Brackett ISD Highlights for
Annual Financial Report - Year Ended June 30, 2026

The *GENERAL FUND* is the chief operating fund of the District and is established to account for resources that finance the fundamental operations of the District. *Pg. 12*

REVENUES:

-The District had a decrease in Average Daily Attendance "ADA" as outgoing seniors are outnumbering incoming grade school students. *Pg. 11*

-Investment earnings have decreased due to lower returns in the economy and the reduction of investments held in use of general operations. *Pg. 11*

-Total revenues decreased by $421,679 or a 5% decrease from the prior year. *Pg. 12*

EXPENDITURES:

- Budgeted: $9,312,223
  Actual: $8,820,891 *Pg. 51*

-Total expenditures decreased by $524,605 or a decrease of 6%. The District has had to juggle state-mandated pay raises for employees, reductions in rates assessed for property taxes and dealing with rising operating costs. *Pg. 12*

-Expenses across various functions increased during the year. The State of Texas required raises for employees which increased salary-related expenses. In addition, increases in commodity prices have increased the expenses to run the District's Child Nutrition Program. *Pg. 11*

FUND BALANCE:

-Ending Fund Balance: $4,631,569 *Pg. 12*

-The fund balance of the General Fund decreased $567,931 or 11% from the prior year. *Pg. 12*

-Changes to deficit, Pg. 51:

Adopted budget: $746,493
Final Amended: $945,712
Final Actual: $567,931

BUDGET:

-Due to the District's policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant. *Pg. 29*

-The total General Fund budget for *2026-2027* is $8,699,251 as compared to the 2025-2026 adopted budget of $9,312,223, which is a *7% decrease*. The District is projecting a budget deficit $618,630. *Pg. 14*

-This deficit [26-27] is primarily due to items from the most recent state legislative session which included a state-mandated teacher raise paid by the state through the District's expenses. Additionally, the District is expecting a decrease in student enrollment. *Pg. 14*

PROPERTY TAXES:

-Tax Rates (per $100 of value): $1.04 in 2018 decreased to $.6669 in 2026 *Pg. 68*

-Taxable value in the District increased by $25.0 million while the property tax rates remained the same. *Pg. 10*

-The cost of all governmental activities this year was $10,596,370. However, as shown [above] in Table A-2, the amount that our taxpayers ultimately financed for these activities through district taxes was only $6,643,140 (property taxes) because costs in the amount of $2,017,796 were paid by those who directly benefitted from the programs, and $747,425 of the costs were paid for by grants and contributions not restricted to specific function (state aid). *Pg. 11*

ACCOUNTING/COMPLIANCE:

-In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. *Pg. 3*

-[TEA required] Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. *Pg. 5*

-The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. *Pg. 73*