



BRENHAM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2023



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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 report of the above-named school district is reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2023, at a meeting of the Board of Trustees of such school district on the 22nd day of January, 2024.

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
Brenham Independent School District
Brenham, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise Brenham Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Brenham Independent School District, as of August 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brenham Independent School District's basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023. It should be read in conjunction with the District's financial statements.

Financial Highlights

- The District's total combined net position at August 31, 2023 was a deficit of \$5,537,020.
- For the year, the District's general fund reported a total fund balance of \$7,542,335, of which \$49,958 is nonspendable for inventories and prepaid items, \$4,580,194 is assigned for subsequent year's budget, and \$2,912,183 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 fund) reported a combined ending fund balance of \$11,892,813.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic 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 nonfinancial 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.

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 fiduciary 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

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$5,514,472 at the close of the most recent fiscal year.

BRENHAM INDEPENDENT SCHOOL DISTRICT NET POSITION						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 18,846,339	\$ 21,621,918	\$ (13,183)	\$ 10,212	\$ 18,833,156	\$ 21,632,130
Capital assets	60,418,191	54,535,727	-	-	60,418,191	54,535,727
Total assets	<u>79,264,530</u>	<u>76,157,645</u>	<u>(13,183)</u>	<u>10,212</u>	<u>79,251,347</u>	<u>76,167,857</u>
Deferred outflows of resources	12,600,895	7,590,040	-	-	12,600,895	7,590,040
Current liabilities	5,560,413	2,885,004	9,365	1,384	5,569,778	2,886,388
Long-term liabilities	75,251,292	67,026,653	-	8,828	75,251,292	67,035,481
Total liabilities	<u>80,811,705</u>	<u>69,911,657</u>	<u>9,365</u>	<u>10,212</u>	<u>80,821,070</u>	<u>69,921,869</u>
Deferred inflows of resources	16,568,192	17,845,940	-	-	16,568,192	17,845,940
Net position:						
Net investment in capital assets	8,195,494	7,045,263	-	-	8,195,494	7,045,263
Restricted	3,584,227	3,786,281	-	-	3,584,227	3,786,281
Unrestricted	(17,294,193)	(14,841,456)	(22,548)	-	(17,316,741)	(14,841,456)
Total net position	<u>\$ (5,514,472)</u>	<u>\$ (4,009,912)</u>	<u>\$ (22,548)</u>	<u>\$ -</u>	<u>\$ (5,537,020)</u>	<u>\$ (4,009,912)</u>

A large portion of the District's deficit net position, \$8,195,494, reflects the District's net investment in capital assets (e.g., land, buildings, furniture and equipment, and accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$3,584,227, represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$17,316,741, is a deficit. This is not an indication that the District has insufficient resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

BRENHAM INDEPENDENT SCHOOL DISTRICT						
CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues:						
Charges for services	\$ 1,698,434	\$ 796,535	\$ 95,243	\$ 34,743	\$ 1,793,677	\$ 831,278
Operating grants and contributions	11,034,019	13,622,459	-	-	11,034,019	13,622,459
Capital grants and contributions	1,145,137	-	-	-	1,145,137	-
General revenues:						
Property taxes	39,815,480	34,380,094	-	-	39,815,480	34,380,094
Grants and contributions not restricted for specific programs	7,102,805	12,166,439	-	-	7,102,805	12,166,439
Investment earnings	1,033,150	203,072	-	-	1,033,150	203,072
Miscellaneous	394,205	562,083	-	-	394,205	562,083
Transfers	-	(35,352)	-	35,352	-	-
Total revenues	<u>62,223,230</u>	<u>61,695,330</u>	<u>95,243</u>	<u>70,095</u>	<u>62,318,473</u>	<u>61,765,425</u>
EXPENSES						
Instruction	32,325,930	34,836,116	-	-	32,325,930	34,836,116
Instructional resources and media services	570,553	606,358	-	-	570,553	606,358
Curriculum and staff development	631,906	838,504	-	-	631,906	838,504
Instructional leadership	892,787	982,027	-	-	892,787	982,027
School leadership	3,208,756	2,716,200	-	-	3,208,756	2,716,200
Guidance, counseling, and evaluation services	2,186,829	2,037,055	-	-	2,186,829	2,037,055
Social work services	97,295	102,314	-	-	97,295	102,314
Health services	820,924	984,145	-	-	820,924	984,145
Student transportation	3,089,052	2,796,169	-	-	3,089,052	2,796,169
Food service	3,458,072	2,742,453	-	-	3,458,072	2,742,453
Extracurricular activities	2,264,887	2,054,888	-	-	2,264,887	2,054,888
General administration	4,353,141	2,524,609	-	-	4,353,141	2,524,609
Facilities maintenance and operations	6,310,432	5,736,405	-	-	6,310,432	5,736,405
Security and monitoring services	1,210,942	775,347	-	-	1,210,942	775,347
Data processing services	1,887,973	1,085,617	-	-	1,887,973	1,085,617
Community services	137,903	82,238	117,791	70,095	255,694	152,333
Interest on long-term debt	269,778	357,170	-	-	269,778	357,170
Other intergovernmental charges	10,630	5,882	-	-	10,630	5,882
Total expenses	<u>63,727,790</u>	<u>61,263,497</u>	<u>117,791</u>	<u>70,095</u>	<u>63,845,581</u>	<u>61,333,592</u>
CHANGE IN NET POSITION	<u>(1,504,560)</u>	<u>431,833</u>	<u>(22,548)</u>	<u>-</u>	<u>(1,527,108)</u>	<u>431,833</u>
NET POSITION, BEGINNING	<u>(4,009,912)</u>	<u>(4,441,745)</u>	<u>-</u>	<u>-</u>	<u>(4,009,912)</u>	<u>(4,441,745)</u>
NET POSITION, ENDING	<u>\$ (5,514,472)</u>	<u>\$ (4,009,912)</u>	<u>\$ (22,548)</u>	<u>\$ -</u>	<u>\$ (5,537,020)</u>	<u>\$ (4,009,912)</u>

The District's net position decreased by \$1,527,108 from the prior fiscal year. This change is primarily due to an increase in expenses during the fiscal year that outpaced increases in revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year end August 31, 2023, the District's governmental funds reported a combined fund balance of \$11,892,813. This compares to a combined fund balance of \$17,464,690 at August 31, 2022. The fund balance in the general fund decreased primarily due to an increase in salaries, student transportation costs, and facilities maintenance and operations costs. The total combined revenue was \$64,073,306 this year compared to \$63,424,801 last year. The District's combined governmental funds revenue increased by \$648,505 due to an increase in property tax revenue as a result of increased appraised values. The District's combined governmental funds expenditures increased by \$11,015,114 due to increases in instruction; instructional leadership; guidance, counseling, and evaluation services; social work services; health services; student transportation; food service; cocurricular/extracurricular activities; general administration; facilities maintenance and operations, and long-term debt. Total expenditures were \$75,713,473 this year compared to \$64,698,359 last year.

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, 2023, 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 were less than budgeted revenues by \$134,814 due to less than anticipated state foundation revenue. Budgeted expenditures exceeded actual expenditures by \$23,115 due to budgeting more in instruction, cocurricular/extracurricular activities, and data processing services.

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 \$60,418,191 invested in capital assets (net of accumulated depreciation) such as land, construction in progress, buildings, vehicles, and District equipment. This total includes \$8,643,626 invested in land, buildings and improvements, equipment, and vehicles during the fiscal year ended August 31, 2023.

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 \$49,832,906 in general obligation bonds, financing arrangements, leases, and a loan outstanding versus \$47,333,249 last year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

HB 3 required public schools to lower its M & O tax rate.

For fiscal year 2024 Brenham ISD lowered its M & O Tax rate to \$.6893 from \$.8546. That is \$.1653 lower than fiscal year 2023. This might have a definite negative impact on the District's revenue in the amount of \$5,480,936 compared to the tax revenue in fiscal year 2023. The I & S rate remains the same at \$.08 for a combined tax rate of \$.7693.

The District adopted a negative budget in the amount of \$4,580,194. The District is working to reduce the deficit amount before the end of the fiscal year.

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.

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BASIC FINANCIAL STATEMENTS

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BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

AUGUST 31, 2023

Data Control Codes		Governmental Activities	Business-type Activities	Total
ASSETS				
1110	Cash and cash equivalents	\$ 4,898,248	\$ -	\$ 4,898,248
1120	Current Investments	11,694,461	-	11,694,461
1220	Property taxes receivable (delinquent)	2,021,908	-	2,021,908
1230	Allowance for uncollectible taxes	(471,062)	-	(471,062)
1240	Due from other governments	515,695	-	515,695
1260	Internal balances	13,183	(13,183)	-
1300	Inventory	163,882	-	163,882
1410	Prepays	10,018	-	10,018
1490	Other assets	6	-	6
	Capital assets:			
1510	Land	2,896,987	-	2,896,987
1520	Buildings and improvements, net	47,521,830	-	47,521,830
1530	Furniture and equipment, net	8,625,815	-	8,625,815
1550	Right to use equipment, net	<u>1,373,559</u>	<u>-</u>	<u>1,373,559</u>
1000	Total assets	<u>79,264,530</u>	<u>(13,183)</u>	<u>79,251,347</u>
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred charges on refunding	2,918	-	2,918
1705	Related to pensions	8,073,735	-	8,073,735
1706	Related to OPEB	<u>4,524,242</u>	<u>-</u>	<u>4,524,242</u>
1700	Total deferred outflows of resources	<u>12,600,895</u>	<u>-</u>	<u>12,600,895</u>
LIABILITIES				
2110	Accounts payable	204,275	952	205,227
2140	Interest payable	150,551	-	150,551
2165	Accrued liabilities	2,330,803	8,413	2,339,216
2300	Unearned revenue	2,874,784	-	2,874,784
	Noncurrent liabilities:			
	Due within one year:			
2501	Long-term debt	1,623,642	-	1,623,642
	Due in more than one year:			
2502	Long-term debt	48,209,264	-	48,209,264
2540	Net pension liability	16,305,044	-	16,305,044
2545	Net OPEB liability	<u>9,113,342</u>	<u>-</u>	<u>9,113,342</u>
2000	Total liabilities	<u>80,811,705</u>	<u>9,365</u>	<u>80,821,070</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Deferred gain on refunding	128,277	-	128,277
2605	Related to pensions	1,743,771	-	1,743,771
2606	Related to OPEB	<u>14,696,144</u>	<u>-</u>	<u>14,696,144</u>
2600	Total deferred inflows of resources	<u>16,568,192</u>	<u>-</u>	<u>16,568,192</u>
NET POSITION				
3200	Net investment in capital assets	8,195,494	-	8,195,494
	Restricted for:			
3820	Federal and state programs	1,042,570	-	1,042,570
3850	Debt service	1,596,960	-	1,596,960
3860	Capital projects	944,697	-	944,697
3900	Unrestricted (deficit)	<u>(17,294,193)</u>	<u>(22,548)</u>	<u>(17,316,741)</u>
3000	Total net position	<u>\$ (5,514,472)</u>	<u>\$ (22,548)</u>	<u>\$ (5,537,020)</u>

The accompanying notes are an integral part of this financial statement.

BRENHAM INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues 3 Charges for Services
	Primary government:		
	Governmental activities:		
11	Instruction	\$ 32,325,930	\$ 203,837
12	Instructional resources and media services	570,553	61,316
13	Curriculum and staff development	631,906	-
21	Instructional leadership	892,787	-
23	School leadership	3,208,756	42,888
31	Guidance, counseling, and evaluation services	2,186,829	20,552
32	Social work services	97,295	-
33	Health services	820,924	-
34	Student transportation	3,089,052	-
35	Food service	3,458,072	707,390
36	Extracurricular activities	2,264,887	619,338
41	General administration	4,353,141	-
51	Facilities maintenance and operations	6,310,432	43,113
52	Security and monitoring services	1,210,942	-
53	Data processing services	1,887,973	-
61	Community services	137,903	-
72	Interest on long-term debt	269,778	-
73	Bond issuance costs and fees	10,630	-
	[TG] Total governmental activities	<u>63,727,790</u>	<u>1,698,434</u>
	Business-Type Activities:		
01	Child Development Center	<u>117,791</u>	<u>95,243</u>
TB	Total Business-type Activities	<u>117,791</u>	<u>95,243</u>
	[TP] Total Primary Government	<u>\$ 63,845,581</u>	<u>\$ 1,793,677</u>
	General revenues:		
	Taxes:		
MT	Property taxes, levied for general purposes		
DT	Property taxes, levied for debt service		
IE	Investment earnings		
GC	Grants and contributions not restricted to specific programs		
MI	Miscellaneous		
TR	Total general revenues		
CN	Change in net position		
NB	Net position, beginning		
NE	Net position, ending		

The accompanying notes are an integral part of this financial statement.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
4	5	6		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Primary Gov. Total
\$ 4,312,337	\$ 1,145,137	\$ (26,664,619)	\$ -	\$ (26,664,619)
30,024	-	(479,213)	-	(479,213)
374,504	-	(257,402)	-	(257,402)
152,230	-	(740,557)	-	(740,557)
65,846	-	(3,100,022)	-	(3,100,022)
1,047,397	-	(1,118,880)	-	(1,118,880)
99,649	-	2,354	-	2,354
238,847	-	(582,077)	-	(582,077)
131,170	-	(2,957,882)	-	(2,957,882)
2,571,582	-	(179,100)	-	(179,100)
96,084	-	(1,549,465)	-	(1,549,465)
166,760	-	(4,186,381)	-	(4,186,381)
345,360	-	(5,921,959)	-	(5,921,959)
162,458	-	(1,048,484)	-	(1,048,484)
1,050,200	-	(837,773)	-	(837,773)
101,991	-	(35,912)	-	(35,912)
87,580	-	(182,198)	-	(182,198)
-	-	(10,630)	-	(10,630)
<u>11,034,019</u>	<u>1,145,137</u>	<u>(49,850,200)</u>	<u>-</u>	<u>(49,850,200)</u>
-	-	-	(22,548)	(22,548)
-	-	-	(22,548)	(22,548)
<u>\$ 11,034,019</u>	<u>\$ 1,145,137</u>	<u>\$ (49,850,200)</u>	<u>\$ (22,548)</u>	<u>\$ (49,872,748)</u>
		36,403,350	-	36,403,350
		3,412,130	-	3,412,130
		1,033,150	-	1,033,150
		7,102,805	-	7,102,805
		<u>394,205</u>	<u>-</u>	<u>394,205</u>
		<u>48,345,640</u>	<u>-</u>	<u>48,345,640</u>
		<u>(1,504,560)</u>	<u>(22,548)</u>	<u>(1,527,108)</u>
		<u>(4,009,912)</u>	<u>-</u>	<u>(4,009,912)</u>
		<u>\$ (5,514,472)</u>	<u>\$ (22,548)</u>	<u>\$ (5,537,020)</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-1

BALANCE SHEET
GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	10 General Fund	Nonmajor Governmental Funds	98 Total Governmental Funds	
ASSETS				
1110	Cash and cash equivalents	\$ 2,976,784	\$ 1,839,709	\$ 4,816,493
1120	Current investments	9,170,310	2,524,151	11,694,461
1220	Property taxes receivable	1,852,229	169,679	2,021,908
1230	Allowance for uncollectible taxes	(431,530)	(39,532)	(471,062)
1240	Due from other governments	5,628	510,067	515,695
1260	Due from other funds	365,430	-	365,430
1300	Inventories	39,940	123,942	163,882
1410	Prepaid items	10,018	-	10,018
1490	Other assets	-	6	6
1000	Total assets	<u>13,988,809</u>	<u>5,128,022</u>	<u>19,116,831</u>
LIABILITIES				
2110	Accounts payable	81,374	122,901	204,275
2150	Accrued wages payable	49,601	-	49,601
2160	Payroll deductions and withholdings	2,185,513	91,782	2,277,295
2170	Due to other funds	-	352,247	352,247
2300	Unearned revenues	<u>2,787,039</u>	<u>87,745</u>	<u>2,874,784</u>
2000	Total liabilities	<u>5,103,527</u>	<u>654,675</u>	<u>5,758,202</u>
DEFERRED INFLOWS OF RESOURCES				
2600	Unavailable revenue - property taxes	<u>1,342,947</u>	<u>122,869</u>	<u>1,465,816</u>
2600	Total deferred inflows of resources	<u>1,342,947</u>	<u>122,869</u>	<u>1,465,816</u>
FUND BALANCES				
Nonspendable:				
3410	Inventories	39,940	123,942	163,882
3430	Prepaid items	10,018	-	10,018
Restricted:				
3450	Federal or state grant restrictions	-	1,042,570	1,042,570
3470	Capital acquisitions	-	944,697	944,697
3480	Retirement of long-term debt	-	1,624,642	1,624,642
Committed:				
3545	Other	-	614,627	614,627
Assigned:				
3500	Subsequent year's budget	4,580,194	-	4,580,194
3600	Unassigned	<u>2,912,183</u>	<u>-</u>	<u>2,912,183</u>
3000	Total fund balances	<u>7,542,335</u>	<u>4,350,478</u>	<u>11,892,813</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 13,988,809</u>	<u>\$ 5,128,022</u>	<u>\$ 19,116,831</u>

The accompanying notes are an integral part of this financial statement.

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

AUGUST 31, 2023

Total fund balances - governmental funds	\$ 11,892,813
Amounts reported for governmental activities in the statement of net position are different because:	
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,418,191
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	1,465,816
3 Net position of the internal service fund is shown as part of the proprietary funds, but is reported as part of governmental activities on the statement of net position.	77,848
4 Long-term liabilities, including bonds, accreted interest, and leases, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	
General and certificates of obligation	(28,156,471)
Unamortized premium	(8,213,969)
Accreted interest	(6,258,529)
Deferred loss on refunding	2,918
Deferred charges on refunding	(128,277)
SECO loan	(1,056,329)
Financing arrangement	(4,774,049)
Lease payable	(1,373,559)
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(150,551)
6 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68.	
Net pension liability - proportionate share	(16,305,044)
Deferred outflows relation to pensions	8,073,735
Deferred inflows related to pensions	(1,743,771)
7 Included in the items related to debt is the recognition of the District's proportionate share of net OPEB liability required by GASB 75.	
Net OPEB liability - proportionate share	(9,113,342)
Deferred outflows relation to OPEB	4,524,242
Deferred inflows related to OPEB	<u>(14,696,144)</u>
Net position of governmental activities	<u>\$ (5,514,472)</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-3

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		10 <u>General Fund</u>	Nonmajor Governmental Funds	98 Total Governmental Funds
REVENUES				
5700	Local and intermediate sources	\$ 37,862,984	\$ 6,118,811	\$ 43,981,795
5800	State program	10,038,642	287,630	10,326,272
5900	Federal program	<u>1,170,908</u>	<u>8,594,331</u>	<u>9,765,239</u>
5020	Total revenues	<u>49,072,534</u>	<u>15,000,772</u>	<u>64,073,306</u>
EXPENDITURES				
Current:				
0011	Instruction	31,018,289	2,861,471	33,879,760
0012	Instructional resources and media services	522,357	47,557	569,914
0013	Curriculum and instructional staff development	238,501	369,939	608,440
0021	Instructional leadership	808,599	90,994	899,593
0023	School leadership	3,140,295	89,308	3,229,603
0031	Guidance, counseling and evaluation services	1,279,297	932,447	2,211,744
0032	Social work services	1,904	97,682	99,586
0033	Health services	637,325	192,166	829,491
0034	Student transportation	8,695,661	45,947	8,741,608
0035	Food services	93,028	3,514,231	3,607,259
0036	Extracurricular activities	2,060,931	547,618	2,608,549
0041	General administration	4,263,947	113,526	4,377,473
0051	Facilities maintenance and operations	5,860,953	277,990	6,138,943
0052	Security and monitoring services	1,463,147	159,920	1,623,067
0053	Data processing services	965,441	1,039,474	2,004,915
0061	Community services	47,711	96,927	144,638
Debt service:				
0071	Principal on long-term debt	1,057,099	699,690	1,756,789
0072	Interest on long-term debt	23,027	2,091,832	2,114,859
0073	Bond issuance costs and fees	-	10,630	10,630
0081	Capital outlay	<u>-</u>	<u>256,612</u>	<u>256,612</u>
6030	Total expenditures	<u>62,177,512</u>	<u>13,535,961</u>	<u>75,713,473</u>
1100	Excess (deficiency) of revenues over (under) expenditures	(13,104,978)	1,464,811	(11,640,167)
OTHER FINANCING SOURCES (USES)				
7913	Issuance of leases	1,373,559	-	1,373,559
7914	Issuance of financing arrangement	5,680,374	-	5,680,374
8949	Payment to escrow agent	-	(985,643)	(985,643)
7080	Total other financing sources (uses)	<u>7,053,933</u>	<u>(985,643)</u>	<u>6,068,290</u>
1200	NET CHANGE IN FUND BALANCES	(6,051,045)	479,168	(5,571,877)
0100	FUND BALANCES, BEGINNING	<u>13,593,380</u>	<u>3,871,310</u>	<u>17,464,690</u>
3000	FUND BALANCES, ENDING	<u>\$ 7,542,335</u>	<u>\$ 4,350,478</u>	<u>\$ 11,892,813</u>

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Net change in fund balances - total governmental funds \$ (5,571,877)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Additions to capital assets	8,643,626
Depreciation on capital assets	(2,761,162)

Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.

Property taxes	104,611
----------------	---------

The District uses an internal service fund to charge the cost of workers' compensation and employee day care to the appropriate functions in other funds. The net income of the internal service fund is reported as a part of governmental activities which increases net position.

14,897

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayment	1,756,789
Issuance of financed purchases	(5,680,374)
Issuance of leases	(1,373,559)
Early retirement of bonds	1,084,438

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of premium and deferred loss on refunding of bonds payable	425,170
Accreted interest on capital appreciation bonds	1,319,735
Accrued interest payable	1,381

GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,422,392. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,282,675. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$882,202. The net result is an decrease in the change in net position.

(742,485)

GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$345,431. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$311,582. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$1,240,401. The net result is an increase in the change in net position.

1,274,250

Change in net position of governmental activities

\$ (1,504,560)

BRENHAM INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-1**STATEMENT OF NET POSITION
PROPRIETARY FUNDS

AUGUST 31, 2023

	Nonmajor <u>Enterprise Fund</u> Child Development <u>Center</u>	<u>Governmental</u> Activities <u>Internal</u> Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 81,755
Total assets	<u>-</u>	<u>81,755</u>
LIABILITIES		
Current liabilities:		
Accounts payable	952	3,907
Accrued wages payable	8,413	-
Due to other funds	13,183	-
Total liabilities	<u>22,548</u>	<u>3,907</u>
NET POSITION		
Unrestricted	<u>(22,548)</u>	<u>77,848</u>
Total net position	<u>\$ (22,548)</u>	<u>\$ 77,848</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-2**

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Nonmajor Enterprise Fund Child Development Center	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 95,243	\$ 72,318
Total operating revenues	95,243	72,318
OPERATING EXPENSES		
Payroll costs	113,817	-
Professional and contracted services	-	776
Supplies and materials	3,763	56,645
Other operating costs	211	-
Total operating expenses	117,791	57,421
CHANGE IN NET POSITION	(22,548)	14,897
NET POSITION, BEGINNING	-	62,951
NET POSITION, ENDING	\$ (22,548)	\$ 77,848

The accompanying notes are an integral part of this financial statement.

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STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Nonmajor Enterprise Fund Child Development Center</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for services provided	\$ 95,243	\$ 72,318
Cash payments to employees for services	(114,232)	(58,432)
Cash payments to suppliers for goods and services	<u>8,777</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>(10,212)</u>	<u>13,886</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from (to) primary government	<u>-</u>	<u>-</u>
Net cash used by non-capital financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,212)	13,886
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING	<u>10,212</u>	<u>67,869</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>-</u>	<u>81,755</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	(22,548)	14,897
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Increase (decrease) in accounts payable	(432)	(1,011)
Increase (decrease) in accrued wages payable	(415)	-
Increase (decrease) in due to other funds	<u>13,183</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (10,212)</u>	<u>\$ 13,886</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-1

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

AUGUST 31, 2023

	Private Purpose Trust Fund	Custodial Funds	
	Scholarship Fund	Student Activities	Washington Co. Appraisal District
ASSETS			
Cash and cash equivalents	\$ 22,263	\$ 84,430	\$ 336,699
Current investments	<u>7,832</u>	<u>104,335</u>	<u>11</u>
Total assets	<u>30,095</u>	<u>188,765</u>	<u>336,710</u>
LIABILITIES			
Accounts payable	<u>-</u>	<u>3,174</u>	<u>522</u>
Total liabilities	<u>-</u>	<u>3,174</u>	<u>522</u>
NET POSITION			
Held in trust	30,095	-	-
Restricted for other purposes	<u>-</u>	<u>185,591</u>	<u>336,188</u>
Total net position	<u>\$ 30,095</u>	<u>\$ 185,591</u>	<u>\$ 336,188</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Private Purpose Trust Fund	Custodial Funds	
	Scholarship Fund	Student Activities	Washington Co. Appraisal District
ADDITIONS			
Collections from student groups	\$ -	\$ 591,623	\$ -
Gifts and contributions	2,000	-	-
Interest	636	4,335	4,350
Taxing jurisdiction assessments	-	-	1,219,026
Total additions	<u>2,636</u>	<u>595,958</u>	<u>1,223,376</u>
DEDUCTIONS			
Payments on behalf of student groups	-	722,380	-
Payroll costs	-	-	683,110
Professional and contracted services	-	-	235,255
Scholarship awards	6,422	-	-
Supplies and materials	-	-	110,097
Long-term debt payments	-	-	140,119
Other operating costs	-	-	54,241
Total deductions	<u>6,422</u>	<u>722,380</u>	<u>1,222,822</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	<u>(3,786)</u>	<u>(126,422)</u>	<u>554</u>
NET POSITION, BEGINNING	<u>33,881</u>	<u>312,013</u>	<u>335,634</u>
NET POSITION, ENDING	<u>\$ 30,095</u>	<u>\$ 185,591</u>	<u>\$ 336,188</u>

The accompanying notes are an integral
part of this financial statement.

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BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2023

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 and Fund 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 major 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.

Additionally the District reports the following fund types:

Governmental Funds

The District has the following type of governmental funds:

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.

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 District has the following type of proprietary funds:

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 a custodial 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.

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 County Appraisal funds.

Trust Funds

The trust funds are custodial in nature and do not present results of operations or have a measurement focus. Trust funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's private-purpose trust fund.

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.

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

Cash and Cash Equivalents

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

Investments

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. Interest earned on pooled cash and investments is allocated to the participating funds on a pro rata basis according to the fund's percentage of the total pooled cash or investments. Funds with discrete bank accounts retain all investment earnings.

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.

Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capita Programs. Amounts due from federal and state governments are reported as due from other governments.

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.

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:

Asset Description	Estimated Useful Life (Years)
Buildings and improvements	15-20
Vehicles	2-15
Equipment	3-20
Infrastructure	30
Right to use equipment	5

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 assets 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 assets 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 (gain) 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.

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.

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.

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.

Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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.

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.

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.

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.

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.

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.

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

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.

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.

Expenditures in Excess of Appropriations

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

General Fund:		
Instruction	\$	61,675
Extracurricular activities		21,805
General administration		1,186
Facilities maintenance and operations		25,743
Security and monitoring services		55,409
National Breakfast and Lunch Program Fund:		
Food service		163,043

III. DETAILED NOTES ON ALL ACTIVITIES AND 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. As of year-end the District's cash deposits were entirely covered by FDIC insurance or pledged collateral held by the District's agent bank in the District's name.

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 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, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating</u>
TexPool	\$ 276,592	23	AAAm
Texas CLASS	2,568,470	76	AAAm
Lone Star	<u>1,224,261</u>	18	AAAm
	<u>\$ 4,069,323</u>		
Portfolio weighted average maturity		55	

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, 2023, 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, 2023, 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.

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

Capital asset activity for the fiscal year ended August 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases / Transfers	Ending Balance
Governmental activities:				
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>
Capital assets, being depreciated:				
Buildings and improvements	103,634,714	17,069	-	103,651,783
Furniture and equipment	8,287,614	7,252,998	-	15,540,612
Right to use equipment	-	1,373,559	-	1,373,559
Total capital assets, being depreciated	<u>111,922,328</u>	<u>8,643,626</u>	<u>-</u>	<u>120,565,954</u>
Less accumulated depreciation for:				
Buildings and improvements	(53,654,960)	(2,474,993)	-	(56,129,953)
Furniture and equipment	<u>(6,628,628)</u>	<u>(286,169)</u>	<u>-</u>	<u>(6,914,797)</u>
Total accumulated depreciation	<u>(60,283,588)</u>	<u>(2,761,162)</u>	<u>-</u>	<u>(63,044,750)</u>
Total governmental activities capital assets, net	\$ <u>54,535,727</u>	\$ <u>5,882,464</u>	\$ <u>-</u>	\$ <u>60,418,191</u>

Depreciation expense was charged to governmental functions of the District as follows:

Governmental activities:	
Instruction	\$ 1,478,901
Instruction resources & media services	25,015
Curriculum & staff development	26,706
Instructional leadership	39,486
School leadership	141,756
Guidance, counseling & evaluation services	97,080
Social work services	4,371
Health services	36,409
Student (pupil) transportation	129,755
Food services	148,429
Extracurricular activities	97,295
General administration	131,850
Plant maintenance & operations	267,232
Security & monitoring services	50,050
Data processing services	80,478
Community services	<u>6,349</u>
Total depreciation expense	\$ <u>2,761,162</u>

C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds Payable:					
Refunding, Series 2012	\$ 205,000	\$ -	\$ 205,000	\$ -	\$ -
Refunding, Series 2020	25,711,161	-	1,084,690	24,626,471	34,171
Premium on bonds	8,641,721	-	427,752	8,213,969	-
Accretion payable	7,578,264	85,575	1,405,310	6,258,529	-
Direct Borrowings:					
QSCB MTN, Series 2010	600,000	-	300,000	300,000	300,000
QZAB MTN, Series 2016	3,390,000	-	160,000	3,230,000	160,000
SECO Loan	1,207,103	-	150,774	1,056,329	153,812
Financing arrangement	-	5,680,374	906,325	4,774,049	709,859
Leases payable	-	1,373,559	-	1,373,559	265,800
Total long term debt	47,333,249	7,139,508	4,639,851	49,832,906	1,623,642
Net pension liability	6,007,251	11,579,374	1,281,581	16,305,044	-
Net OPEB liability	13,686,153	(4,260,200)	312,611	9,113,342	-
Total long term liabilities	\$ 67,026,653	\$ 14,458,682	\$ 6,234,043	\$ 75,251,292	\$ 1,623,642

Bonds Payable

In prior years, the District issued refunding bonds for the purpose of restructuring debt cash flow requirements. Proceeds from the refunding bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. The old bonds are considered defeased, and accordingly, the trust account assets and liabilities are not included in the District's financial statements.

In August 2023, the District made an early payment of \$1,198,389 on its Series 2012 and Series 2020 bonds prior to its scheduled maturity date. The Series 2012 bonds paid had maturity dates in fiscal year 2027 and Series 2020 in fiscal year 2029. These early payments resulted in overall debt service savings to the District. As of August 31, 2023, there are \$1,050,000 bonds considered defeased that are still outstanding.

Interest rates on the Bonds are 3.125% for Series 2012 and 1.78 to 4.00% for Series 2020.

Annual debt service requirements on the Bonds are as follows:

Year Ended August 31,	Bonds Payable		
	Principal	Interest	Total Requirements
2024	\$ 34,171	\$ 2,025,497	\$ 2,059,668
2025	33,930	2,035,738	2,069,668
2026	32,947	2,026,721	2,059,668
2027	18,945	1,445,723	1,464,668
2028	31,478	2,048,190	2,079,668
2029 - 2033	7,865,000	2,485,515	10,350,515
2034 - 2038	8,870,000	1,556,961	10,426,961
2039 - 2043	7,740,000	428,285	8,168,285
Totals	\$ 24,626,471	\$ 14,052,630	\$ 38,679,101

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2023.

The District's outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund.

Direct Borrowings

The District issued Quality School Construction Bonds Maintenance Tax Notes, Taxable Series 2010 at 1% interest to save money on bonds issued to finance school construction, land acquisition, and renovation projects. The QSCB program is a federal program that provides bond holders with tax credits that are approximately equal to the interest that states and communities would ordinarily pay the holders of taxable bonds.

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/registrars between the tax credits and the principal component of the Notes.

Annual requirements to amortize the Notes outstanding at year end were as follows:

Year Ended August 31,	Notes Payable - QSCB MTN, Series 2010		
	Principal	Interest	Total Requirements
2024	\$ 300,000	\$ 1,500	\$ 301,500
Totals	\$ 300,000	\$ 1,500	\$ 301,500

Year Ended August 31,	Notes Payable - QZAB Series 2016		
	Principal	Interest	Total Requirements
2024	\$ 160,000	\$ -	\$ 160,000
2025	440,000	-	440,000
2026	440,000	-	440,000
2027	440,000	-	440,000
2028	440,000	-	440,000
2029 - 2031	1,310,000	-	1,310,000
Totals	\$ 3,230,000	\$ -	\$ 3,230,000

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. In the event of default, the outstanding loan payable is secured by the purchased assets.

The debt service requirements for the Loan are as follows:

Year Ended August 31,	SECO Loan		
	Principal	Interest	Total Requirements
2024	\$ 153,812	\$ 19,989	\$ 173,801
2025	156,912	16,890	173,802
2026	160,073	13,728	173,801
2027	163,299	10,502	173,801
2028	166,590	7,212	173,802
2029 - 2030	<u>255,643</u>	<u>5,059</u>	<u>260,702</u>
Totals	<u>\$ 1,056,329</u>	<u>\$ 73,380</u>	<u>\$ 1,129,709</u>

The District entered into a financing arrangement on July 28, 2023 for the purchase of school buses. The District financed \$5,701,128 with an interest rate of 4.55%. Annual payments will be paid each year through 2029. In the event of default, the outstanding loan payable is secured by the purchased assets.

The debt service requirements for the financing arrangement are as follows:

Year Ended August 31,	Financing Arrangements		
	Principal	Interest	Total Requirements
2024	\$ 709,859	\$ 217,219	\$ 927,078
2025	742,158	184,921	927,079
2026	775,926	151,152	927,078
2027	811,231	115,848	927,079
2028	848,142	78,937	927,079
2029	<u>886,733</u>	<u>40,346</u>	<u>927,079</u>
Totals	<u>\$ 4,774,049</u>	<u>\$ 788,423</u>	<u>\$ 5,562,472</u>

The financial statements include leases payable and a summary of governmental long-term leases payable for the year ended August 31, 2023, is as follows:

Date of Issue	Description	Interest Rates	Original Issue	Final Maturity Date	Lease Payable
Leases:					
8/1/2023	Copiers	1.649%	960,944	2028	\$ 960,944
8/1/2023	Printers	1.649%	412,615	2028	<u>412,615</u>
					<u>\$ 1,373,559</u>

In the event of default, the outstanding lease payable is secured by the leased assets. The future payment requirements for the leases payable are as follows:

Year Ended August 31,	Leases Payable		
	Principal	Interest	Total Requirements
2024	\$ 265,800	\$ 22,650	\$ 288,450
2025	270,183	18,267	288,450
2026	274,638	13,812	288,450
2027	279,167	9,283	288,450
2027	<u>283,771</u>	<u>4,679</u>	<u>288,450</u>
Totals	<u>\$ 1,373,559</u>	<u>\$ 68,691</u>	<u>\$ 1,442,250</u>

D. Interfund Balances

The interfund balances at year-end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental	\$ 352,247
General fund	Nonmajor enterprise fund	<u>13,183</u>
Total		<u>\$ 365,430</u>

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

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. Commitment and Contingencies

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.

E. Defined Benefit Pension Plan

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

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

Pension Plan Fiduciary Net Position - Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided - TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, 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 post-employment benefit changes; including automatic COLAs. Ad hoc post-employment 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. Actuarial implications of the funding provided in the manner are determined by the System’s actuary.

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 the system during the fiscal year.

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

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-employer contributing entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 1,422,392
Current fiscal year member contributions		3,087,178
2022 measurement year NECE on-behalf contributions		1,945,002

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during 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 of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions - The total pension liability in the August 31, 2021 rolled forward to August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Last Year Ending August 31 in Projection Period (100 Years)	2121
Inflation	2.30%
Salary Increases including Inflation	2.95 to 8.95%
Ad hoc post-employment benefit changes	None

Discount Rate - A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity 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 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022, are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00 %	4.60 %	1.12 %
Non-U.S. Developed	13.00 %	4.90 %	0.90 %
Emerging Markets	9.00 %	5.40 %	0.75 %
Private Equity	14.00 %	7.70 %	1.55 %
Stable Value			
Government Bonds	16.00 %	1.00 %	0.22 %
Absolute Return	-	3.70 %	0.00 %
Stable Value Hedge Funds	5.00 %	3.40 %	0.18 %
Real Return			
Real Estate	15.00 %	4.10 %	0.94 %
Infrastructure	6.00 %	5.10 %	0.37 %
Commodities	0.00 %	3.60 %	0.00 %
Risk Parity			
Risk Parity	8.00 %	4.60 %	0.43 %
Asset Allocation Leverage			
Cash	2.00 %	3.00 %	0.01 %
Asset Allocation Leverage	(6.00)%	3.60 %	(0.05)%
Inflation Expectation			2.70 %
Volatility Drag ⁴			(0.91)%
Total	100.00%		8.21%

¹ Absolute return includes Credit Sensitive Investments

² Target allocations are based on the FY2022 policy model

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns

Discount Rate Sensitivity Analysis - The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of net pension liability	\$ 25,364,466	\$ 16,305,044	\$ 8,961,957

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - On August 31, 2023, the District reported a liability of \$16,305,044 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 16,305,044
State's proportionate share that is associated with the District	<u>24,745,486</u>
Total	<u>\$ 41,050,530</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the total pension liability used to calculate the net pension liability was by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

On August 31, 2022, the employer's proportion of the collective net pension liability was 0.0274646291% which was an increase of 0.0038757559% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation. The actuarial assumptions and methods have been modified since the determination of the prior year's net pension liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended August 31, 2022, the District's recognized pension expense of \$4,530,265 and revenue of \$2,365,388 for support provided by the State.

On August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 236,422	\$ 355,481
Changes in actuarial assumptions	3,038,160	757,194
Difference between projected and actual investment earnings	1,610,886	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,765,875	631,096
Contributions paid to TRS subsequent to the measurement date	<u>1,422,392</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 8,073,735</u>	<u>\$ 1,743,771</u>

The \$1,422,392 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. The net amounts of the employer'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
2024	\$ 1,284,224
2025	797,581
2026	276,983
2027	2,094,608
2028	454,176

F. Defined Other Post-Employment Benefit Plan

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

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

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

	TRS-Care Monthly Premium Rates	
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2022	2023
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 345,431
Current fiscal year member contributions		250,832
2022 measurement year NECE on-behalf contributions		381,336

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

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions includes 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 pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, 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 established mortality projection scale MP-2018.

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.25% to 8.25%
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% in the discount rate since the previous year. Because the plan 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 non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan'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, 2022 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 10,745,352	\$ 9,113,342	\$ 7,791,203

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed rate used.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 7,509,434	\$ 9,113,342	\$ 11,192,601

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. On August 31, 2023, the District reported a liability of \$9,113,342 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 9,113,342
State's proportionate share that is associated with the District	<u>11,116,845</u>
Total	<u>\$ 20,230,187</u>

The Net OPEB Liability was measured as of August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of August 31, 2021. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.0380610570% which was an increase of 0.0025812337% from its proportion measured as of August 31, 2021.

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 discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

For the year ended August 31, 2023, the District recognized OPEB expense of \$(2,506,389) and revenue of \$(1,577,570) for support provided by the State.

On August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 506,670	\$ 7,592,231
Changes in actuarial assumptions	1,388,142	6,331,408
Differences between projected and actual investment earnings	27,147	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	2,256,852	772,505
Contributions paid to OPEB subsequent to the measurement date	<u>345,431</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 4,524,242</u>	<u>\$ 14,696,144</u>

The \$345,431 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2024. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended August 31,	OPEB Expense
2024	\$ (1,968,104)
2025	(1,968,008)
2026	(1,581,545)
2027	(1,058,334)
2028	(1,383,183)
Thereafter	(2,558,159)

G. Medicare Part D – On-behalf Payments

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 the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$208,272, \$147,072, and \$148,910 were recognized for the years ended August 31, 2023, 2022, and 2021, respectively, as equal revenues and expenditures.

H. Health Care Coverage

During the period ended August 31, 2023, employees of the District were covered by a state-wide health care plan, TRS Active Care. The District's participation in this plan is renewable annually. The District paid into the Plan \$325 per month per employee. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

The Teachers Retirement System (TRS) manages TRS Active Care. The medical plan is administered by Blue Cross and Blue Shield of Texas, FIRSTCARE and Scott and White HMO. Medco Health administers the prescription drug plan. The latest financial information on the statewide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us.

I. Workers' Compensation

During the year ended August 31, 2023, 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.

J. Unemployment Compensation

During the year ended August 31, 2023, 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, 2023, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

K. Significant Forthcoming Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

GASB Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 34,100,451	\$ 37,792,348	\$ 37,862,984	\$ 70,636
5800	State program	15,083,580	10,250,000	10,038,642	(211,358)
5900	Federal program	<u>1,200,000</u>	<u>1,165,000</u>	<u>1,170,908</u>	<u>5,908</u>
5020	Total revenues	<u>50,384,031</u>	<u>49,207,348</u>	<u>49,072,534</u>	<u>(134,814)</u>
EXPENDITURES					
Current:					
0011	Instruction	29,789,681	30,956,614	31,018,289	(61,675)
0012	Instructional resources and media services	556,044	524,044	522,357	1,687
0013	Curriculum and instructional staff development	378,450	246,696	238,501	8,195
0021	Instructional leadership	824,574	809,350	808,599	751
0023	School leadership	2,795,342	3,162,436	3,140,295	22,141
0031	Guidance, counseling and evaluation services	1,323,758	1,294,781	1,279,297	15,484
0032	Social work services	10,000	5,000	1,904	3,096
0033	Health services	661,316	685,313	637,325	47,988
0034	Student transportation	2,610,500	8,781,469	8,695,661	85,808
0035	Food services	-	95,000	93,028	1,972
0036	Extracurricular activities	1,417,351	2,039,126	2,060,931	(21,805)
0041	General administration	2,592,336	4,262,761	4,263,947	(1,186)
0051	Facilities maintenance and operations	5,389,111	5,835,210	5,860,953	(25,743)
0052	Security and monitoring services	807,736	1,407,738	1,463,147	(55,409)
0053	Data processing services	916,030	966,963	965,441	1,522
0061	Community services	138,000	48,000	47,711	289
Debt service:					
0071	Principal on long term debt	150,775	1,057,099	1,057,099	-
0072	Interest on long term debt	<u>23,027</u>	<u>23,027</u>	<u>23,027</u>	<u>-</u>
6030	Total expenditures	<u>50,384,031</u>	<u>62,200,627</u>	<u>62,177,512</u>	<u>23,115</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	(12,993,279)	(13,104,978)	(111,699)
OTHER FINANCING SOURCES (USES)					
7913	Issuance of leases	-	1,373,559	1,373,559	-
7914	Issuance of financing arrangement	-	<u>5,680,374</u>	<u>5,680,374</u>	-
7080	Total other financing sources (uses)	-	<u>7,053,933</u>	<u>7,053,933</u>	-
1200	NET CHANGE IN FUND BALANCES	-	<u>(5,939,346)</u>	<u>(6,051,045)</u>	<u>(111,699)</u>
0100	FUND BALANCES, BEGINNING	<u>13,593,380</u>	<u>13,593,380</u>	<u>13,593,380</u>	-
3000	FUND BALANCES, ENDING	<u>\$ 13,593,380</u>	<u>\$ 7,654,034</u>	<u>\$ 7,542,335</u>	<u>\$ (111,699)</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

AUGUST 31, 2023

Budgetary Information

Budgets are prepared annually for the General Fund, National Breakfast and Lunch Program Fund (special revenue fund), and Debt Service Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by June 20 and is adopted by the Board at a public meeting after ten days' public notice of the meeting has been given. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board as needed throughout the year.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. There were no material outstanding encumbrances at June 30, 2023 that were provided for in the subsequent year's budget.

Excess of Expenditures over Budgeted Appropriations

During Fiscal Year 2023, expenditures exceeded appropriations in the Extracurricular activities Function within the General Fund by \$21,805, instruction function by \$61,675, general administration function within the General Fund by \$1,186, facilities maintenance and operations function within the General Fund by \$25,743, security and monitoring services function within the General Fund by \$55,409, and food service function within the National Breakfast and Lunch Program Fund by \$31,391.

BRENHAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

<u>Measurement Year Ended August 31,</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0274646%	0.0223589%	0.0236881%
District's proportionate share of net pension liability (asset)	\$ 16,305,044	\$ 6,007,251	\$ 12,686,844
States proportionate share of the net pension liability (asset) associated with the District	<u>24,745,486</u>	<u>11,750,788</u>	<u>24,835,814</u>
Total	<u>\$ 41,050,530</u>	<u>\$ 17,758,039</u>	<u>\$ 37,522,658</u>
District's covered payroll	\$ 35,461,916	\$ 33,525,579	\$ 32,924,940
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.98%	17.92%	38.53%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%
Plan's net pension liability as a percentage of covered payroll	115.76%	52.97%	113.96%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2014 is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0260090%	0.0255746%	0.0219640%	0.0237652%	0.0239005%	0.0133948%
\$ 13,520,286	\$ 14,076,904	\$ 7,022,897	\$ 8,980,509	\$ 8,448,509	\$ 3,577,936
<u>23,109,171</u>	<u>25,235,202</u>	<u>15,611,299</u>	<u>18,121,670</u>	<u>17,976,490</u>	<u>16,050,650</u>
<u>\$ 36,629,457</u>	<u>\$ 39,312,106</u>	<u>\$ 22,634,196</u>	<u>\$ 27,102,179</u>	<u>\$ 26,424,999</u>	<u>\$ 19,628,586</u>
\$ 31,193,151	\$ 30,195,960	\$ 28,359,156	\$ 27,808,701	\$ 27,095,156	\$ 27,119,270
43.34%	46.62%	24.76%	32.29%	31.18%	13.19%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
117.43%	130.19%	79.81%	97.46%	97.53%	72.38%

BREHAM INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2023

<u>Fiscal Year Ended August 31,</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,422,392	\$ 1,283,707	\$ 1,003,329	\$ 975,274
Contribution in relation to the contractually required contribution	<u>1,422,392</u>	<u>1,283,707</u>	<u>1,003,329</u>	<u>975,274</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 38,588,400	\$ 35,461,916	\$ 33,525,579	\$ 32,924,940
Contributions as a percentage of covered payroll	3.69%	3.62%	2.99%	2.96%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 914,149	\$ 861,545	\$ 719,851	\$ 755,079	\$ 707,663	\$ 339,596
<u>914,149</u>	<u>861,545</u>	<u>719,851</u>	<u>755,079</u>	<u>707,663</u>	<u>339,596</u>
<u>\$ -</u>					
\$31,193,151	\$ 30,195,960	\$ 28,359,156	\$ 27,808,701	\$ 27,095,156	\$ 27,119,270
2.93%	2.85%	2.54%	2.72%	2.61%	1.25%

BRENHAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

<u>Measurement Year Ended August 31,</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability (asset)	0.0380611%	0.0354789%
District's proportionate share of net OPEB liability (asset)	\$ 9,113,342	\$ 13,686,153
States proportionate share of the net OPEB liability (asset) associated with the District	<u>11,116,845</u>	<u>18,336,395</u>
Total	<u>\$ 20,230,187</u>	<u>\$ 32,022,548</u>
District's covered employee payroll	\$ 35,461,916	\$ 33,525,579
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	25.70%	40.82%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%
Plan's net pension liability as a percentage of covered employee payroll	25.70%	40.82%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2017 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0364894%	0.0371705%	0.0365728%	0.0340955%
\$ 13,871,272	\$ 17,578,407	\$ 18,261,131	\$ 14,826,864
<u>18,639,665</u>	<u>23,357,772</u>	<u>25,499,757</u>	<u>21,820,634</u>
<u>\$ 32,510,937</u>	<u>\$ 40,936,179</u>	<u>\$ 43,760,888</u>	<u>\$ 36,647,498</u>
\$ 32,924,940	\$ 31,193,151	\$ 30,195,960	\$ 28,359,156
42.13%	56.35%	60.48%	52.28%
4.99%	2.66%	1.57%	0.91%
42.13%	56.35%	60.48%	52.28%

BRENHAM INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2023

<u>Fiscal Year Ended August 31,</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 345,431	\$ 313,699
Contribution in relation to the contractually required contribution	<u>(345,431)</u>	<u>(313,699)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 38,588,400	\$ 35,461,916
Contributions as a percentage of covered employee payroll	0.90%	0.88%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2018 is not available.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 276,829	\$ 278,385	\$ 263,238	\$ 252,108
<u>(276,829)</u>	<u>(278,385)</u>	<u>(263,238)</u>	<u>(252,108)</u>
\$ -	\$ -	\$ -	\$ -
\$ 33,525,579	\$ 32,924,940	\$ 31,193,151	\$ 30,195,960
0.83%	0.85%	0.84%	0.83%

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COMBINING STATEMENTS

BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		211 Title I, Part A- Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	226 IDEA-B Discretionary Residential
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
1220	Property Taxes Receivable	-	-	-	-
1230	Allowance For Uncollectible Taxes	-	-	-	-
1240	Due from other governments	156,566	6,581	-	-
1300	Inventories	-	-	-	-
1490	Other current assets	-	-	-	-
1000	Total assets	<u>156,566</u>	<u>6,581</u>	<u>-</u>	<u>-</u>
LIABILITIES					
2110	Accounts payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	156,566	6,581	-	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>156,566</u>	<u>6,581</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2600	Unavailable Revenue for Property Taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
3410	Inventories	-	-	-	-
Restricted:					
3450	Federal or state grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-
Committed:					
3545	Other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 156,566</u>	<u>\$ 6,581</u>	<u>\$ -</u>	<u>\$ -</u>

240 National School Breakfast/Lunch Program	244 Perkins V: Strength. CTE for 21st Century	255 Title II, Part A- Supp. Effective Instruction	263 Title III, Part A-ELA	272 MAC Program	279 Texas COVID Learning Accel. (TCLAS)
\$ 277,272	\$ 8,149	\$ -	\$ -	\$ -	\$ -
753,456	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
139,173	35	22,399	807	-	8,705
123,942	-	-	-	-	-
-	-	-	-	-	-
<u>1,293,843</u>	<u>8,184</u>	<u>22,399</u>	<u>807</u>	<u>-</u>	<u>8,705</u>
85,448	8,184	-	-	-	-
90,832	-	-	-	-	-
725	-	22,399	807	-	8,705
<u>71,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>248,437</u>	<u>8,184</u>	<u>22,399</u>	<u>807</u>	<u>-</u>	<u>8,705</u>
-	-	-	-	-	-
-	-	-	-	-	-
123,942	-	-	-	-	-
921,464	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,045,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,293,843</u>	<u>\$ 8,184</u>	<u>\$ 22,399</u>	<u>\$ 807</u>	<u>\$ -</u>	<u>\$ 8,705</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	281 CRSSA ESSER II	282 American Rescue Plan (ESSER III)	284 IDEA-B Formula ARP	285 IDEA-B Preschool ARP	
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
1220	Property Taxes Receivable	-	-	-	-
1230	Allowance For Uncollectible Taxes	-	-	-	-
1240	Due from other governments	-	154,482	7,480	-
1300	Inventories	-	-	-	-
1490	Other current assets	-	-	-	-
1000	Total assets	<u>-</u>	<u>154,482</u>	<u>7,480</u>	<u>-</u>
LIABILITIES					
2110	Accounts payable	-	16,000	2,940	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	138,482	4,540	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>-</u>	<u>154,482</u>	<u>7,480</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2600	Unavailable Revenue for Property Taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
3410	Inventories	-	-	-	-
Restricted:					
3450	Federal or state grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-
Committed:					
3545	Other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 154,482</u>	<u>\$ 7,480</u>	<u>\$ -</u>

289 Federally Funded Special Revenue	385 Supplemental Visually Impaired	392 Non-Educational Community- Based Support	410 State Textbook	429 State Funded Special Revenue	488 Special Education Special Olympics	489 Athletic Activity
\$ -	\$ 553	\$ -	\$ 121,051	\$ -	\$ 55	\$ 163,826
-	-	-	-	-	-	104,335
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,425	397	-	-	4,017	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,425</u>	<u>950</u>	<u>-</u>	<u>121,051</u>	<u>4,017</u>	<u>55</u>	<u>268,161</u>
-	-	-	-	-	-	7,391
-	950	-	-	-	-	-
9,425	-	-	-	4,017	-	-
-	-	-	-	-	-	-
<u>9,425</u>	<u>950</u>	<u>-</u>	<u>-</u>	<u>4,017</u>	<u>-</u>	<u>7,391</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	121,051	-	55	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	260,770
-	-	-	<u>121,051</u>	<u>-</u>	<u>55</u>	<u>260,770</u>
<u>\$ 9,425</u>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 121,051</u>	<u>\$ 4,017</u>	<u>\$ 55</u>	<u>\$ 268,161</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	490 BHS Campus Activity	491 BMS Campus Activity	492 KES Campus Activity	493 AES Campus Activity	
ASSETS					
1110	Cash and cash equivalents	\$ 115,404	\$ 47,670	\$ 17,071	\$ 70,019
1120	Current investments	6,441	23,067	-	-
1220	Property Taxes Receivable	-	-	-	-
1230	Allowance For Uncollectible Taxes	-	-	-	-
1240	Due from other governments	-	-	-	-
1300	Inventories	-	-	-	-
1490	Other current assets	-	6	-	-
1000	Total assets	<u>121,845</u>	<u>70,743</u>	<u>17,071</u>	<u>70,019</u>
LIABILITIES					
2110	Accounts payable	1,908	53	199	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>1,908</u>	<u>53</u>	<u>199</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2600	Unavailable Revenue for Property Taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
3410	Inventories	-	-	-	-
Restricted:					
3450	Federal or state grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-
Committed:					
3545	Other	<u>119,937</u>	<u>70,690</u>	<u>16,872</u>	<u>70,019</u>
3000	Total fund balances	<u>119,937</u>	<u>70,690</u>	<u>16,872</u>	<u>70,019</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 121,845</u>	<u>\$ 70,743</u>	<u>\$ 17,071</u>	<u>\$ 70,019</u>

EXHIBIT H-1

494 BES Campus Activity	495 Leap Campus Activity	496 BJHS Campus Activity	497 Legacy Field Campaign	498 Early Childhood Learning Center	499 Scholarships	599 Debt Service Fund
\$ 63,701	\$ 1,836	\$ 3,233	\$ 7,301	\$ 1,046	\$ -	\$ 583,465
-	-	-	-	-	-	1,050,212
-	-	-	-	-	-	169,679
-	-	-	-	-	-	(39,532)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>63,701</u>	<u>1,836</u>	<u>3,233</u>	<u>7,301</u>	<u>1,046</u>	<u>-</u>	<u>1,763,824</u>
-	-	388	-	390	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	16,313
-	-	<u>388</u>	-	<u>390</u>	-	<u>16,313</u>
-	-	-	-	-	-	122,869
-	-	-	-	-	-	<u>122,869</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,624,642
<u>63,701</u>	<u>1,836</u>	<u>2,845</u>	<u>7,301</u>	<u>656</u>	<u>-</u>	<u>-</u>
<u>63,701</u>	<u>1,836</u>	<u>2,845</u>	<u>7,301</u>	<u>656</u>	<u>-</u>	<u>1,624,642</u>
<u>\$ 63,701</u>	<u>\$ 1,836</u>	<u>\$ 3,233</u>	<u>\$ 7,301</u>	<u>\$ 1,046</u>	<u>\$ -</u>	<u>\$ 1,763,824</u>

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BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		616 Capital Projects Fund	Nonmajor Governmental Funds
	ASSETS		
1110	Cash and cash equivalents	\$ 358,057	\$ 1,839,709
1120	Current investments	586,640	2,524,151
1220	Property Taxes Receivable	-	169,679
1230	Allowance For Uncollectible Taxes	-	(39,532)
1240	Due from other governments	-	510,067
1300	Inventories	-	123,942
1490	Other current assets	-	6
1000	Total assets	<u>944,697</u>	<u>5,128,022</u>
	LIABILITIES		
2110	Accounts payable	-	122,901
2160	Accrued wages payable	-	91,782
2170	Due to other funds	-	352,247
2300	Unearned revenue	-	87,745
2000	Total liabilities	<u>-</u>	<u>654,675</u>
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue for Property Taxes	-	122,869
2600	Total deferred inflows of resources	<u>-</u>	<u>122,869</u>
	FUND BALANCES		
	Nonspendable:		
3410	Inventories	-	123,942
	Restricted:		
3450	Federal or state grant restrictions	-	1,042,570
3470	Capital acquisitions	944,697	944,697
3480	Retirement of long-term debt	-	1,624,642
	Committed:		
3545	Other	-	614,627
3000	Total fund balances	<u>944,697</u>	<u>4,350,478</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 944,697</u>	<u>\$ 5,128,022</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		211 Title I, Part A- Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	226 IDEA-B Discretionary Residential
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program	-	-	-	-
5900	Federal program	<u>1,162,542</u>	<u>991,874</u>	<u>25,241</u>	<u>242,101</u>
5020	Total revenues	<u>1,162,542</u>	<u>991,874</u>	<u>25,241</u>	<u>242,101</u>
EXPENDITURES					
Current:					
0011	Instruction	998,436	287,925	25,241	242,101
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	118,639	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	703,949	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	45,467	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
0081	Capital outlay	-	-	-	-
6030	Total expenditures	<u>1,162,542</u>	<u>991,874</u>	<u>25,241</u>	<u>242,101</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)					
8949	Payment to escrow agent	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	FUND BALANCES - BEGINNING	-	-	-	-
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240 National School Breakfast/Lunch Program	244 Perkins V: Strength. CTE for 21st Century	255 Title II, Part A- Supp. Effective Instruction	263 Title III, Part A-ELA	272 MAC Program	279 Texas COVID Learning Accel. (TCLAS)
\$ 753,513	\$ -	\$ -	\$ -	\$ -	\$ -
12,473	-	-	-	-	-
<u>2,530,782</u>	<u>68,618</u>	<u>222,720</u>	<u>71,124</u>	<u>45,667</u>	<u>86,847</u>
<u>3,296,768</u>	<u>68,618</u>	<u>222,720</u>	<u>71,124</u>	<u>45,667</u>	<u>86,847</u>
-	52,370	71,449	53,344	-	86,847
-	-	-	-	-	-
-	16,248	144,156	17,780	-	-
-	-	7,115	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45,667	-
-	-	-	-	-	-
3,514,231	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,735	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,516,966</u>	<u>68,618</u>	<u>222,720</u>	<u>71,124</u>	<u>45,667</u>	<u>86,847</u>
(220,198)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(220,198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,265,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,045,406</u>	<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 GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	281 CRSSA ESSER II	282 American Rescue Plan (ESSER III)	284 IDEA-B Formula ARP	285 IDEA-B Preschool ARP
REVENUES				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program	-	-	-	-
5900 Federal program	<u>149,858</u>	<u>2,731,286</u>	<u>171,711</u>	<u>3,738</u>
5020 Total revenues	<u>149,858</u>	<u>2,731,286</u>	<u>171,711</u>	<u>3,738</u>
EXPENDITURES				
Current:				
0011 Instruction	59,265	562,287	120,648	3,738
0012 Instructional resources and media services	-	19,828	-	-
0013 Curriculum and staff development	-	58,092	5,116	-
0021 Instructional leadership	-	83,879	-	-
0023 School leadership	-	-	-	-
0031 Guidance, counseling and evaluation services	-	191,224	-	-
0032 Social work services	-	97,682	-	-
0033 Health services	-	146,499	-	-
0034 Student transportation	-	-	45,947	-
0035 Food service	-	-	-	-
0036 Cocurricular/extracurricular activities	-	73,713	-	-
0041 General administration	-	113,526	-	-
0051 Facilities maintenance and operations	32,977	242,278	-	-
0052 Security and monitoring services	57,616	96,810	-	-
0053 Data processing services	-	1,039,474	-	-
0061 Community services	-	5,994	-	-
Debt service:				
0071 Principal on long-term debt	-	-	-	-
0072 Interest on long-term debt	-	-	-	-
0073 Bond issuance costs and fees	-	-	-	-
0081 Capital outlay	-	-	-	-
6030 Total expenditures	<u>149,858</u>	<u>2,731,286</u>	<u>171,711</u>	<u>3,738</u>
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
8949 Payment to escrow agent	-	-	-	-
7080 Total other financing sources (uses)	-	-	-	-
1200 Net change in fund balances	-	-	-	-
0100 FUND BALANCES - BEGINNING	-	-	-	-
3000 FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

289 Federally Funded Special Revenue	385 Supplemental Visually Impaired	392 Non-Educational Community- Based Support	410 State Textbook	429 State Funded Special Revenue	488 Special Education Special Olympics	489 Athletic Activity
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 485,571.00
-	5,347	-	178,213	4,017	-	-
<u>90,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>90,222</u>	<u>5,347</u>	<u>-</u>	<u>178,213</u>	<u>4,017</u>	<u>200</u>	<u>485,571</u>
31,798	5,347	-	174,802	1,573	-	-
-	-	-	-	-	-	-
9,908	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	145	466,764
-	-	-	-	-	-	-
3,050	-	-	-	2,444	-	-
-	-	-	-	-	-	-
45,466	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>90,222</u>	<u>5,347</u>	<u>-</u>	<u>174,802</u>	<u>4,017</u>	<u>145</u>	<u>466,764</u>
-	-	-	3,411	-	55	18,807
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,411	-	55	18,807
-	-	-	117,640	-	-	241,963
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,051</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 260,770</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		490 BHS Campus Activity	491 BMS Campus Activity	492 KES Campus Activity	493 AES Campus Activity
REVENUES					
5700	Local and intermediate sources	\$ 49,906	\$ 20,658	\$ 41,145	\$ 31,154
5800	State program	-	-	-	-
5900	Federal program	-	-	-	-
5020	Total revenues	<u>49,906</u>	<u>20,658</u>	<u>41,145</u>	<u>31,154</u>
EXPENDITURES					
Current:					
0011	Instruction	5,907	15,730	51,692	9,129
0012	Instructional resources and media services	1,367	384	8,227	4,722
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	24,578	5,422	-	966
0031	Guidance, counseling and evaluation services	37,274	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Cocurricular/extracurricular activities	2,996	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
0081	Capital outlay	-	-	-	-
6030	Total expenditures	<u>72,122</u>	<u>21,536</u>	<u>59,919</u>	<u>14,817</u>
1100	Excess (deficiency) of revenues over (under) expenditures	(22,216)	(878)	(18,774)	16,337
OTHER FINANCING SOURCES (USES)					
8949	Payment to escrow agent	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	<u>(22,216)</u>	<u>(878)</u>	<u>(18,774)</u>	<u>16,337</u>
0100	FUND BALANCES - BEGINNING	<u>142,153</u>	<u>71,568</u>	<u>35,646</u>	<u>53,682</u>
3000	FUND BALANCES - ENDING	<u>\$ 119,937</u>	<u>\$ 70,690</u>	<u>\$ 16,872</u>	<u>\$ 70,019</u>

EXHIBIT H-2

494 BES Campus Activity	495 Leap Campus Activity	496 BJHS Campus Activity	497 Legacy Field Campaign	498 Early Childhood Learning Center	499 Scholarships	599 Debt Service Fund
\$ 21,265	\$ 138	\$ 5,035	\$ -	\$ 4,111	\$ 4,000	\$ 3,503,572
-	-	-	-	-	-	87,580
-	-	-	-	-	-	-
<u>21,265</u>	<u>138</u>	<u>5,035</u>	<u>-</u>	<u>4,111</u>	<u>4,000</u>	<u>3,591,152</u>
-	-	-	-	1,842	-	-
7,078	-	4,195	-	1,756	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,518	-	32,149	-	1,675	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	239,690
-	-	-	-	-	-	2,087,332
-	-	-	-	-	-	9,730
-	-	-	-	-	-	-
<u>31,596</u>	<u>-</u>	<u>36,344</u>	<u>-</u>	<u>5,273</u>	<u>4,000</u>	<u>2,336,752</u>
(10,331)	138	(31,309)	-	(1,162)	-	1,254,400
-	-	-	-	-	-	(985,643)
-	-	-	-	-	-	(985,643)
<u>(10,331)</u>	<u>138</u>	<u>(31,309)</u>	<u>-</u>	<u>(1,162)</u>	<u>-</u>	<u>268,757</u>
<u>74,032</u>	<u>1,698</u>	<u>34,154</u>	<u>7,301</u>	<u>1,818</u>	<u>-</u>	<u>1,355,885</u>
<u>\$ 63,701</u>	<u>\$ 1,836</u>	<u>\$ 2,845</u>	<u>\$ 7,301</u>	<u>\$ 656</u>	<u>\$ -</u>	<u>\$ 1,624,642</u>

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BRENHAM INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		616 Capital Projects Fund	Nonmajor Governmental Funds
	REVENUES		
5700	Local and intermediate sources	\$ 1,198,543	\$ 6,118,811
5800	State program	-	287,630
5900	Federal program	-	8,594,331
5020	Total revenues	<u>1,198,543</u>	<u>15,000,772</u>
	EXPENDITURES		
	Current:		
0011	Instruction	-	2,861,471
0012	Instructional resources and media services	-	47,557
0013	Curriculum and staff development	-	369,939
0021	Instructional leadership	-	90,994
0023	School leadership	-	89,308
0031	Guidance, counseling and evaluation services	-	932,447
0032	Social work services	-	97,682
0033	Health services	-	192,166
0034	Student transportation	-	45,947
0035	Food service	-	3,514,231
0036	Cocurricular/extracurricular activities	-	547,618
0041	General administration	-	113,526
0051	Facilities maintenance and operations	-	277,990
0052	Security and monitoring services	-	159,920
0053	Data processing services	-	1,039,474
0061	Community services	-	96,927
	Debt service:		
0071	Principal on long-term debt	460,000	699,690
0072	Interest on long-term debt	4,500	2,091,832
0073	Bond issuance costs and fees	900	10,630
0081	Capital outlay	<u>256,612</u>	<u>256,612</u>
6030	Total expenditures	<u>722,012</u>	<u>13,535,961</u>
1100	Excess (deficiency) of revenues over (under) expenditures	476,531	1,464,811
	OTHER FINANCING SOURCES (USES)		
8949	Payment to escrow agent	-	(985,643)
7080	Total other financing sources (uses)	<u>-</u>	<u>(985,643)</u>
1200	Net change in fund balances	<u>476,531</u>	<u>479,168</u>
0100	FUND BALANCES - BEGINNING	<u>468,166</u>	<u>3,871,310</u>
3000	FUND BALANCES - ENDING	<u>\$ 944,697</u>	<u>\$ 4,350,478</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-3

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

AUGUST 31, 2023

Data Control Codes		751 Transportation Fund	770 Culinary Arts Program	Total Internal Service Funds
	ASSETS			
	Current assets:			
1110	Cash and cash equivalents	\$ 46,079	\$ 35,676	\$ 81,755
	Total current assets	<u>46,079</u>	<u>35,676</u>	<u>81,755</u>
1000	Total assets	<u>46,079</u>	<u>35,676</u>	<u>81,755</u>
	LIABILITIES			
	Current liabilities:			
2110	Accounts payable	-	3,907	3,907
	Total current liabilities	<u>-</u>	<u>3,907</u>	<u>3,907</u>
2000	Total liabilities	<u>-</u>	<u>3,907</u>	<u>3,907</u>
	NET POSITION			
3800	Restricted	<u>46,079</u>	<u>31,769</u>	<u>77,848</u>
3000	Total net position	<u>\$ 46,079</u>	<u>\$ 31,769</u>	<u>\$ 77,848</u>

BREHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-4

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

AUGUST 31, 2023

Data Control Codes	751 Transportation Fund	770 Culinary Arts Program	Total Internal Service Funds
OPERATING REVENUES			
5700 Local and intermediate sources	\$ 20,469	\$ 51,849	\$ 72,318
5020 Total operating revenues	<u>20,469</u>	<u>51,849</u>	<u>72,318</u>
OPERATING EXPENSES			
6200 Professional and contracted services	776	-	776
6300 Supplies and materials	<u>-</u>	<u>56,645</u>	<u>56,645</u>
6030 Total operating expenses	<u>776</u>	<u>56,645</u>	<u>57,421</u>
1300 CHANGE IN NET POSITION	19,693	(4,796)	14,897
0100 NET POSITION, BEGINNING	<u>26,386</u>	<u>36,565</u>	<u>62,951</u>
3300 NET POSITION, ENDING	<u>\$ 46,079</u>	<u>\$ 31,769</u>	<u>\$ 77,848</u>

BREHAM INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-5**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	751 Transportation Fund	759 Culinary Arts Program	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for services provided	\$ 20,469	\$ 51,849	\$ 72,318
Cash payments to employees for services	<u>(776)</u>	<u>(57,656)</u>	<u>(58,432)</u>
Net cash provided (used) by operating activities	<u>19,693</u>	<u>(5,807)</u>	<u>13,886</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,693	(5,807)	13,886
CASH AND CASH EQUIVALENTS, BEGINNING	<u>26,386</u>	<u>41,483</u>	<u>67,869</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>46,079</u>	<u>35,676</u>	<u>81,755</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	19,693	(4,796)	14,897
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	<u>-</u>	<u>(1,011)</u>	<u>(1,011)</u>
Net cash provided (used) by operating activities	<u>\$ 19,693</u>	<u>\$ (5,807)</u>	<u>\$ 13,886</u>

REQUIRED TEA SCHEDULES

BRENHAM INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELIQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2023

For The Year Ended August 31	Tax Rates		3 Net Assessed/ Appraised Value for School Tax Purpose	10 Beginning Balance 9/1/2022
	1 Maintenance	2 Debt Service		
2014 and prior years	Various	Various	Various	\$ 245,418
2015	1.033300	0.101700	2,282,354,509	81,801
2016	1.033300	0.101700	2,407,551,894	80,055
2017	1.040000	0.095000	2,468,576,204	99,394
2018	1.040000	0.085000	2,642,240,882	145,865
2019	1.040000	0.085000	2,768,893,841	192,527
2020	0.970000	0.080000	3,004,589,052	226,389
2021	0.965800	0.080000	3,168,626,423	252,347
2022	0.908400	0.080000	3,446,612,289	450,868
2023	0.854600	0.080000	4,240,644,126	-
1000 Totals				<u>\$ 1,774,664</u>
8000	Taxes Refunded under 26.1115			

EXHIBIT J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/2023
\$ -	\$ 10,741	\$ 1,211	\$ (2,028)	\$ 231,438
-	5,484	540	(251)	75,526
-	10,868	1,070	(205)	67,912
-	12,206	1,115	(195)	85,878
-	24,086	1,969	-	119,810
-	32,528	2,659	(483)	156,857
-	42,555	3,510	(549)	179,775
-	39,234	3,250	(19,468)	190,395
-	111,462	9,816	(63,317)	266,273
<u>39,633,060</u>	<u>35,528,387</u>	<u>3,325,849</u>	<u>(130,780)</u>	<u>648,044</u>
<u>\$ 39,633,060</u>	<u>\$ 35,817,551</u>	<u>\$ 3,350,989</u>	<u>\$ (217,276)</u>	<u>\$ 2,021,908</u>
	\$ 132,247			

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NATIONAL BREAKFAST AND LUNCH PROGRAM FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 453,050	\$ 452,950	\$ 753,513	\$ 300,563
5800	State program	7,000	48,990	12,473	(36,517)
5900	Federal program	<u>2,206,368</u>	<u>2,738,968</u>	<u>2,530,782</u>	<u>(208,186)</u>
5020	Total revenues	<u>2,666,418</u>	<u>3,240,908</u>	<u>3,296,768</u>	<u>55,860</u>
EXPENDITURES					
Current:					
0035	Food service	2,663,418	3,351,188	3,514,231	(163,043)
0051	Facilities maintenance and operations	<u>3,000</u>	<u>3,000</u>	<u>2,735</u>	<u>265</u>
6030	Total expenditures	<u>2,666,418</u>	<u>3,354,188</u>	<u>3,516,966</u>	<u>(162,778)</u>
1200	NET CHANGE IN FUND BALANCES	-	(113,280)	(220,198)	(106,918)
0100	FUND BALANCES, BEGINNING	<u>1,265,604</u>	<u>1,265,604</u>	<u>1,265,604</u>	-
3000	FUND BALANCES, ENDING	<u>\$ 1,265,604</u>	<u>\$ 1,152,324</u>	<u>\$ 1,045,406</u>	<u>\$ (106,918)</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 3,132,800	\$ 3,132,800	\$ 3,503,572	\$ 370,772
5800	State program	-	-	87,580	87,580
5020	Total revenues	<u>3,132,800</u>	<u>3,132,800</u>	<u>3,591,152</u>	<u>458,352</u>
EXPENDITURES					
Current:					
0071	Principal on Long-term Debt	839,690	839,690	239,690	600,000
0072	Interest on Long-term Debt	2,253,110	2,253,110	2,087,332	165,778
0073	Bond Issuance Costs and Fees	40,000	40,000	9,730	30,270
6030	Total expenditures	<u>3,132,800</u>	<u>3,132,800</u>	<u>2,336,752</u>	<u>796,048</u>
OTHER FINANCING SOURCES (USES)					
8949	Payment to escrow agent	-	-	(985,643)	(985,643)
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(985,643)</u>	<u>(985,643)</u>
1200	NET CHANGE IN FUND BALANCES	-	-	268,757	268,757
0100	FUND BALANCES, BEGINNING	<u>1,355,885</u>	<u>1,355,885</u>	<u>1,355,885</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 1,355,885</u>	<u>\$ 1,355,885</u>	<u>\$ 1,624,642</u>	<u>\$ 268,757</u>

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS

FOR THE YEAR ENDED AUGUST 31, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 4,408,096
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 1,188,381

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 355,835
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 649,783

FEDERAL AWARDS SECTION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees of
Brenham Independent School District
Brenham, Texas

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, business-type activities, each major fund, and the aggregate remaining fund information of Brenham Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Brenham Independent School District's basic financial statements, and have issued our report thereon dated January 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brenham Independent School 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 Brenham Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Brenham Independent School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees of
Brenham Independent School District
Brenham, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Brenham Independent School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Brenham Independent School District’s major federal programs for the year ended August 31, 2023. Brenham Independent School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Brenham Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402201	\$ 50,129
School Breakfast Program (SBP)	10.553	71402301	<u>388,678</u>
Total Assistance Listing Number 10.553			<u>438,807</u>
National School Lunch Program (NSLP)	10.555	71302201	195,243
National School Lunch Program (NSLP)	10.555	71302301	<u>1,526,389</u>
Total Passed through the Texas Education Agency			<u>2,160,439</u>
Passed through the Texas Department of Agriculture:			
NSLP - Commodities - Non-cash assistance	10.555	NT4XL1YGLGC5	199,198
Commodity Delivery - NSLP	10.555	NT4XL1YGLGC5	4,966
COVID-19 - Supply Chain Assistance Program	10.555	NT4XL1YGLGC5	<u>163,044</u>
Total Assistance Listing Number 10.555			<u>2,088,840</u>
Total Child Nutrition Cluster			<u>2,527,647</u>
COVID-19 - EBT Administration Expense Reimbursement	10.649	NT4XL1YGLGC5	<u>3,135</u>
Total Passed through the Texas Department of Agriculture			<u>370,343</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>2,530,782</u>
<u>U. S. DEPARTMENT OF DEFENSE</u>			
Direct programs:			
ROTC	12.000	239-901	<u>64,790</u>
TOTAL U. S. DEPARTMENT OF DEFENSE			<u>64,790</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Passed through the Texas Education Agency:			
Title I, Part A-Improving Basic Programs	84.010A	23610101239901	1,154,109
Title I, Part A-Improving Basic Programs	84.010A	24610101239901	<u>8,433</u>
Total Assistance Listing Number 84.010			<u>1,162,542</u>
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	236600012399016000	985,293
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	246600012399016600	6,581
Special Education Grants to States (High Cost Fund)	84.027A	66002306	75,619
Special Education Grants to States (Disc. Residential)	84.027A	66002312	166,482
COVID-19 - Special Education Grants to States (IDEA - Part B, Formula)	84.027X	225350012399015000	7,602
COVID-19 - Special Education Grants to States (IDEA - Part B, Formula)	84.027X	225350022399015000	<u>164,109</u>
Total Assistance Listing Number 84.027			<u>1,405,686</u>
Special Education Preschool Grants (IDEA - Part B, Preschool)	84.173A	236610012399016000	25,241
COVID-19 - Special Education Grants to States (IDEA - Part B, Preschool)	84.173X	225360012399015000	443
COVID-19 - Special Education Grants to States (IDEA - Part B, Preschool)	84.173X	225360022399015000	<u>3,295</u>
Total Assistance Listing Number 84.173			<u>28,979</u>
Total Special Education (IDEA) Cluster			<u>1,434,665</u>
Career and Technical Education - Basic Grants to States	84.048A	23420006239901	68,618
English Language Acquisition State Grants	84.365A	22671001227910	70,992
English Language Acquisition State Grants	84.365A	22671001227910	<u>132</u>
Total Assistance Listing Number 84.365			<u>71,124</u>
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	23694501239901	215,605
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	24694501239901	<u>7,115</u>
Total Assistance Listing Number 84.367			<u>222,720</u>
LEP Summer School	84.369A	69552102	2,878
LEP Summer School	84.369A	69552202	<u>2,958</u>
Total Assistance Listing Number 84.369			<u>5,836</u>
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	23680101239901	90,222
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) II	84.425D	21521001239901	149,858
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21528001239901	2,731,286
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) - Supplemental Grant	84.425U	21528042239901	<u>86,847</u>
Total Assistance Listing Number 84.425			<u>2,967,991</u>
Total Passed through the Texas Education Agency			<u>6,023,718</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>6,023,718</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Texas Health and Human Services Commission:			
Medicaid Cluster: Medicaid Administrative Claiming	93.778	HHS000537900055	<u>45,667</u>
Total Passed through Texas Health and Human Services Commission			<u>45,667</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>45,667</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,664,957</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUGUST 31, 2023

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Brenham Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District's significant account policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The information in the schedule is presented in accordance with the 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). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. INDIRECT COSTS

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

4. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

5. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following is a reconciliation of federal revenues and the SEFA for the year ended August 31, 2023:

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$	9,765,239
School health and related services revenue		(1,039,213)
E-Rate		<u>(61,069)</u>
Federal expenditures on the Schedule of Expenditures of Federal Awards (Exhibit K-1)	\$	<u>8,664,957</u>

BRENHAM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023

Summary of Auditor's Results

Financial Statements:	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None
Federal Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Type of auditor's report on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
84.010	Title I, Part A-Improving Basic Programs
84.425	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER)
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

BRENHAM INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2023

None.

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