	71,568	--	--	71,568
0071	<i>Principal on Long-term Debt</i>	--	1,332,319	460,000	1,792,319
0072	<i>Interest on Long-term Debt</i>	--	811,157	10,500	821,657
0073	<i>Bond Issuance Costs and Fees</i>	--	626,077	900	626,977
0081	<i>Capital Outlay</i>	--	--	71,414	71,414
6030	Total Expenditures	<u>6,413,789</u>	<u>2,769,553</u>	<u>542,814</u>	<u>9,726,156</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>332,419</u>	<u>(152,597)</u>	<u>(268,197)</u>	<u>(88,375)</u>
Other Financing Sources and (Uses):					
7911	<i>Capital-Related Debt Issued (Regular Bonds)</i>	--	26,622,261	--	26,622,261
7915	<i>Transfers In</i>	156,628	--	--	156,628
7916	<i>Premium or Discount on Issuance of Bonds</i>	--	9,446,065	--	9,446,065
8949	<i>Other Uses</i>	--	(35,690,061)	--	(35,690,061)
7080	Total Other Financing Sources and (Uses)	<u>156,628</u>	<u>378,265</u>	<u>--</u>	<u>534,893</u>
1200	Net Change in Fund Balances	<u>489,047</u>	<u>225,668</u>	<u>(268,197)</u>	<u>446,518</u>
0100	Fund Balances - Beginning	544,062	835,845	1,041,534	2,421,441
1300	Prior Period Adjustment	324,160	--	--	324,160
	Fund Balances - Beginning, as Restated	868,222	835,845	1,041,534	2,745,601
3000	Fund Balances - Ending	<u>\$ 1,357,269</u>	<u>\$ 1,061,513</u>	<u>\$ 773,337</u>	<u>\$ 3,192,119</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	211 Title I, Part A Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	226 IDEAB Discretionary Residential	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 85,484	\$ 60,581	\$ 2,402	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	206,148	217,765	8,008	57,745
1260	Due from Other Funds	9,703	8,008	--	--
1000	Total Assets	<u>\$ 301,335</u>	<u>\$ 286,354</u>	<u>\$ 10,410</u>	<u>\$ 57,745</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2160	Accrued Wages Payable	\$ 38,795	\$ 53,705	\$ 2,402	\$ --
2170	Due to Other Funds	262,540	232,649	8,008	57,745
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>301,335</u>	<u>286,354</u>	<u>10,410</u>	<u>57,745</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 301,335</u>	<u>\$ 286,354</u>	<u>\$ 10,410</u>	<u>\$ 57,745</u>



240 National School Breakfast/Lunch Program	242 Summer Food Service Program	244 Perkins V: Strengthen. CTE for 21st Century	255 Title II, Part A Supp. Effective Instruction	263 Title III, Part A - ELA
\$ 194,010	\$ 341,662	\$ --	\$ 529	\$ 177
16,081	1	--	--	--
188,384	--	1,822	13,401	3,751
--	--	--	--	--
<u>\$ 398,475</u>	<u>\$ 341,663</u>	<u>\$ 1,822</u>	<u>\$ 13,930</u>	<u>\$ 3,928</u>
\$ 50,048	\$ --	\$ --	\$ 5,394	\$ 725
--	--	1,822	8,536	3,203
52,402	--	--	--	--
<u>102,450</u>	<u>--</u>	<u>1,822</u>	<u>13,930</u>	<u>3,928</u>
--	--	--	--	--
296,025	341,663	--	--	--
--	--	--	--	--
<u>296,025</u>	<u>341,663</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 398,475</u>	<u>\$ 341,663</u>	<u>\$ 1,822</u>	<u>\$ 13,930</u>	<u>\$ 3,928</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	266 Education Stabilization Fund (ESSER)	272 MAC Program	276 Instructional Continuity	282 American Rescue Plan (ESSER III)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 19,624
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	--	--	231,318
1260	Due from Other Funds	--	--	--	--
1000	Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 250,942</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2160	Accrued Wages Payable	\$ --	\$ --	\$ --	\$ 19,624
2170	Due to Other Funds	--	--	--	231,318
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>250,942</u>
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 250,942</u>

289 Title IV, Part A, Subpart 1	385 Supplemental Visually Impaired	392 Non-Educational Community- Based Support	410 State Textbook	429 State Funded Special Revenue
\$ --	\$ 431	\$ --	\$ 2,353	\$ --
--	--	--	--	--
8,354	--	--	--	--
--	--	--	--	--
<u>\$ 8,354</u>	<u>\$ 431</u>	<u>\$ --</u>	<u>\$ 2,353</u>	<u>\$ --</u>
\$ 1,854	\$ 431	\$ --	\$ 2,353	\$ --
6,500	--	--	--	--
--	--	--	--	--
<u>8,354</u>	<u>431</u>	<u>--</u>	<u>2,353</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 8,354</u>	<u>\$ 431</u>	<u>\$ --</u>	<u>\$ 2,353</u>	<u>\$ --</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	489 <u>Athletic Activity</u>	490 <u>BHS Campus Activity</u>	491 <u>BMS Campus Activity</u>	492 <u>KES Campus Activity</u>
<b>ASSETS:</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 233,428	\$ 107,047	\$ 51,309	\$ 27,199
1120 <i>Current Investments</i>	--	5,727	22,398	--
1240 <i>Due from Other Governments</i>	--	--	--	--
1260 <i>Due from Other Funds</i>	--	--	--	--
1000 Total Assets	<u>\$ 233,428</u>	<u>\$ 112,774</u>	<u>\$ 73,707</u>	<u>\$ 27,199</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2160 <i>Accrued Wages Payable</i>	\$ --	\$ --	\$ --	\$ --
2170 <i>Due to Other Funds</i>	--	--	--	--
2300 <i>Unearned Revenue</i>	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 <i>Inventories</i>	--	--	--	--
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--	--
3490 <i>Other Restrictions of Fund Balance</i>	<u>233,428</u>	<u>112,774</u>	<u>73,707</u>	<u>27,199</u>
3000 Total Fund Balances	<u>233,428</u>	<u>112,774</u>	<u>73,707</u>	<u>27,199</u>
4000 Total Liabilities and Fund Balances	<u>\$ 233,428</u>	<u>\$ 112,774</u>	<u>\$ 73,707</u>	<u>\$ 27,199</u>

493	494	495	496	497
AES Campus Activity	BES Campus Activity	Leap Campus Activity	BJHS Campus Activity	Legacy Field Campaign
\$ 70,729	\$ 108,425	\$ 1,748	\$ 50,865	\$ 7,301
--	--	--	--	--
--	--	--	--	--
<u>70,729</u>	<u>108,425</u>	<u>1,748</u>	<u>50,865</u>	<u>7,301</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>70,729</u>	<u>108,425</u>	<u>1,748</u>	<u>50,865</u>	<u>7,301</u>
<u>70,729</u>	<u>108,425</u>	<u>1,748</u>	<u>50,865</u>	<u>7,301</u>
\$ <u>70,729</u>	\$ <u>108,425</u>	\$ <u>1,748</u>	\$ <u>50,865</u>	\$ <u>7,301</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	498 Early Childhood Learning Center	499 Scholarships	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 3,412	\$ 22,529	\$ 1,391,245
1120	Current Investments	--	7,464	51,671
1240	Due from Other Governments	--	--	936,696
1260	Due from Other Funds	--	--	17,711
1000	Total Assets	<u>\$ 3,412</u>	<u>\$ 29,993</u>	<u>\$ 2,397,323</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2160	Accrued Wages Payable	\$ --	\$ --	\$ 175,331
2170	Due to Other Funds	--	--	812,321
2300	Unearned Revenue	--	--	52,402
2000	Total Liabilities	<u>--</u>	<u>--</u>	<u>1,040,054</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410	Inventories	--	--	--
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	637,688
3490	Other Restrictions of Fund Balance	3,412	29,993	719,581
3000	Total Fund Balances	<u>3,412</u>	<u>29,993</u>	<u>1,357,269</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,412</u>	<u>\$ 29,993</u>	<u>\$ 2,397,323</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

Data Control Codes	211 Title I, Part A Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	226 IDEAB Discretionary Residential
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	1,081,983	941,597	36,569	273,880
5020 <b>Total Revenues</b>	<u>1,081,983</u>	<u>941,597</u>	<u>36,569</u>	<u>273,880</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	837,922	295,954	36,569	148,913
0012 <i>Instructional Resources and Media Services</i>	926	--	--	--
0013 <i>Curriculum and Staff Development</i>	206,981	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	645,643	--	17,642
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	107,325
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0061 <i>Community Services</i>	36,154	--	--	--
6030 <b>Total Expenditures</b>	<u>1,081,983</u>	<u>941,597</u>	<u>36,569</u>	<u>273,880</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	--	--	--	--
1300 <b>Prior Period Adjustment</b>	--	--	--	--
Fund Balances - Beginning, as Restated	--	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



240 National School Breakfast/Lunch Program	242 Summer Food Service Program	244 Perkins V: Strengthen. CTE for 21st Century	255 Title II, Part A Supp. Effective Instruction	263 Title III, Part A - ELA
\$ 88,468	\$ 107,626	\$ --	\$ --	\$ --
--	12,284	--	--	--
727,140	1,794,680	58,526	170,947	60,627
<u>815,608</u>	<u>1,914,590</u>	<u>58,526</u>	<u>170,947</u>	<u>60,627</u>
--	--	58,526	135,102	60,387
--	--	--	--	--
--	--	--	35,845	240
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
658,782	1,570,632	--	--	--
--	--	--	--	--
1,190	2,295	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>659,972</u>	<u>1,572,927</u>	<u>58,526</u>	<u>170,947</u>	<u>60,627</u>
155,636	341,663	--	--	--
--	--	--	--	--
<u>155,636</u>	<u>341,663</u>	--	--	--
140,389	--	--	--	--
--	--	--	--	--
140,389	--	--	--	--
<u>\$ 296,025</u>	<u>\$ 341,663</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

Data Control Codes	266 Education Stabilization Fund (ESSER)	272 MAC Program	276 Instructional Continuity	282 American Rescue Plan (ESSER III)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	468,874	20,253	17,844	231,318
5020 <b>Total Revenues</b>	<u>468,874</u>	<u>20,253</u>	<u>17,844</u>	<u>231,318</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	99,484	--	17,844	85,350
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	--	--	28,584
0021 <i>Instructional Leadership</i>	--	--	--	8,000
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	72,246
0032 <i>Social Work Services</i>	--	--	--	21,588
0033 <i>Health Services</i>	20,528	20,253	--	11,622
0034 <i>Student Transportation</i>	276,531	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	72,331	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	3,928
0061 <i>Community Services</i>	--	--	--	--
6030 <b>Total Expenditures</b>	<u>468,874</u>	<u>20,253</u>	<u>17,844</u>	<u>231,318</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	--	--	--	--
0100 <b>Fund Balances - Beginning</b>	--	--	--	--
1300 <b>Prior Period Adjustment</b>	--	--	--	--
Fund Balances - Beginning, as Restated	--	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

289 Title IV, Part A, Subpart 1	385 Supplemental Visually Impaired	392 Non-Educational Community-Based Support	410 State Textbook	429 State Funded Special Revenue
\$ --	\$ --	\$ --	\$ --	\$ --
--	4,875	1,275	196,699	442
75,994	--	--	--	--
<u>75,994</u>	<u>4,875</u>	<u>1,275</u>	<u>196,699</u>	<u>442</u>
25,074	4,875	--	334,718	--
--	--	--	--	37
5,044	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	1,275	--	--
--	--	--	--	--
--	--	--	--	--
10,462	--	--	--	405
--	--	--	39,076	--
35,414	--	--	--	--
<u>75,994</u>	<u>4,875</u>	<u>1,275</u>	<u>373,794</u>	<u>442</u>
--	--	--	(177,095)	--
--	--	--	156,628	--
--	--	--	156,628	--
--	--	--	(20,467)	--
--	--	--	20,467	--
--	--	--	--	--
--	--	--	20,467	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	489 Athletic Activity	490 BHS Campus Activity	491 BMS Campus Activity	492 KES Campus Activity
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ 184,035	\$ 91,042	\$ 17,995	\$ 5,111
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>184,035</u>	<u>91,042</u>	<u>17,995</u>	<u>5,111</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	1,188	7,519	9,058
0012 Instructional Resources and Media Services	--	--	4,815	1,366
0013 Curriculum and Staff Development	--	--	--	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	43,974	2,425	--
0031 Guidance, Counseling, and Evaluation Services	--	187	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	180,374	31,603	5,626	--
0051 Facilities Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>180,374</u>	<u>76,952</u>	<u>20,385</u>	<u>10,424</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>3,661</u>	<u>14,090</u>	<u>(2,390)</u>	<u>(5,313)</u>
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>3,661</u>	<u>14,090</u>	<u>(2,390)</u>	<u>(5,313)</u>
0100 Fund Balances - Beginning	--	72,536	52,943	32,512
1300 Prior Period Adjustment	229,767	26,148	23,154	--
Fund Balances - Beginning, as Restated	229,767	98,684	76,097	32,512
3000 Fund Balances - Ending	<u>\$ 233,428</u>	<u>\$ 112,774</u>	<u>\$ 73,707</u>	<u>\$ 27,199</u>

493	494	495	496	497
AES Campus Activity	BES Campus Activity	Leap Campus Activity	BJHS Campus Activity	Legacy Field Campaign
\$ 21,262	\$ 44,807	\$ --	\$ 4,510	\$ --
--	--	--	--	--
--	--	--	--	--
<u>21,262</u>	<u>44,807</u>	<u>--</u>	<u>4,510</u>	<u>--</u>
2,071	860	--	105	--
51	--	--	67	--
--	--	--	--	--
--	--	--	--	--
1,741	11,472	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
12,170	39,095	--	199	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>16,033</u>	<u>51,427</u>	<u>--</u>	<u>371</u>	<u>--</u>
5,229	(6,620)	--	4,139	--
--	--	--	--	--
--	--	--	--	--
<u>5,229</u>	<u>(6,620)</u>	<u>--</u>	<u>4,139</u>	<u>--</u>
57,103	110,403	1,748	44,469	7,301
8,397	4,642	--	2,257	--
65,500	115,045	1,748	46,726	7,301
<u>\$ 70,729</u>	<u>\$ 108,425</u>	<u>\$ 1,748</u>	<u>\$ 50,865</u>	<u>\$ 7,301</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	498 Early Childhood Learning Center	499 Scholarships	Total Nonmajor Special Revenue Funds (See Exhibit H-2)	
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 67	\$ 5,478	\$ 570,401
5800	State Program Revenues	--	--	215,575
5900	Federal Program Revenues	--	--	5,960,232
5020	Total Revenues	<u>67</u>	<u>5,478</u>	<u>6,746,208</u>
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	846	--	2,162,365
0012	Instructional Resources and Media Services	--	--	7,262
0013	Curriculum and Staff Development	--	--	276,694
0021	Instructional Leadership	--	--	8,000
0023	School Leadership	--	--	59,612
0031	Guidance, Counseling, and Evaluation Services	--	--	735,718
0032	Social Work Services	--	--	21,588
0033	Health Services	--	--	53,678
0034	Student Transportation	--	--	383,856
0035	Food Service	--	--	2,229,414
0036	Cocurricular/Extracurricular Activities	--	5,280	274,347
0051	Facilities Maintenance and Operations	--	--	75,816
0052	Security and Monitoring Services	--	--	10,867
0053	Data Processing Services	--	--	43,004
0061	Community Services	--	--	71,568
6030	Total Expenditures	<u>846</u>	<u>5,280</u>	<u>6,413,789</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(779)</u>	<u>198</u>	<u>332,419</u>
Other Financing Sources and (Uses):				
7915	Transfers In	--	--	156,628
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>156,628</u>
1200	Net Change in Fund Balances	<u>(779)</u>	<u>198</u>	<u>489,047</u>
0100	Fund Balances - Beginning	4,191	--	544,062
1300	Prior Period Adjustment	--	29,795	324,160
	Fund Balances - Beginning, as Restated	4,191	29,795	868,222
3000	Fund Balances - Ending	<u>\$ 3,412</u>	<u>\$ 29,993</u>	<u>\$ 1,357,269</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

AUGUST 31, 2021

Data Control Codes	751 Transportation Fund	770 Culinary Arts Program	798 Contracted Services	Total Internal Service Funds (See Exhibit D-1)
<b>ASSETS:</b>				
Current Assets:				
1110 <i>Cash and Cash Equivalents</i>	\$ 17,980	\$ 26,581	\$ --	\$ 44,561
	<u>17,980</u>	<u>26,581</u>	<u>--</u>	<u>44,561</u>
1000 Total Assets	<u>17,980</u>	<u>26,581</u>	<u>--</u>	<u>44,561</u>
<b>LIABILITIES:</b>				
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>NET POSITION:</b>				
3800 <i>Restricted</i>	17,980	\$ 26,581	\$ --	\$ 44,561
3000 Total Net Position	<u>\$ 17,980</u>	<u>\$ 26,581</u>	<u>\$ --</u>	<u>\$ 44,561</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	751 Transportation Fund	770 Culinary Arts Program	798 Contracted Services	Total Internal Service Funds (See Exhibit D-2)
<b>OPERATING REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 5,909	\$ 56,975	\$ 581,580	\$ 644,464
5020 Total Revenues	<u>5,909</u>	<u>56,975</u>	<u>581,580</u>	<u>644,464</u>
<b>OPERATING EXPENSES:</b>				
6100 <i>Payroll Costs</i>	--	--	581,580	581,580
6200 <i>Professional and Contracted Services</i>	2,911	--	--	2,911
6300 <i>Supplies and Materials</i>	2,110	57,962	--	60,072
6030 Total Expenses	<u>5,021</u>	<u>57,962</u>	<u>581,580</u>	<u>644,563</u>
1300 Change in Net Position	888	(987)	--	(99)
0100 Total Net Position - Beginning	17,092	2,250	--	19,342
Prior Period Adjustment	--	25,318	--	25,318
Total Net Position - Beginning, as Restated	17,092	27,568	--	44,660
3300 Total Net Position - Ending	<u>\$ 17,980</u>	<u>\$ 26,581</u>	<u>\$ --</u>	<u>\$ 44,561</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	751	770	798	Total Internal Service Funds (See Exhibit D-3)
	Transportation Fund	Culinary Arts Program	Contracted Services	
<b>Cash Flows from Operating Activities:</b>				
<i>Operating Transactions with Other Funds</i>	\$ 5,909	\$ 56,975	\$ --	\$ 62,884
<i>Receipts from Other Governments</i>	--	--	581,580	581,580
<i>Cash Payments to Employees for Services</i>	(5,021)	(57,962)	(581,580)	(644,563)
Net Cash Provided (Used) by Operating Activities	<u>888</u>	<u>(987)</u>	<u>--</u>	<u>(99)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	888	(987)	--	(99)
Cash and Cash Equivalents at Beginning of Year	17,092	27,568	--	44,660
Cash and Cash Equivalents at End of Year	<u>\$ 17,980</u>	<u>\$ 26,581</u>	<u>\$ --</u>	<u>\$ 44,561</u>
<b>Reconciliation of Operating Income to (Loss) Net Cash     Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ 888	\$ (987)	\$ --	\$ (99)
Net Cash Provided (Used) by Operating Activities	<u>\$ 888</u>	<u>\$ (987)</u>	<u>\$ --</u>	<u>\$ (99)</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF FIDUCIARY FUNDS

FIDUCIARY FUNDS

AUGUST 31, 2021

Data Control Codes	Custodial Funds			
	890 Brenham High School Activity	891 Brenham Middle School Activity	892 Brenham Junior High Activity	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 174,491	\$ 11,188	\$ 27,553
1120	Current Investments	--	--	--
1243	Due from Other Governments	--	--	--
1260	Due from Other Funds	36,522	--	--
1000	Total Assets	<u>211,013</u>	<u>11,188</u>	<u>27,553</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	--	--	--
2000	Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<b>NET POSITION:</b>				
3800	Restricted for Individuals and Organizations	211,013	11,188	27,553
3000	Total Net Position	<u>\$ 211,013</u>	<u>\$ 11,188</u>	<u>\$ 27,553</u>

Custodial Funds	
896 Washington County Appraisal District	Total Custodial Funds (See Exhibit E-1)
\$ 348,089	\$ 561,321
11	11
526	526
--	36,522
<u>348,626</u>	<u>598,380</u>
<u>15,046</u>	<u>15,046</u>
<u>15,046</u>	<u>15,046</u>
333,580	583,334
<u>\$ 333,580</u>	<u>\$ 583,334</u>

**BREHAM INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIUDICARY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Funds		
	890 Brenham High School Activity	891 Brenham Middle School Activity	892 Brenham Junior High Activity
<b>Additions:</b>			
Concession Sales	\$ 4,017	\$ --	\$ --
Fees and Dues	28,212	--	10,182
Fundraising	371,751	1,407	80,818
Interest	--	--	--
Taxing Jurisdiction Assessments	--	--	--
Total Additions	<u>403,980</u>	<u>1,407</u>	<u>91,000</u>
<b>Deductions:</b>			
Fees and Dues	11,458	--	770
Fundraising Expenses	364,650	4,560	102,426
Contracted Services	--	--	--
Rent and Utilities	--	--	--
Supplies	--	--	--
Miscellaneous	--	--	--
Total Deductions	<u>376,108</u>	<u>4,560</u>	<u>103,196</u>
<b>Change in Net Position</b>	27,872	(3,153)	(12,196)
Net Position-Beginning of the Year	--	--	--
Prior Period Adjustment	183,141	14,341	39,749
Net Position-Beginning of the Year, as Restated	183,141	14,341	39,749
Net Position-End of the Year	<u>\$ 211,013</u>	<u>\$ 11,188</u>	<u>\$ 27,553</u>



Custodial Funds	
896 Washington County Appraisal District	Total Custodial Funds (See Exhibit E-2)
\$ --	\$ 4,017
3,046	41,440
--	453,976
5,395	5,395
<u>329,914</u>	<u>329,914</u>
<u>338,355</u>	<u>834,742</u>
--	12,228
--	471,636
162,350	162,350
30,164	30,164
98,214	98,214
10,679	10,679
<u>301,407</u>	<u>785,271</u>
36,948	49,471
--	--
296,632	533,863
296,632	533,863
<u>\$ 333,580</u>	<u>\$ 583,334</u>

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### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2021*

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2012 and Prior Years	Various	Various	Various
2013	\$ 1.0200	\$ .1150	\$ 2,096,344,914
2014	\$ 1.0200	\$ .1150	\$ 2,096,344,914
2015	\$ 1.0333	\$ .1017	\$ 2,282,354,509
2016	\$ 1.0333	\$ .1017	\$ 2,407,551,894
2017	\$ 1.0400	\$ .0950	\$ 2,468,576,204
2018	\$ 1.0400	\$ .0850	\$ 2,642,240,882
2019	\$ 1.0400	\$ .0850	\$ 2,775,699,200
2020	\$ 0.9700	\$ .0800	\$ 3,004,589,052
2021 (School Year Under Audit)	\$ 0.9658	\$ .0800	\$ 3,168,626,410

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 263,732	\$ --	\$ 14,641	\$ 2,031	\$ (15,744)	\$ 231,316
53,964	--	(17,748)	(2,001)	(28,737)	44,976
84,272	--	10,828	1,221	(231)	71,992
102,966	--	10,307	1,014	(3,440)	88,205
120,527	--	18,138	1,785	(1,200)	99,404
167,439	--	29,393	2,685	(94)	135,267
260,004	--	51,890	4,241	(127)	203,746
375,795	--	94,704	7,740	(639)	272,712
565,703	--	177,802	14,664	(42,865)	330,372
--	33,137,495	30,133,087	2,496,010	--	508,398
<u>\$ 1,994,402</u>	<u>\$ 33,137,495</u>	<u>\$ 30,523,042</u>	<u>\$ 2,529,390</u>	<u>\$ (93,077)</u>	<u>\$ 1,986,388</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 529,875	\$ 82,253	\$ 88,648	\$ (6,395)
5800	State Program Revenues	9,000	--	--	--
5900	Federal Program Revenues	1,458,668	765,972	727,140	38,832
5020	Total Revenues	<u>1,997,543</u>	<u>848,225</u>	<u>815,788</u>	<u>32,437</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	2,130,769	712,214	658,782	53,432
	Total Support Services - Student (Pupil)	<u>2,130,769</u>	<u>712,214</u>	<u>658,782</u>	<u>53,432</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	2,588	1,575	1,190	385
	Total Support Services - Nonstudent Based	<u>2,588</u>	<u>1,575</u>	<u>1,190</u>	<u>385</u>
6030	Total Expenditures	<u>2,133,356</u>	<u>713,789</u>	<u>659,972</u>	<u>53,817</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(135,813)</u>	<u>134,436</u>	<u>155,816</u>	<u>(21,380)</u>
1200	Net Change in Fund Balance	<u>(135,813)</u>	<u>134,436</u>	<u>155,816</u>	<u>(21,380)</u>
0100	Fund Balance - Beginning	140,389	140,389	140,389	--
3000	Fund Balance - Ending	<u>\$ 4,576</u>	<u>\$ 274,825</u>	<u>\$ 296,205</u>	<u>\$ (21,380)</u>

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 2,440,047	\$ 2,440,047	\$ 2,565,195	\$ 125,148
5800	State Program Revenues	52,656	52,656	51,761	(895)
5020	Total Revenues	<u>2,492,703</u>	<u>2,492,703</u>	<u>2,616,956</u>	<u>124,253</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	1,229,832	1,334,832	1,332,319	2,513
0072	Interest on Long-Term Debt	1,143,682	1,038,682	811,157	227,525
0073	Bond Issuance Costs and Fees	5,000	380,377	626,077 *	(245,700)
	Total Debt Service	<u>2,378,514</u>	<u>2,753,891</u>	<u>2,769,553</u>	<u>(15,662)</u>
6030	Total Expenditures	<u>2,378,514</u>	<u>2,753,891</u>	<u>2,769,553</u>	<u>108,591</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>114,189</u>	<u>(261,188)</u>	<u>(152,597)</u>	<u>15,662</u>
Other Financing Sources (Uses):					
7911	Capital-Related Debt Issued (Regular Bonds)	--	26,622,261	26,622,261	--
7916	Premium or Discount on Issuance of Bonds	--	9,446,066	9,446,065	(1)
8949	Other Uses	--	(35,690,061)	(35,690,061)	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>378,266</u>	<u>378,265</u>	<u>(1)</u>
1200	Net Change in Fund Balance	<u>114,189</u>	<u>117,078</u>	<u>225,668</u>	<u>15,661</u>
0100	Fund Balance - Beginning	835,845	835,845	835,845	--
3000	Fund Balance - Ending	<u>\$ 950,034</u>	<u>\$ 952,923</u>	<u>\$ 1,061,513</u>	<u>\$ 15,661</u>

\*Expenditures exceeded appropriations at the legal level of control.

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
*USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM*  
*AS OF AUGUST 31, 2021*

Data Control Codes		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District 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.	\$ 4,455,368
AP4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 2,678,734
<b><u>Section B: Bilingual Education Programs</u></b>		
AP5	Did your District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District 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 District's fiscal year.	\$ 323,734
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 213,413

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*Federal Awards and Other Compliance Section*

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**INDEPENDENT AUDITORS' 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  
Brenham Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Brenham Independent School District (the "District"), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 2, 2022.

**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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
February 2, 2022



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of  
Brenham Independent School District:

### **Report on Compliance for Each Major Federal Program**

We have audited Brenham Independent School District's (the "District") 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 August 31, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

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

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

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

In our opinion, the District complied, in all material respects, with the 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 August 31, 2021.

## **Report on Internal Control over Compliance**

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

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

Our consideration of 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
February 2, 2022



**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*FOR THE YEAR ENDED AUGUST 31, 2021*

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?  Yes  No

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, and 10.579	Child Nutrition Cluster
84.424D	COVID-19 Education Stabilization Fund (ESSER)
84.424D	COVID-19 ESSER PNP
84.425D	COVID-19 Prior Purchase Reimbursement Program (PPRP)
84.425D	COVID-19 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) ESSER II
84.425U	COVID-19 American Rescue Plan (ARP) ESSER III

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED AUGUST 31, 2021*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
NONE NOTED		

**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass- Through Entity Identifying Number	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	806780706	\$ 85,140
National School Lunch Program	10.555	806780706	424,271
Summer Feeding Program	10.559	01118	1,585,998
Total Passed Through State Department of Education			2,095,409
Direct Program:			
COVID-19 Child Nutrition Program Emergency Operational Costs (EOC)	10.555	806780706	154,106
Direct Program:			
2020 National School Lunch Program Equipment Assistance Grant	10.579	6TX300355	3,355
2018 National School Lunch Program Equipment Assistance Grant	10.579	6TX300355	57,100
Total AL Number 10.579			60,455
Total U. S. Department of Agriculture			2,309,970
Total Child Nutrition Cluster			2,309,970
<b>FOOD DISTRIBUTION CLUSTER:</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Commodity Supplemental Food Program	10.565	806780706	198,514
Total U. S. Department of Agriculture			198,514
Total Food Distribution Cluster			198,514
<u>U. S. Department of Agriculture</u>			
Passed Through Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	806780706	11,156
Commodity Storage Delivery	10.560	01118	2,180
Total Passed Through Texas Department of Agriculture			13,336
Total U. S. Department of Agriculture			13,336
<b>MEDICAID CLUSTER:</b>			
<u>U. S. Department of Health and Human Services</u>			
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900203	20,253
COVID-19 Provider Relief Fund	93.498	239-901	2,435
Total Passed Through Texas Health and Human Services Commission			22,688
Total U.S. Department of Health and Human Services			22,688
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	239-901	83,109
Total U.S. Department of Defense			83,109

**BRENHAM INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal AL Number	(2A) Pass- Through Entity Identifying Number	(3) Federal Expenditures
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>IDEA-Part B, Formula</i>	84.027A	216600012399016600	\$ 723,832
<i>IDEA-Part B, Formula</i>	84.027A	226600012399016600	217,765
<i>IDEA-Part B, Discretionary</i>	84.027A	216600122399016677	57,745
<i>High Cost Fund</i>	84.027A	66002106	195,135
Passed Through Education Service Center, Region 20			
<i>Special Education Fiscal Support Round 2 Performance</i>	84.027A	82693	21,000
Total AL Number 84.027A			<u>1,215,477</u>
<i>IDEA - B Preschool</i>	84.173A	206610012399016610	6,071
<i>IDEA - B Preschool</i>	84.173A	216610012399016610	22,490
<i>IDEA - B Preschool</i>	84.173A	226610012399016610	8,008
Total AL Number 84.173A			<u>36,569</u>
Total Passed Through State Department of Education			<u>1,231,046</u>
Total Passed Through Education Service Center, Region 20			<u>21,000</u>
Total U. S. Department of Education			<u>1,252,046</u>
Total Special Education (IDEA) Cluster			<u>1,252,046</u>
<b>OTHER PROGRAMS:</b>			
<u>U. S. Department of the Treasury</u>			
Passed Through Texas Division of Emergency Management:			
<i>COVID-19 Coronavirus Relief Act (CRF)</i>	21.019	2020-CF-21019	14,779
Total Passed Through Texas Division of Emergency Management			<u>14,779</u>
Total U. S. Department of the Treasury			<u>14,779</u>
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>Title I, Part A Improving Basic Programs</i>	84.424A	20680101239901	77,599
<i>Title I, Part A Improving Basic Programs</i>	84.424A	21680101239901	907,271
Title I, Part A Improving Basic Programs		22680101239901	97,113
Total AL Number 84.010A			<u>1,081,983</u>
<i>Perkins V: Strengthening CTE for 21st Century</i>	84.048A	2142006239901	58,526
<i>Title III, Part A-English Language Acquisition and Language Enhancement</i>	84.365A	20671001239901	13,319
<i>Title III, Part A-English Language Acquisition and Language Enhancement</i>	84.365A	21671001239901	44,270
<i>Title III, Part A-English Language Acquisition and Language Enhancement</i>	84.365A	22671001239901	3,038
Total AL Number 84.365A			<u>60,627</u>
<i>Title II, Part A Supporting Effective Instruction</i>	84.367A	20694501239901	7,746
<i>Title II, Part A Supporting Effective Instruction</i>	84.367A	21694501239901	154,665
<i>Title II, Part A-Supporting Effective Instruction</i>	84.367A	22694501239901	8,536
Total CFDA Number 84.367A			<u>170,947</u>
<i>Instructional Continuity</i>	84.377A	17610740239901	17,844
<i>Title IV, Part A, Subpart 1</i>	84.424A	20680101239901	15,369
<i>Title IV, Part A, Subpart 1</i>	84.424A	21680101239901	55,092
<i>Title IV, Part A, Subpart 1</i>	84.424A	22680101239901	3,098
Total AL Number 84.424A			<u>73,559</u>

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**BRENHAM INDEPENDENT SCHOOL DISTRICT***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**FOR THE YEAR ENDED AUGUST 31, 2021***EXHIBIT K-1**

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal AL Number	(2A) Pass- Through Entity Identifying Number	(3) Federal Expenditures
<i>COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)</i>	84.425D	20521001239901	\$ 457,966
<i>COVID-19 ESSER PNP</i>	84.425D	52102012	10,908
<i>COVID-19 CRRSA ESSER II</i>	84.425D	21521001239901	2,256,004
<i>COVID-19 Prior Purchase Reimbursement Program (PPRP)</i>	84.425D	52102135	83,348
Total AL Number 84.425D			<u>2,808,226</u>
<i>COVID-19 American Rescue Plan (ARP) - ESSER I III</i>	84.425U	21528001239901	231,818
Total Passed Through State Department of Education			<u>7,829,485</u>
Total U. S. Department of Education			<u>7,850,485</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 8,397,472</u></u>
		Federal Revenues per SEFA	\$ 8,397,472
		General Fund SHARS	784,704
		Total Revenue per Exhibit C-2	<u><u>\$ 9,182,176</u></u>

The accompanying notes are an integral part of this schedule.

**BRENHAM INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*FOR THE YEAR ENDED AUGUST 31, 2021*

Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District. The information in the SEFA 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"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Prior Year Expenditures

Expenditures in the amount of \$14,779 related to the federal grant program, Coronavirus Relief Fund, Assistance Listing number 21.019, were incurred in the prior year, however, approval was not provided by the granting agency until fiscal year 2021. Accordingly, these expenditures have been listed on the fiscal year SEFA.

Donated Personal Protective Equipment (unaudited)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The District estimates the value of donated PPE to be \$2,730 during the reporting year.



**BRENHAM INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2021

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the District make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the District was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the District is considered <b>to not have made</b> timely payments.)  Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the District issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the District is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the District post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws, and rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the District adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end	\$ 8,933,757

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