

**NOTICE**

**This notice is posted pursuant to the Texas Open Meetings Act.  
[TEXAS GOVERNMENT CODE SECTION 551]**

**BRYAN ISD BOARD OF TRUSTEES WORKSHOP**

**Boardroom**

**801 South Ennis Street**

**Bryan, TX 77803**

**Monday, January 22, 2024 – 6:00 PM**

**AGENDA**

**CALL TO ORDER**

**Welcome**

**Pledges of Allegiance**

**Citizens' Comments**

**Spotlight**

**Board Committees**

1. Executive Committee Update - Fiber Optic Area-Wide Network, Board Policy Update 122, Board Committees, and School Finance

**Superintendent Update**

1. Superintendent Update - School Board Recognition Month

**ITEMS FOR DISCUSSION AND OR ACTION / CONSENT AGENDA**

1. Consider Approval of the Meeting Minutes for December 4, December 5, and December 11, 2023

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## **BRYAN ISD BOARD OF TRUSTEES MEETING**

The Bryan ISD Board of Trustees met for a regular meeting on December 4, 2023, at 12:00 p.m., in the Boardroom of the Bryan ISD Administration Building, located at 801 South Ennis Street, Bryan, TX 77803.

Board members present:

- Dr. Julie Harlin
- Felicia Benford
- Ruthie Waller
- Mark McCall
- David Stasny
- Leo Gonzalez, II
- Joel Bryan

Staff members present:

- Ginger Carrabine
- Dr. Barbara Ybarra
- Kevin Beesaw
- Carol Cune
- Crystal Goodman
- Dr. Brian Merrell
- Linda Montoya
- Julea Johnson
- Jennifer Warren
- Janice Williamson
- Jennifer Lemons
- Dr. Georgianna Adams-Molina
- Latisha Moody
- Angela Behrens
- Ron Clary
- Clay Falls
- Tiffany Lee

### **CALL TO ORDER REGULAR MEETING**

The Board President, Dr. Julie Harlin, called the meeting to order at 12:00 p.m. A warm welcome was extended to all in attendance.

### **Citizens' Comment**

No comment cards were presented.

### **Standing Committee**

## **Teaching and Learning Committee Update - Staff Feedback and Support for Special Programs, Employee Recruitment and Retention, and Fall Survey**

Trustee Ruthie Waller stated that the committee met on December 1. The administration provided an overview of the development of the Fall survey. The fall survey will be open for two weeks, closing on December 10, 2023. The committee received feedback from stakeholders on Special program services. The administration will offer additional professional development opportunities for staff when they return from winter break in January 2024. The committee also received a general overview of a possible Hybrid Pilot Program that will assist with recruiting and retaining LLSP and Speech-Language Pathologists. The hybrid program will work remotely for up to two days per week. The parameters of the program will be evaluated to determine productivity.

### **Information Item**

#### **Employee Recruitment and Retention Update**

Assistant Superintendent of Human Resources Carol Cune, Human Resources Staffing Director Angela Behrens and Teacher Mentor & Retention Coordinator Latisha Moody updated the district's Employee Recruitment and Retention process. The 2023-2024 estimated teacher retention rate is 80.3%, slightly higher than the 74.8 for 2022-2023. The administration continues recruiting to fill vacant positions. Beginning in January, the district will launch a Hybrid Pilot group to recruit and retain employees, particularly in hard-to-fill areas. Employees will be able to work remotely twice a week. The district has established a tracking system to ensure productivity while working remotely. Positions available for the launch of this pilot Hybrid Work Arrangement are School Psychologists and Speech-Language Pathologists. The district will continue recruiting at university career fairs to meet with potential candidates and share the opportunities offered in Bryan ISD.

#### **Update on the Transition to Skyward**

Executive Director of Technology Services, Julea Johnson, and Director of Data Services, Jennifer Lemons, provided an update on the transition to Skyward. The Skyward system comprises Enterprise Resource Planning (ERP) and Student Information System (SIS). In May 2023, the Board approved the purchase of Skyward. The conversion pre-work and the ERP software will go live in January 2024. The ERP rollout implementation consists of Finance, Human Resources Management, Employee Portal and Payroll/Benefits areas. Implementation teams have been trained to become familiar with the Skyward ERP system. Preliminary imports of data reports are reviewed for accuracy in preparation for the Go Live date. In February, the district will begin migration to Skyward Timeclock, and in March/April, a budgeting and staff planning/applicant module will be implemented.

Technology Services will continue to roll out new system features and offer training throughout the Spring.

#### **Bilingual Programs Update**

Director of Bilingual, ESL and Migrant Services, Dr. Georgiana Adams-Molina, provided an update on all Bilingual, Migrant and ESL Services. According to Board Policy and Texas Education Code 29.053, the update included the academic and English language proficiency progress of emergent bilingual students, the number of students that have been classified as English proficient and the frequency and scope of a comprehensive professional development plan implemented as required under Texas Education Code 89.1207.

The district Bilingual program serves students in grades PK-6 at 13 campuses. Additionally, the district provides a two-way Dual Language on four campuses serving students in grades K-6. English as a Second Language (ESL) is available on all campuses.

The Texas English Language Proficiency Assessment System (TELPAS) measures the progress of English language acquisition yearly in Listening, Speaking, Reading and Writing. Components of the program's success include resources from VISTA Higher Learning, Summit K12, Seidlitz, professional development materials and ELLevation. ELLevation is a compliance software that impacts instructions and evaluation.

### **ITEMS FOR DISCUSSION AND OR ACTION / CONSENT AGENDA**

A **motion** was made by Leo Gonzalez, II and seconded by Felicia Benford to approve the items listed on the consent agenda. *The motion passed unanimously.*

- Resolution Appointing 2 Representatives to the Brazos County Central Appraisal District Board of Directors
- Resolution for Robertson Central Appraisal District Board of Directors

### **Closed Session**

### **CONVENE IN CLOSED SESSION**

Board President Dr. Julie Harlin called for a closed session at 12:50 p.m. as authorized by *Texas Government Code Chapter 551.074, 551.071, 551.129 and 551.0821* for the subjects allowed.

### **DISCUSS ISSUES PERTAINING TO APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE - TEXAS GOVERNMENT CODE SECTION 551.074**

The agenda item was discussed in a session closed to the public.

### **PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.0821, DELIBERATION CONCERNING A PUBLIC SCHOOL STUDENT WHEREIN PERSONALLY IDENTIFIABLE INFORMATION WILL NECESSARILY BE REVEALED**

The agenda item was discussed in a session closed to the public.

### **DISCUSS AND CONSIDER APPOINTMENT OF BRYAN ISD BOARD OFFICERS FOR 2024**

The agenda item was discussed in a session closed to the public.

### **RECEIVE LEGAL ADVICE WITH REGARD TO THE CITY OF BRYAN'S REQUEST FOR A WATERLINE EASEMENT, CONSISTING OF A CERTAIN 0.717 ACRE VARIABLE WIDTH AREA TRACT SITUATED IN THE STEPHEN F. AUSTIN SURVEY, ABSTRACT 6 IN BRAZOS COUNTY, TEXAS, WHICH IS COMMONLY KNOWN AS SADBERRY INTERMEDIATE SCHOOL - TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.129**

The agenda item was discussed in a session closed to the public.

### **Reconvene in Open Session**

The Board reconvened in an open session at 2:25 p.m. The Board took no action in closed session.

### **CONSIDER AND TAKE POSSIBLE ACTION ON THE APPOINTMENT OF THE BRYAN ISD BOARD OFFICERS FOR 2024**

A **motion** was made by Mark McCall and seconded by Ruthie Waller for the approval of the appointment of Julie Harlin as Board President, Felicia Benford as Vice President, and David Stasny as Secretary for the Bryan ISD Board Officers for 2024, as presented. *The motion passed unanimously.*

**ADJOURN**

There being no further business, the meeting adjourned at 2:27 p.m.

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President

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Secretary



## **BRYAN ISD BOARD OF TRUSTEES MEETING**

The Bryan ISD Board of Trustees met for a special meeting on December 5, 2023, at 6:00 p.m., in the Boardroom of the Bryan ISD Administration Building, located at 801 South Ennis Street, Bryan, TX 77803.

Board members present:

- Dr. Julie Harlin (President)
- Felicia Benford (Vice President)
- David Stasny (Secretary)
- Ruthie Waller
- Mark McCall
- Leo Gonzalez, II
- Joel Bryan

Staff members present:

- Ginger Carrabine
- Dr. Barbara Ybarra
- Kevin Beesaw
- Carol Cune
- Dr. Brian Merrell
- Linda Montoya
- Julea Johnson
- Jennifer Warren
- Ron Clary
- Derek Rush
- Dr. Jill Morris
- Clay Falls
- Tiffany Lee

### **CALL TO ORDER SPECIAL MEETING**

The Board President, Dr. Julie Harlin, called the meeting to order at 6:04 p.m. A warm welcome was extended to all in attendance.

### **Citizens' Comment**

No comment cards were presented.

### **ITEMS FOR DISCUSSION AND OR ACTION / REGULAR AGENDA**

#### **Local Governance**

**TEAM OF EIGHT CONTINUING EDUCATION TRAINING**

Texas Association of School Boards Consultant Orin Moore provided the administration with the annual training on the roles and responsibilities of Trustees, refinement and development of Board Goals, and a review and discussion of Board Operating Procedures. The Governance Team has a tremendous impact within the schools and community. As an effective team of eight, the goal is to focus on improving student outcomes and support the vision and progress of those goals. Each member plays a critical role in student success. The training session meets the required professional development hours for team building for the Board of Trustees.

**Closed Session**

**CONVENE IN CLOSED SESSION**

Board President Dr. Julie Harlin called for a closed session at 8:40 p.m. as authorized by *Texas Government Code Chapter 551.074, 551.071, and 551.0821* for the subjects allowed.

**DISCUSS ISSUES PERTAINING TO APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE - TEXAS GOVERNMENT CODE SECTION 551.074**

The agenda item was discussed in a session closed to the public.

**PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.0821, DELIBERATION CONCERNING A PUBLIC SCHOOL STUDENT WHEREIN PERSONALLY IDENTIFIABLE INFORMATION WILL NECESSARILY BE REVEALED**

The agenda item was discussed in a session closed to the public.

**CONSULTATION WITH ATTORNEY REGARDING BOARD OPERATING PROCEDURES AND DUTIES OF PUBLIC OFFICIALS - TEXAS GOVERNMENT CODE 551.071 AND 551.074**

The agenda item was discussed in a session closed to the public.

**Reconvene in Open Session**

The Board reconvened in an open session at 9:55 p.m. The Board took no action in closed session.

**ADJOURN**

There being no further business, the meeting adjourned at 9:55 p.m.

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President

Secretary



## **BRYAN ISD BOARD OF TRUSTEES MEETING**

The Bryan ISD Board of Trustees met for a regular meeting on December 11, 2023, at 6:00 p.m., in the Boardroom of the Bryan ISD Administration Building, located at 801 South Ennis Street, Bryan, TX 77803.

Board members present:

- Dr. Julie Harlin (President)
- Felicia Benford (Vice President)
- David Stasny (Secretary)
- Ruthie Waller
- Mark McCall
- Leo Gonzalez, II
- Joel Bryan

Staff members present:

- Ginger Carrabine
- Dr. Barbara Ybarra
- Kevin Beesaw
- Carol Cune
- Dr. Brian Merrell
- Crystal Goodman
- Linda Montoya
- Jennifer Warren
- Janice Williamson
- Ron Clary
- Clay Falls
- Tiffany Lee

### **CALL TO ORDER PUBLIC HEARING**

Board President, Dr. Julie Harlin, called the public hearing to order at 6:00 p.m. and quickly recessed at 6:00 p.m. to allow time for the pledges, citizens' comments, and Spotlight and information items.

### **RECESS PUBLIC HEARING**

Dr. Julie Harlin recessed the public hearing at 6:00 p.m.

### **CALL TO ORDER REGULAR MEETING**

President, Dr. Julie Harlin, called the regular meeting to order at 6:00 p.m and extended a hearty welcome to all attendees.

### **Pledges of Allegiance**

Second and 3rd-grade UIL winners from Mitchell Elementary led the American Pledge, and the Branch Elementary Junior Ambassador recited the Texas Pledge.

### **Citizens' Comment**

No comment cards were presented.

### **Spotlight**

#### **Celebrating Bryan ISD Student Ambassadors, Student Leadership, and Community Engagement**

Executive Director of School Leadership, Dr. Brian Merrell, introduced two Senior Ambassadors who thanked the Board for allowing them to learn, grow, and support the community as leaders. They have made a considerable impact, aided others, and have grown as leaders through their efforts. The ambassadors are a diverse group of students who have become the face of the district. Leaders on campus and in the community have volunteered countless hours to help others and are examples of a strong work ethic and philanthropy. For these things and many more, the Bryan ISD Student Ambassadors will present at the Annual Texas Association of School Administrators conference in Austin.

#### **Essential 8 Award Presentation to the Boys and Girls Club of the Brazos Valley, Celebration of the District and Club Partnership**

Executive Director of School Leadership, Dr. Brian Merrell, and Assistant Director of Athletics, Derek Rush, presented the Boys and Girls Club of the Brazos Valley with an E8 Award. The Boys and Girls Club has dramatically impacted the community and built leaders who lead and inspire. Rhonda Watson, Director of the Boys and Girls Club, stated that the club will continue to promote the Essential 8 Character traits.

#### **Elementary & Secondary Teachers of the Month**

The Elementary Teachers of the Month are Lisa Vickers, Mitchell Elementary, introduced by Principal Shari Hedstrom and Jessica Jacobi, and Branch Elementary, presented by Principal Amy Lively. The Secondary Teacher of the Month was Rosa Gage, Rudder High School, whom Principal Rachel Layton introduced. For exhibiting outstanding Essential 8 characteristics within their classrooms and throughout their campuses, each teacher received a certificate of appreciation and a gift card from Truist Bank.

#### **Auxiliary Employee of the Month**

The December Auxiliary Employee of the Month is Cliff Fields with the Maintenance and Operations Department. Introduced by Executive Director of Maintenance & Operations, Ron Clary. Fields is a veteran employee with over ten years of service in Bryan ISD and over 20 years of HVAC experience in the industry. He has been instrumental in sharing his knowledge with new staff, is a team player, an excellent team builder, and a true asset to the Maintenance and Operations Department.

#### **Reconvene Public Hearing**

The public hearing returns from recess at 6:41 p.m.

#### **PRESENTATION OF THE DISTRICT ANNUAL FIRST RATING**

Assistant Superintendent of Business Services, Kevin Beesaw, stated that each year, Texas School Districts must hold a public hearing to present their Financial Integrity Rating System of Texas

(FIRST) rating. Each district is evaluated on 20 indicators designed to measure how well school districts maximize financial resources for direct instructional purposes. These indicators measure administrative cost expenditures, the accuracy of financial information submitted to TEA, and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor. They also measure financial competency, responsibility, and solvency compared to acceptable ranges adjusted for the size of a district.

Bryan ISD has received an A=Superior Achievement rating for the 2022-2023 rating (based on 2021-2022 data). The district has received the highest possible rating each year since its inception of the FIRST rating in 2001. Areas to monitor are investments to maximize the return on district funds and administrative cost ratios to maintain a strong fund balance.

### **ADJOURN PUBLIC HEARING**

Board President Dr. Juile Harlin adjourned the public hearing at 6:56 p.m.

### **CALL TO ORDER REGULAR MEETING**

The regular meeting reconvenes at 6:56 p.m.

### **Superintendent Update**

#### **Superintendent Update - Semester Highlights, Student and Staff Celebrations, and Family/Community Engagement**

Superintendent Ginger Carrabine provided an update on community and district-wide events over the last few weeks. The district has been a buzz of excitement with community engagement. Multiple student-led organizations participated in the annual holiday parades. Advanced Academics, Fine Arts, Athletics, KickStart, and the Education Foundation prize patrol have also been highly active with holiday events, socials, and musical performances. The district will continue to bring awareness to all the great activities and opportunities available in Bryan ISD.

### **Standing Committees**

#### **City School Update - A Semester in Review, State Accountability and State Assessment Update, Construction Bond 2020, and Legislative Session Overview**

Trustee David Stasny stated that the committee met with City officials on Tuesday, December 5. The City provided a general update on City projects. Multiple projects are underway at MidTown Park, including constructing tennis courts, a bowling alley, and a movie theatre. The city updated the committee on Signature Park. Signature Park will be an excellent attraction at MidTown, providing a playground for all ages.

### **Information Item**

#### **Update on the Development of the 2024-2025 Instructional Calendar**

Director of Counseling Services, Donna Willett, provided an update on the development of the 2024-2025 Instructional Calendar. Multiple meetings with stakeholders to gather input on the school calendar have been held. Throughout these meetings, the committee has worked to stay within the State-required parameters for operational minutes, teacher workdays, and the number of professional development minutes. The committee has used input from those meetings to create multiple drafts. All of these options have at least 6 professional development days before the start of school, a whole week at Thanksgiving, and December 19 or 20, the last day for Christmas break. The committee will meet tomorrow via Zoom to narrow the options to two. A community-wide survey will be released on January 3 and will close on January 10, 2024. The district will allow parents to take the survey and comment via a computer station at each campus.

The final recommendation for the 2024-2025 school calendar will be presented to the Board on January 22, 2024.

### **ITEMS FOR DISCUSSION AND OR ACTION / CONSENT AGENDA**

A **motion** was made by Mark McCall and seconded by Ruthie Waller to approve the items listed on the consent agenda. *The motion passed unanimously.*

- Meeting Minutes - November 6, 2023
- Meeting Minutes - November 13, 2023
- Meeting Minutes - November 14, 2023
- Financial Statement for November 2023

### **ITEMS FOR DISCUSSION AND OR ACTION / REGULAR AGENDA**

#### **Business Services**

#### **CONSIDER APPROVAL OF PURCHASE REQUEST OVER \$50,000 FOR THE REPAIR OF THE RUDDER HIGH SCHOOL TRACK**

Assistant Superintendent of Business Services, Kevin Beesaw, stated that the track at Rudder High School needs repairs/resurfacing to be usable for the upcoming track season. The existing track is approximately 15 years old and has begun to show signs of aging with divots and holes, causing an unsafe environment for students. This resurfacing process will extend the life of the track for 4 to 5 years before it needs to be resurfaced again. The estimated completion timeline is two weeks. The district received two quotes from qualified vendors to complete this project, with Paragon Sports providing the best quote of \$135,747. The funding source for this project will be from the 2014 bond.

A **motion** was made by Mark McCall and seconded by Ruthie Waller for the approval of the repair of the Rudder Track to Paragon Sports in the amount of \$135,747.00, as presented. *The motion passed unanimously.*

#### **Board Governance**

#### **CONSIDER APPROVAL OF THE BOARD OF TRUSTEE'S GOALS**

Associate Superintendent of Teaching and Learning, Dr. Barbara Ybarra, stated that according to policy, the board should adopt comprehensive district and superintendent goals as a critical part of governance and policy AE. Dr. Ybarra gave an overview of the proposed Board Goals. On December 5, the Board members convened in a special meeting to develop the Board's goals. The Board will meet throughout the coming months to revise and establish measurable key performance indicators. The proposed Board goals are:

- Board Goal 1 - Academic - Empower the academic and post-graduation success of every student.
- Board Goal 2 - Culture & Climate - Foster and sustain a culture and climate that encourages a shared responsibility for a positive learning environment that promotes engagement in academic, extracurricular, and service activities.
- Board Goal 3 - Workforce - Recruit and maintain a high-quality workforce through competitive benefits, differentiated professional learning, and providing appropriate resources and support to ensure a positive work environment.
- Board Goal 4 - Community Engagement - Actively partner with students, families, staff, and the community to promote collaborative stakeholder engagement to achieve the district's vision.
- Board Goal 5 - Safety & Security - Ensure a physically and emotionally safe and secure learning environment while welcoming all students, staff, and visitors.

A **motion** was made by Mark McCall and seconded by Leo Gonzalez, II, for the approval of the Board Goals as presented. *The motion passed unanimously.*

**CONSIDER APPROVAL OF THE BOARD OF TRUSTEES' EARLY CHILDHOOD LITERACY & NUMERACY GOALS**

Director of Accountability, Research, Evaluation, and Assessment, Dr. Jill Morris, Director of Curriculum & Instruction, Dr. Leslie Holtkamp, and Executive Director of Special Programs, Jennifer Warren, reported that Texas Education Code, §11.185 for the Early Childhood Literacy and Mathematics Proficiency Plans states that the board of trustees of each school district shall adopt and post on the district's Internet website early childhood literacy and mathematics proficiency plans that set specific annual goals for the following five school years to reach quantifiable goals for student performance in reading and mathematics at each campus. Due to the change in the STAAR test scoring method, the proposed goal is for all 3rd-grade students that meet grade level or above on STAAR Reading Language Arts to increase from 42% in 2023 to 52% in 2027. The district will continue to progress monitoring through reading screener testing three times a year, informal reading assessments, and campus data talks. The percentage of 3rd-grade students that score meets grade level or above on STAAR Math will increase from 43% in 2023 to 53% in 2027. Teachers will continue to receive training to analyze the data to address individual student needs.

A **motion** was made by Leo Gonzalez, II, and seconded by Felicia Benford for the approval of the Board of Trustees Early Childhood Literacy & Numeracy Goals. *The motion passed unanimously.*

**CONSIDER APPROVAL OF THE BOARD OF TRUSTEES' COLLEGE, CAREER, AND MILITARY READINESS GOALS**

Director of Accountability, Research, Evaluation, and Assessment, Dr. Jill Morris, Director of Counseling Service, Donna Willett, and Director of Advanced Academics, Dr. Christina Richardson, reported that Texas Education Code, §11.186. for the College, Career, and Military Readiness (CCMR) Plans states that the board of trustees of each school district shall adopt college, career, and military readiness plans that set specific annual goals for the following five school years to reach quantifiable goals for measures of student college, career, and military readiness at each campus.

The Texas Success Initiative criteria for College Readiness, Career Readiness, and Military Readiness have been reinstated. Graduates can show military readiness by submitting a completed DD4 form to their campus. Bryan ISD offers 17 of 19 CTE programs of study that offer CCMR completion opportunities for career readiness.

A **motion** was made by David Stasny and seconded by Felicia Benford for the approval of the Board of Trustees College, Career, and Military Readiness Goals as presented. *The motion passed unanimously.*

**Closed Session**

**CONVENE IN CLOSED SESSION**

Board President Dr. Julie Harlin called for a closed session at 8:02 p.m. as authorized by *Texas Government Code Chapter 551.074, and 551.0821* for the subjects allowed.

**DISCUSS ISSUES PERTAINING TO APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE - TEXAS GOVERNMENT CODE SECTION 551.074**

The agenda item was discussed in a session closed to the public.

**PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.0821, DELIBERATION CONCERNING A PUBLIC SCHOOL STUDENT WHEREIN PERSONALLY IDENTIFIABLE INFORMATION WILL NECESSARILY BE REVEALED**

The agenda item was discussed in a session closed to the public.

**Reconvene in Open Session**

The Board reconvened in an open session at 8:58 p.m. The Board took no action in closed session.

**ADJOURN**

There being no further business, the meeting adjourned at 8:58 p.m.

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President

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Secretary



## **BRYAN ISD BOARD OF TRUSTEES MEETING**

The Bryan ISD Board of Trustees met for a regular meeting on January 22, 2024, at 6:00 p.m., in the Boardroom of the Bryan ISD Administration Building, located at 801 South Ennis Street, Bryan, TX 77803.

### **Board members present:**

- Dr. Julie Harlin (President)
- Felicia Benford (Vice President)
- David Stasny (Secretary)
- Ruthie Waller
- Mark McCall
- Leo Gonzalez, II
- Joel Bryan

### **Staff members present:**

- Ginger Carrabine
- Dr. Barbara Ybarra
- Carol Cune
- Dr. Brian Merrell
- Crystal Goodman
- Linda Montoya
- Jennifer Warren
- Janice Williamson
- Paul Buckner
- Rich Himmell
- Clay Falls
- Tiffany Lee

## **CALL TO ORDER REGULAR MEETING**

President, Dr. Julie Harlin, called the regular meeting to order at 6:00 p.m and welcomed all attendees.

## **Pledge of Allegiance**

Sadberry Intermediate Mustang student ambassadors led the audience in the pledges of Allegiance to the American and Texas flags.

## **Citizens' Comment**

Comment from Daniel Hernandez - Supporting Superintendent for her great work.

Comment from Roy Lopez - Support of Bryan ISD and Superintendent Ginger Carrabine.

**Superintendent Update - Board Appreciation Month**

**Texas Association of School Boards Recognition Month January 2024 - Locally Elected, Community Connected**

Superintendent Ginger Carrabine stated that each January, the district honors the men and women serving the students, faculty and staff of Bryan ISD. The 2024 School Board Recognition theme is Locally Elected, Community Connected. Tonight, it's all about the Board. Children First Always! Carrabine thanked the Board for its dedication and service to the students and staff of this great district. Governor Abbott's office issued a proclamation honoring Trustees across the State. Trustees received district-wide recognition of gratitude for their service and commitment.

**Board Committees**

**Executive Board Committee Update - Fiber Optic Area-Wide Network, Board Policy Update 122, Board Committees, and School Finance**

Trustee Felicia Benford stated that the committee met on Wednesday, January 10. The committee received an update on the fiber optic network. The current agreement has been in place for over 20 years, with the current agreement expiring soon. The insurance saw a slight increase in retirees under 70 Legislative changes for Board Policy Update 122. Committee assignments for 2024. Preliminary review of the the 2024 Budget

**ITEMS FOR DISCUSSION AND OR ACTION / CONSENT AGENDA**

A **motion** was made by Felicia Benford and seconded by Mark McCall to approve the items listed on the consent agenda. *The motion passed unanimously.*

- Meeting Minutes - December 4, 2023
- Meeting Minutes - December 5, 2023
- Meeting Minutes - December 11, 2023
- Financial Statement for December 2023
- Resolution: Setting the Payment Parameters for the Closing of School on January 16, 2024

**ITEMS FOR DISCUSSION AND OR ACTION / REGULAR AGENDA**

**Business Services**

**CONSIDER APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR BRYAN INDEPENDENT SCHOOL DISTRICT FOR THE YEAR AUGUST 31, 2023**

Director of Business Services, Stefanie Brumfied, stated that the Texas Education Agency (TEA) requires all Independent School Districts to have a financial audit performed by an independent auditor and issue an audited financial report annually. Rebecca Darling, an audit partner from the firm of Weaver and Tidwell, provided a presentation on the District's Annual Audit and Financial Statements for the Year Ending August 31, 2023. The audit process summarized that the results of the audit and financial statement report were unmodified opinions (the highest standard given), with no material weaknesses or significant internal control deficiencies identified within the audit. Ms. Darling complimented Bryan ISD administration and Finance Department for their hard work and cooperation during the audit process. The Board received a summary of the local, state, and federal funds and a breakdown of revenues and expenditures was provided.

The upcoming changes include GASB Statement No. 101, which encompasses Compensated Absences. GASB Statement No. 101 updates the recognition and measurement guidance that defines a compensated absence as leave for which- employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to post-employment benefits.

A **motion** was made by David Stasny and seconded by Leo Gonzalez for the approval of the annual audit and financial report for the Year Ending August 31, 2023, as presented. *The motion passed unanimously.*

**Closed Session**

**CONVENE IN CLOSED SESSION**

Board President Dr. Julie Harlin called for a closed session at 6:49 p.m. as authorized by *Texas Government Code Chapter 551.074 and 551.0821* for the subjects allowed.

**DISCUSS ISSUES PERTAINING TO APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE - TEXAS GOVERNMENT CODE SECTION 551.074**

The agenda item was discussed in a session closed to the public.

**PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.0821, DELIBERATION CONCERNING A PUBLIC SCHOOL STUDENT WHEREIN PERSONALLY IDENTIFIABLE INFORMATION WILL NECESSARILY BE REVEALED**

The agenda item was discussed in a session closed to the public.

**DISCUSSION REGARDING SUPERINTENDENT EVALUATION (TEXAS GOVERNMENT CODE 551.074)**

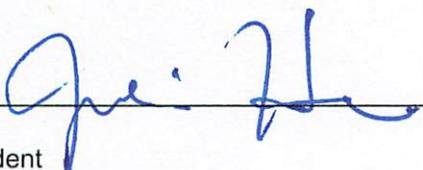
The agenda item was discussed in a session closed to the public.

**Reconvene in Open Session**

The Board reconvened in an open session at 10:23 p.m. The Board took no action in closed session.

**ADJOURN**

There being no further business, the meeting adjourned at 10:23 p.m.

  
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President

  
\_\_\_\_\_  
Secretary

2. Consider Approval of the Financial Statements for December 2023

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**Bryan ISD Monthly Update - Budgeted Funds**

**General Fund**

**December 2023**

	<b>Adopted Budget</b>	<b>4 Months December 2023</b>	<b>Estimated Budget Remaining</b>	<b>December Actual</b>
<b>Revenues:</b>				
Local and Intermediate Sources	86,072,000	21,871,194	64,200,806	15,677,110
State Programs	77,071,000	35,010,236	42,060,764	1,028,842
Federal Programs	2,610,000	508,934	2,101,066	108,476
<b>Total Revenues</b>	<b>165,753,000</b>	<b>57,390,363</b>	<b>108,362,637</b>	<b>16,814,428</b>
<b>Expenditures:</b>				
11 Instructional	102,033,042	36,452,626	65,580,416	9,687,993
12 Instructional Resources	1,585,808	631,273	954,535	194,784
13 Instructional Staff Development	3,573,060	1,248,122	2,324,938	322,921
21 Instructional Leadership	3,576,491	1,564,584	2,011,907	404,598
23 Campus Administration	10,671,305	4,010,607	6,660,698	1,125,224
31 Guidance and Counseling	5,812,619	2,339,089	3,473,530	673,224
32 Social Work Services	429,608	70,294	359,314	4,131
33 Health Services	1,997,002	835,536	1,161,466	214,721
34 Student Transportation	7,625,619	2,750,438	4,875,182	327,373
35 Food Services	25,000	487	24,513	122
36 Cocurricular / Extracurricular	4,285,381	1,763,214	2,522,167	281,051
41 General Administration	4,664,684	1,734,180	2,930,504	476,249
51 Plant Maint. And Operations	17,055,369	8,293,154	8,762,215	1,181,607
52 Security and Monitoring	1,835,982	611,974	1,224,008	77,952
53 Data Processing Services	2,628,071	2,007,902	620,169	163,112
61 Community Services	286,084	88,832	197,252	20,439
71 Debt Services	835,000	208,651	626,349	-
72 Debt Services - SECO Loan	-	-	-	-
81 Facilities Acquisition & Constr.	-	-	-	-
95 Juvenile Justice AEP	60,000	3,676	56,324	-
97 Tax Incremental Financing	-	-	-	-
99 Intergovernmental Charges	1,408,875	307,827	1,101,048	2,422
<b>Total Expenditures</b>	<b>170,389,000</b>	<b>64,922,468</b>	<b>105,466,532</b>	<b>15,157,922</b>
Other Resources*	0	212,903	(212,903)	209,720
Other Uses**	0	0	0	-
<b>Net Other Resources and Uses</b>	<b>0</b>	<b>212,903</b>	<b>212,903</b>	<b>209,720</b>

\*Other resources include sale of hotspots from Technology as well as final insurance reimbursements from the 2021 winter storm damage.

**Bryan ISD Monthly Update - Budgeted Funds**

**Debt Service**

**December 2023**

	<b>Adopted Budget</b>	<b>4 Months Decemeber 2023</b>	<b>Estimated Budget Remaining</b>	<b>Decemeber Actual</b>
<b>Revenues:</b>				
Local and Intermediate Sources	35,587,187	8,460,878	27,126,309	6,192,247
State Programs	175,000	974,447	(799,447)	974,447
<b>Total Revenues</b>	<b>35,762,187</b>	<b>9,435,325</b>	<b>26,326,862</b>	<b>7,166,694</b>
<b>Expenditures:</b>				
71 Debt Services	35,762,187	-	35,762,187	-
<b>Total Expenditures</b>	<b>35,762,187</b>	<b>-</b>	<b>35,762,187</b>	<b>-</b>

A Budget Amendment will be brought to cover the negative balances.

**Bryan ISD Monthly Update - Budgeted Funds**

**School Nutrition Services**

**December 2023**

	<b>Adopted Budget</b>	<b>4 Months Decemeber 2023</b>	<b>Estimated Budget Remaining</b>	<b>Decemeber Actual</b>
<b>Revenues:</b>				
Total Revenues*	12,250,000	4,731,582	7,518,418	838,714
<b>Expenditures:</b>				
35 Food Services	11,765,000	3,846,975	7,918,025	733,894
51 Plant Maint. And Operations	485,000	-	485,000	-
<b>Total Expenditures</b>	<b>12,250,000</b>	<b>3,846,975</b>	<b>8,403,025</b>	<b>733,894</b>

**Bryan ISD Monthly Update - Non-Budgeted Funds**  
**Special Revenue Funds**  
**December 2023**

	<b>Adopted Budget</b>	<b>4 Months December 2023</b>	<b>Estimated Budget Remaining</b>	<b>December Actual</b>
<b>Revenues:</b>				
Local and Intermediate Sources	-	316,873	-	90,205
State Programs	-	2,175,470	-	259,751
Federal Programs	-	8,066,181	-	1,311,899
Other	-		-	-
<b>Total Revenues</b>	-	<b>10,558,524</b>	-	<b>1,661,855</b>
<b>Expenditures:</b>				
11 Instructional	-	4,940,990	-	799,228
12 Instructional Resources	-	19,308	-	-
13 Instructional Staff Development	-	1,509,286	-	392,630
21 Instructional Leadership	-	357,922	-	69,532
23 Campus Administration	-	444,291	-	67,485
31 Guidance and Counseling	-	1,423,806	-	160,180
32 Social Work Services	-	286,832	-	91,878
33 Health Services	-	59,960	-	-
34 Student Transportation	-	60,817	-	957
35 Food Services	-		-	-
36 Cocurricular / Extracurricular	-	234,331	-	26,117
41 General Administration	-	90,269	-	10,245
51 Plant Maint. And Operations	-	134,086	-	-
52 Security and Monitoring	-	906,210	-	29,155
53 Data Processing Services	-	29,641	-	-
61 Community Services	-	60,775	-	14,448
71 Debt Services	-		-	-
81 Facilities Acquisition & Constr.	-		-	-
95 Juvenile Justice AEP	-		-	-
97 Tax Incremental Financing	-		-	-
99 Intergovernmental Charges	-		-	-
<b>Subtotal Expenditures</b>	-	<b>10,558,524</b>	-	<b>1,661,855</b>
Other Uses	-	-	-	-
<b>Total Expenditures</b>	-	<b>10,558,524</b>	-	<b>1,661,855</b>

These items do not require budgets to be adopted  
by the Board of Trustees

3. Consider a Resolution Setting the Payment Parameters for the Closing of School on January 16, 2024

22



January 16, 2024

To: Bryan ISD Principals  
Bryan ISD District Leadership Team

From: Ginger Carrabine  
CC: Board of Trustees

Re: Compensation for Personnel during the district/campus closure on Tuesday, January 16, 2024

As you are aware, Bryan ISD was closed on Wednesday, January 16, 2024 due to inclement weather. With the additional number of minutes built into the instructional calendar it was decided that this day would not be made up.

It has been decided that it is in the best interest of the district to not adjust the employee work calendar resulting in that day not being made up across the district.

The information below is provided for payroll reporting purposes for January 16, 2024. This information is in accordance with district policy and supported by our Board of Trustees through a resolution passed on January 22, 2024.

Non-Exempt Employees

- All non-exempt (hourly) employees will be paid their regular hourly rate based on their percent of employment but not to exceed 8 hours.
- Non-exempt (hourly) staff that **were** requested to work will be compensated for their work time based on the number of hours physically worked as provided in DEA (LOCAL) .

Exempt Employees

- All exempt employees will be compensated for January 16, 2024 at their regular daily rate.

Employees on leave

- Employees (exempt or non-exempt) who were scheduled to be absent on January 16, 2024 due to personal illness, family illness, personal leave, nonduty days or longevity will not be charged for leave time for that day.
- Employees on Family Medical Leave (FML), Temporary Disability Leave (TDL), Emergency Paid Sick Leave (EPSL) or workers compensation will not be charged for a day of leave towards their protected leave status.
- Employees on unpaid leave on January 16, 2024 will remain on an unpaid leave status.

Exceptions

- Non-benefit eligible employees.

For questions, please contact Ms. Brandy Green, Payroll Supervisor (979)209-1018

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE BRYAN INDEPENDENT SCHOOL DISTRICT  
DECLARING A NON-MAKEUP WEATHER DAY**

**WHEREAS**, the Bryan Independent School District Board of Trustees ("Board") recognizes that the City of Bryan and Brazos County, including territory in the Bryan Independent School District ("District") experienced severe weather conditions on January 16, 2024; and,

**WHEREAS**, in light of inclement weather forecasts, the dangerous weather conditions which were created by the weather events that occurred on January 16, 2024, the District was closed on January 16, 2024 to protect the safety of students and staff; and

**WHEREAS**, the Board believes it is in the best interests of the District that the employee work calendar remains in effect as originally adopted and that the closure day not be made up; and

**WHEREAS**, the Board acknowledges that during an emergency closing, most District employees are instructed not to report for work, and other employees may be called upon to provide emergency-related services. The Board concludes that a need exists to address wage payments for employees who are idled and those required to work during emergency closings;

**WHEREAS**, employees who are instructed not to report to work may suffer a loss of pay unless the workdays are made up at a later date. The Board concludes that compensating employees, contractual and noncontractual, salaried and non-salaried, who suffer a loss in pay due to the one-day emergency closing which is not being made up through a revised employee work calendar serves the public purposes of maintaining morale, reducing turnover, and ensuring continuity of District staffing when schools reopen.

**WHEREAS**, as to nonexempt employees who are called on to work during an emergency closing, the Board further concludes that payment of these employees as provided in DEA(LOCAL), serves the public purposes of maintaining morale, providing equity between idled employees and employees who provide emergency-related services, and recognizing the services of essential staff.

**IT IS THEREFORE,**

**RESOLVED**, that the Board of Trustees of the Bryan Independent School District hereby authorizes the administration to compensate employees for the one (1) school day when the District was closed, as detailed in the attached memorandum from the Bryan Independent School District Superintendent; and

**FURTHER RESOLVED**, that nonexempt employees who were required to work during the one-day emergency closing shall be paid at the rate described in DEA (LOCAL).

SIGNED this 22nd day of January 2024.

By: \_\_\_\_\_  
Dr Julie Harlin, President, Board of Trustees

ATTEST:

\_\_\_\_\_  
David Stasny, Secretary, Board of Trustees

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE BRYAN INDEPENDENT SCHOOL DISTRICT  
DECLARING A NON-MAKEUP WEATHER DAY**

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**WHEREAS**, the Board believes it is in the best interests of the District that the employee work calendar remains in effect as originally adopted and that the closure day not be made up; and

**WHEREAS**, the Board acknowledges that during an emergency closing, most District employees are instructed not to report for work, and other employees may be called upon to provide emergency-related services. The Board concludes that a need exists to address wage payments for employees who are idled and those required to work during emergency closings;

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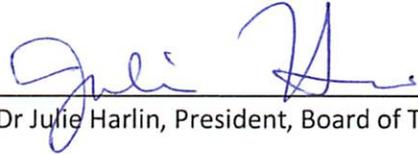
**IT IS THEREFORE,**

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**FURTHER RESOLVED**, that nonexempt employees who were required to work during the one-day emergency closing shall be paid at the rate described in DEA (LOCAL).

SIGNED this 22nd day of January 2024.

By: \_\_\_\_\_

  
Dr Julie Harlin, President, Board of Trustees

ATTEST:

  
\_\_\_\_\_  
David Stasny, Secretary, Board of Trustees

**ITEMS FOR DISCUSSION AND OR ACTION / REGULAR AGENDA**

**Business Services**

1. Consider Approval of the Annual Financial Report for Bryan Independent School District for the Year August 31, 2023

28

January 19, 2024

To the Board of Trustees of  
Bryan Independent School District  
Bryan, Texas

We have audited the financial statements of Bryan Independent School District (the District) as of and for the year ended August 31, 2023, and have issued our report thereon dated January 19, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 13, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

With respect to any nonaudit/nonattest services we perform as previously communicated to you in the engagement letter, the District acknowledges and understands that the District has the responsibility for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Such nonaudit/nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Audit Standards*.

### **Significant Risks Identified During Planning**

We identified the following significant risks during the planning phase of our audit that are a required part of our communication to you:

- Management override of internal controls
- Improper revenue recognition – non-exchange transactions (Foundation School Program state aid revenue and state and federal grant programs) - there is a presumption that a significant risk of fraud exists associated with revenue in all audits.
- Misappropriation of cash through improper or unauthorized expenditures

Identification of significant risks is part of our due diligence during our audit process. These risks were addressed by walking through controls in each respective area and performing substantive detail testing and analytical testing of transactions. Based on the test work performed in these areas, no material misstatements or significant deficiencies or material weaknesses in internal controls were found.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year the District changed its method of accounting for right-to-use subscription assets by adopting Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*. Accordingly, the effect of the account change has been reported as a restatement of capital assets and long-term liabilities as of the beginning of the fiscal year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Allowance for uncollectible taxes
2. Foundation School Program state aid revenue
3. Accrual for claims incurred but not reported related to self-insured workers' compensation and self-insured health insurance
4. Depreciation and amortization expense - estimated useful lives of capital assets
5. Net pension liability – actuarial valuation
6. Net OPEB liability – actuarial valuation

The Board of Trustees of  
Bryan Independent School District

Management's estimate of the items noted above is based on historical experience or information provided by third parties such as the Texas Education Agency or Teachers Retirement System of Texas. We evaluated the key factors and assumptions used to develop these estimates and determined that the estimates are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### *Financial Statement Disclosures*

The financial statement disclosures are neutral, consistent, and clear.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated January 19, 2024.

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

The Board of Trustees of  
Bryan Independent School District

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

**Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have made certain inquiries of management and evaluated the form, content, and methods of preparing the other information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. Such other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we do not provide any assurance on them.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

**Modification of the Auditor's Report**

We have made the following modification to our auditor's report:

An emphasis of matter paragraph was included regarding the implementation of GASB 96, as described above. Our opinions are not modified with respect to this matter.

This report is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas

# **Bryan Independent School District**

Annual Financial Report

For the Fiscal Year Ended August 31, 2023

**Bryan Independent School District**  
 Annual Financial Report  
 For the Fiscal Year Ended August 31, 2023  
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**Bryan Independent School District**  
 Annual Financial Report  
 For the Fiscal Year Ended August 31, 2023  
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**Certificate of the Board**

**Bryan Independent School District**

Name of School District

**Brazos**

County

**021-902**

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the fiscal year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 22<sup>nd</sup> day of January, 2024.

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

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

If the Board of Trustees disapproved 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

To the Board of Trustees of  
Bryan Independent School District  
Bryan, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bryan 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 the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of 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.

#### *Emphasis of Matter*

As discussed in Note 1 to the basic financial statements, during the year ended August 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

The Board of Trustees of  
Bryan Independent School District

*Supplementary Information*

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

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

*Other Information Included in the Annual Report*

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 19, 2024

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## **Management's Discussion and Analysis (Unaudited)**

As management of the Bryan Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2023. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation, net taxes receivable, total other postemployment benefit and net pension liability.

### **Financial Highlights**

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at year-end by \$46,317,774 (net position). Of this amount, unrestricted net position was negative \$53,976,722 due to recognition of net pension liabilities, net OPEB liabilities and related deferrals.
- The District's total net position increased by \$9,463,819.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$86,405,781, a decrease of \$40,114,783 as compared to the preceding year.
- At the end of the year, fund balance of the general fund was \$44,689,230, or 26 percent of the year's total general fund expenditures.
- The District's net bonded debt decreased by \$23,716,103 (8 percent) during the year.

### **Overview of the Financial Statements**

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

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes, intergovernmental revenues, and charges for services. The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Cocurricular/Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Facilities Repair and Maintenance, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges*. The business-type activities of the District included *Concessions*.

The government-wide financial statements can be found as noted in the table of contents of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of cash resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained thirty-one individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects funds, which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and child nutrition special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

**Proprietary Fund.** The District maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprise funds to account for its *Concession* operations.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the enterprise funds are provided in the form of combining statements elsewhere in this report, when applicable.

The District uses internal service funds to account for the management of its retained risks and for its transportation, print shop, health care, technology, and workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements are noted in the table of contents of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of students and other organizations that benefit the students and the District. 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 and activities.

The basic fiduciary fund financial statements are noted in the table of contents of this report.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are noted in the table of contents of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

**Government-wide Financial Analysis**

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$46,317,774.

**Bryan Independent School District's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 118,081,148	\$ 153,230,642	\$ 108,674	\$ 111,786	\$ 118,189,822	\$ 153,342,428
Capital assets, net of accumulated depreciation and amortization	322,157,027	297,620,701	-	-	322,157,027	297,620,701
Total assets	440,238,175	450,851,343	108,674	111,786	440,346,849	450,963,129
Total deferred outflows of resources	43,529,095	34,228,620	-	-	43,529,095	34,228,620
Other liabilities	23,943,464	19,595,372	12,744	7,998	23,956,208	19,603,370
Long-term liabilities outstanding	356,384,244	361,802,391	-	-	356,384,244	361,802,391
Total liabilities	380,327,708	381,397,763	12,744	7,998	380,340,452	381,405,761
Total deferred inflows of resources	57,217,718	66,932,033	-	-	57,217,718	66,932,033
Net position:						
Net investment in capital assets	85,370,366	78,475,458	-	-	85,370,366	78,475,458
Restricted	14,924,130	11,688,014	-	-	14,924,130	11,688,014
Unrestricted (deficit)	(54,072,652)	(53,413,305)	95,930	103,788	(53,976,722)	(53,309,517)
<b>Total net position</b>	<b>\$ 46,221,844</b>	<b>\$ 36,750,167</b>	<b>\$ 95,930</b>	<b>\$ 103,788</b>	<b>\$ 46,317,774</b>	<b>\$ 36,853,955</b>

The largest portion of the District's net position is net investment in capital assets, representing the District's investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment and right-to-use assets), less any related debt used to acquire those assets. 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. Net position of \$14,924,130, which is the next largest positive category of net position, is restricted for future debt service and grant expenditures. *Unrestricted* net position, reported as a negative \$53,976,722, represents the portion of net position not reported elsewhere. Unrestricted net position is negative primarily due to the recognition of the District's pension and OPEB liabilities. At the end of the current fiscal year, the District is able to report positive balances in total net position for governmental and business-type activities.

**Governmental Activities.** Governmental activities increased the District's net position by \$9,471,677 from current operations. Key elements of this change may be determined from the table below.

**Bryan Independent School District Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenues:						
Charges for services	\$ 2,512,144	\$ 2,999,794	\$ 81,921	\$ 78,613	\$ 2,594,065	\$ 3,078,407
Operating grants and contributions	50,912,289	40,396,504	-	-	50,912,289	40,396,504
General revenues:						
Property taxes, levied for general purposes	96,857,468	90,472,835	-	-	96,857,468	90,472,835
Property taxes, levied for debt service	31,265,947	26,572,888	-	-	31,265,947	26,572,888
Grants and contributions not restricted to specific programs	56,566,725	59,348,564	-	-	56,566,725	59,348,564
Investment earnings	6,030,523	813,484	-	-	6,030,523	813,484
Gain on sale of capital asset	28,923	2,287,338	-	-	28,923	2,287,338
Miscellaneous	1,027,692	701,030	-	-	1,027,692	701,030
<b>Total revenues</b>	<b>245,201,711</b>	<b>223,592,437</b>	<b>81,921</b>	<b>78,613</b>	<b>245,283,632</b>	<b>223,671,050</b>
Expenses						
Instruction	127,977,740	119,878,688	-	-	127,977,740	119,878,688
Instructional resources and media services	2,393,200	2,164,699	-	-	2,393,200	2,164,699
Curriculum and instructional staff development	8,136,488	8,220,110	-	-	8,136,488	8,220,110
Instructional leadership	5,107,642	4,262,358	-	-	5,107,642	4,262,358
School leadership	12,438,478	11,238,647	-	-	12,438,478	11,238,647
Guidance, counseling, and evaluation services	8,717,082	7,339,896	-	-	8,717,082	7,339,896
Social work services	1,098,593	1,045,944	-	-	1,098,593	1,045,944
Health services	3,328,325	3,296,738	-	-	3,328,325	3,296,738
Student transportation	8,013,000	7,737,785	-	-	8,013,000	7,737,785
Food services	12,176,966	10,537,036	-	-	12,176,966	10,537,036
Cocurricular/extracurricular activities	6,148,754	6,054,352	-	-	6,148,754	6,054,352
General administration	5,072,826	4,295,955	-	-	5,072,826	4,295,955
Plant maintenance and operations	19,311,579	17,010,752	-	-	19,311,579	17,010,752
Security and monitoring services	2,048,690	1,732,247	-	-	2,048,690	1,732,247
Data processing services	2,393,332	2,246,014	-	-	2,393,332	2,246,014
Community services	343,586	270,662	-	-	343,586	270,662
Interest on long-term debt	7,158,082	7,772,142	-	-	7,158,082	7,772,142
Facilities repair and maintenance	2,409,809	330,498	-	-	2,409,809	330,498
Payments to juvenile justice alternative education programs	45,116	34,945	-	-	45,116	34,945
Other intergovernmental charges	1,147,344	1,037,161	-	-	1,147,344	1,037,161
Concessions	-	-	89,779	63,723	89,779	63,723
<b>Total expenses</b>	<b>235,466,632</b>	<b>216,506,629</b>	<b>89,779</b>	<b>63,723</b>	<b>235,556,411</b>	<b>216,570,352</b>
Change in net position before extraordinary items	9,735,079	7,085,808	(7,858)	14,890	9,727,221	7,100,698
Extraordinary item - storm damages, net of recoveries	(263,402)	(547,443)	-	-	(263,402)	(547,443)
Change in net position	9,471,677	6,538,365	(7,858)	14,890	9,463,819	6,553,255
Net position - beginning	36,750,167	30,211,802	103,788	88,898	36,853,955	30,300,700
<b>Net position - ending</b>	<b>\$ 46,221,844</b>	<b>\$ 36,750,167</b>	<b>\$ 95,930</b>	<b>\$ 103,788</b>	<b>\$ 46,317,774</b>	<b>\$ 36,853,955</b>

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues) totaling \$107,479,014 represent 44 percent of total revenues and property taxes totaling \$128,123,415 represent 52 percent of total revenues. The remaining 4 percent is generated from charges for services, investment earnings, gain on sale of capital assets and miscellaneous sources. The overall increase to revenue is primarily due to increased property tax collections resulting from higher property valuations, as well as increase in use of ESSER funding in the current year and increased investments earnings.

The primary functional expense of the District is *Instruction* totaling \$127,977,740, which represents 54 percent of total expenses while all remaining expense categories are individually 8 percent or less of total expenses. The overall expenses increased primarily due to higher than normal inflation impacting the nation, resulting in higher payroll and non-payroll related cost of goods and services.

**Business-type Activities.** Business-type activities decreased the District's net position by \$7,858.

### Financial Analysis of the Government's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$86,405,781, a decrease of \$40,114,783 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$38,086,760, while total fund balance was \$44,689,230. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22 percent of total general fund expenditures, while total fund balance represents 26 percent of that same total. The fund balance of the general fund decreased \$3,194,171 during the year. The decrease in general fund balance was mainly due to the rise in salaries and wages.

The debt service fund ended the year with a total fund balance of \$7,639,944, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$1,494,338 during the year, primarily due to the increase in property tax revenues from an increase in values.

The capital projects fund has a total fund balance of \$25,699,105, all of which is restricted for future construction projects. The decrease in fund balance during the current year of \$39,955,218 was due to planned construction expenditures.

Governmental funds financial statements may be found by referring to the table of contents.

**Proprietary Funds.** The District's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the District's business-type activities.

### Budgetary Highlights

The budget for 2022-23 was prepared based on the results of the 2021 legislative session.

Each year, certain estimates or assumptions must be made in order to establish a budget. For 2022-23, the following were used:

- |                                |                                   |
|--------------------------------|-----------------------------------|
| • Student Enrollment Growth    | Decrease by 189 from prior year   |
| • Property value growth        | 17.1% (net of the 313 adjustment) |
| • M&O tax rate                 | \$0.8646/per \$100 of valuation   |
| • Debt tax rate                | \$0.2750/per \$100 of valuation   |
| • Property Tax Collection Rate | 99.5%                             |

A 313 Property Value Limitation Agreement resulted in a reduction of values of \$159 million for the General Fund only. Beginning in the 2018 fiscal year and continuing for the next 6 years, the District will receive payments in lieu of taxes in the amount of 25% of the property tax savings directly from this company. For the year August 31, 2023, Bryan ISD received approximately \$443,000 under this agreement.

The budget was amended during the year with the majority of the adjustments due to the Teacher Incentive Allotment payouts, the wrapping up of some of the relief funds (ESSER II) from the Coronavirus pandemic and an increase in investment earnings from increased interest rates. Other items included in the final budget amendment were an increase in the payroll accrual at year end due to more days worked in the fiscal year 2022-2023 than the previous year, a transfer to support the District's Group Benefits Risk Pool and the additional cost of substitutes for the year. Differences between the original budget adopted and the final amended budget are summarized as follows:

Estimated revenues:	
TIA designation distribution	\$ 2,296,000
Foundation school program increase for ADA increase	500,000
Increase in investment earnings	2,350,000
Additional TRS on-behalf due to TIA payouts	400,000
ESSER II indirect costs reimbursement	2,534,000
Proceeds from sale of equipment	<u>22,000</u>
<b>Total</b>	<b><u>\$ 8,102,000</u></b>
Estimated appropriations:	
Increase in payroll accrual - more school days in August than prior year	\$ 1,200,000
Increase for teacher incentive allotment payouts	2,110,000
Increase in costs for substitutes	400,000
Additional TRS on-behalf due to TIA payouts	400,000
Additional sanitizing, utilities and general expenditures	165,000
Transfer to Group Benefits Risk Pool	<u>1,000,000</u>
<b>Total</b>	<b><u>\$ 5,275,000</u></b>

### Group Benefits Risk Pool and Workers Compensation

The District is self-insured for both employee healthcare (Group Benefits Risk Pool) and workers compensation. In 2008, the District went through a careful evaluation, plan design change as well as a change in Third Party Administrators (TPA) for the healthcare plan. The District reviewed TPA's in 2019 and renewed with Blue Cross Blue Shield (BCBS). The losses during the period of 2014-2018 can be attributed to inflation without sufficient plan design changes or premium increases. Pharmacy claims also contributed with substantial increases not only for Bryan ISD but nationwide.

The operating income (loss) of the healthcare plan for the past 10 fiscal years is as follows:

2014	\$ (460,503)
2015	(1,951,479)
2016	(2,556,924)
2017	(2,747,598)
2018	(1,290,112)
2019	559,141
2020	(156,031)
2021	(1,050,314)
2022	490,471
2023	(471,346)

The Board of Trustees authorized transfer of \$1.0 million from the general fund in 2023 to offset losses primarily due to on-going COVID related claims and inflation. In addition, administration was more aggressive with both premium increases and plan design changes for the past 5 plan years which run from January through December. These changes, now fully implemented, have improved the financial performance of the plan, which had shown a profit or minimal loss in the 2 fiscal years prior to 2021 and COVID pandemic. Significant plan design changes and premium increases were implemented for the 2022 plan year as well.

For August 31, 2023, the Group Benefits Risk Pool has a deficit net position of \$1,289,365. The Board of Trustees has approved a commitment of fund balance in the General Fund for \$1,000,000 to fund this deficit in fiscal year 2024.

The District's workers compensation program has been financially healthy with an accumulated net position of \$1.9 million as of August 31, 2023.

**Capital Assets and Long-term Liabilities**

**Capital Assets.** The District's investment in capital assets for its governmental activities as of August 31, 2023 was \$322,157,027 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, right-to-use assets and construction in progress. The District's business-type activities does not have capital assets.

**Bryan Independent School District's Capital Assets**  
(Net of Depreciation and Amortization)

	Governmental Activities	
	2023	2022
	Amount	Amount
Land and improvements	\$ 16,809,775	\$ 16,809,775
Buildings and improvements	218,039,505	229,432,902
Furniture and equipment	7,776,835	7,660,530
Construction in progress	77,096,159	43,689,336
Right-to-use lease assets	983,656	-
Right-to-use subscription assets*	1,451,097	28,158
<b>Totals</b>	<b>\$ 322,157,027</b>	<b>\$ 297,620,701</b>

\* Subscription assets have been restated as of September 1, 2022 to reflect a beginning balance upon adoption of GASB 96. Subscription-based information technology arrangements. See Note 1 for additional details.

Capital Projects

The Board of Trustees has approved several projects as part of the District's bond program that have either started or are in various stages of completion. Capital outlay in the Capital Projects Fund was approximately \$42.2 million in the current fiscal year.

The District has the following construction projects with major additions during the year:

- Roof Replacement at various locations
- Rudder Classroom Additions and P1 Upgrades
- Maintenance & Transportation Facility Rebuild
- New Intermediate School

Additional information on the District's capital assets can be found in the notes to the financial statements as per the table of contents of this report.

**Long-term Liabilities.** At year-end, the District had the following long-term liabilities:

**Bryan Independent School District's Outstanding Long-term Liabilities**

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 255,411,800	72	\$ 279,127,903	77	\$ (23,716,103)	(8)
Notes payable - SECO loan	4,864,286	2	5,594,656	2	(730,370)	(13)
Leases payable	975,836	-	-	-	975,836	-
Subscriptions payable*	1,206,026	-	28,158	-	1,177,868	4,183
Health insurance	927,720	-	933,719	-	(5,999)	(1)
Workers' compensation	57,976	-	64,320	-	(6,344)	(10)
Compensated absences	2,885	-	2,880	-	5	-
Net pension liability	60,744,497	17	26,404,441	7	34,340,056	130
Net OPEB liability	32,193,218	9	49,646,314	14	(17,453,096)	(35)
<b>Totals</b>	<b>\$ 356,384,244</b>	<b>100</b>	<b>\$ 361,802,391</b>	<b>100</b>	<b>\$ (5,418,147)</b>	

\* Subscriptions payable has been restated as of September 1, 2022 to reflect a beginning balance upon adoption of GASB 96, Subscription-based information technology arrangements. See Note 1 for additional details.

The District's net bonded debt decreased by \$23.7 million (8 percent) during the current fiscal year, which resulted primarily from scheduled bond payments.

The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Permanent School Fund of the State of Texas. State statutes do not limit the amount of bonded indebtedness issued by school districts, so long as the debt service tax rate does not exceed the limit established in Texas Education Code 45.0031. Additionally, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt can be found in the notes to the financial statements as per the table of contents of this report.

**Economic Factors and Next Year's Budgets and Rates**

**General Economy.** The City of Bryan and its neighboring City of College Station, (B-CS), are located centrally between several major metropolitan areas, which help the general economy for B-CS. In addition, the dominance of Texas A&M University and its over 60,000+ students and 20,000+ employees helps to keep the unemployment rate below the national average.

Even with the volatility of mineral values and continuing recovery from COVID-19, Bryan ISD and the surrounding area has continued to see increases in overall property values. This growth helped contribute to the underlying financial rating of 'AA' for the District by Fitch in August of 2023.

In November of 2013, the Board of Trustees approved a Chapter 313 Property Value Limitation Agreement. This agreement is an economic development tool allowed to qualifying companies where the school district enters into a limited property value agreement with the requirement that the qualifying company pays any revenue loss encountered because of the change in property values. In addition, Bryan ISD negotiated a payment in lieu of the taxes be paid to the District over a 7-year period. 2016-17 was the year of the value reduction resulting in a one-time decrease in budgeted revenue of \$2.2 million due to a property value reduction of \$215 million. The taxpayer fully funded this loss in revenue. 2022-23 was the sixth year of the value limitation for which the District received 25% of the tax savings directly from the Company of approximately \$443,000.

**2023-24 Budget.** The District adopted the 2023-24 budget in August of 2023 with appropriations exceeding revenue in the General Fund by approximately \$4.636 million. The budget was adopted using a property tax rate of \$0.6792 per \$100 of valuation for the maintenance and operations rate in addition to the debt service rate of \$0.2700 per \$100 of valuation.

### **Requests for Information**

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Superintendent for Business Operations, Bryan Independent School District, 801 South Ennis, Bryan, Texas 77803.

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# **Basic Financial Statements**

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**Bryan Independent School District**  
Statement of Net Position  
August 31, 2023

**Exhibit A-1**

Data Control Codes		Primary Government		
		Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 7,802,750	\$ 167,728	\$ 7,970,478
1120	Current investments	91,940,990	-	91,940,990
1220	Property taxes receivables	4,857,038	-	4,857,038
1230	Allowance for uncollectible taxes	(59,982)	-	(59,982)
1240	Due from other governments	11,641,690	-	11,641,690
1250	Accrued interest	26,638	-	26,638
1260	Internal balances	59,054	(59,054)	-
1290	Other receivables	860,239	-	860,239
1300	Inventories	934,998	-	934,998
1410	Prepaid items	17,733	-	17,733
	Capital assets, not being depreciated:			
1510	Land and improvements	16,809,775	-	16,809,775
1580	Construction in progress	77,096,159	-	77,096,159
	Capital assets, net of depreciation/amortization:			
1520	Buildings and improvements (net)	218,039,505	-	218,039,505
1530	Furniture and equipment (net)	7,776,835	-	7,776,835
1550	Right-to-use lease assets (net)	983,656	-	983,656
1553	Right-to-use subscription assets (net)	1,451,097	-	1,451,097
1000	Total assets	440,238,175	108,674	440,346,849
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1705	Deferred outflows - pension	28,308,859	-	28,308,859
1706	Deferred outflows - OPEB	15,188,702	-	15,188,702
1710	Deferred charge on refunding	31,534	-	31,534
1700	Total deferred outflows of resources	43,529,095	-	43,529,095
<b>LIABILITIES</b>				
2110	Accounts payable	9,626,657	8,918	9,635,575
2140	Interest payable	332,483	-	332,483
2160	Accrued wages payable	11,286,329	3,826	11,290,155
2180	Due to other governments	286,002	-	286,002
2300	Unearned revenue	2,411,993	-	2,411,993
	Noncurrent liabilities:			
2501	Due within one year	17,090,241	-	17,090,241
2502	Due in more than one year	246,356,288	-	246,356,288
2540	Net pension liabilities	60,744,497	-	60,744,497
2545	Net OPEB liability	32,193,218	-	32,193,218
2000	Total liabilities	380,327,708	12,744	380,340,452
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred inflows - pension	5,310,929	-	5,310,929
2606	Deferred inflows - OPEB	51,381,093	-	51,381,093
2610	Deferred gain on refunding	525,696	-	525,696
2600	Total deferred inflows of resources	57,217,718	-	57,217,718
<b>NET POSITION</b>				
3200	Net investment in capital assets	85,370,366	-	85,370,366
3820	Restricted for grants	7,046,159	-	7,046,159
3850	Restricted for debt service	7,877,971	-	7,877,971
3900	Unrestricted (deficit)	(54,072,652)	95,930	(53,976,722)
3000	<b>TOTAL NET POSITION</b>	<b>\$ 46,221,844</b>	<b>\$ 95,930</b>	<b>\$ 46,317,774</b>

**Bryan Independent School District**  
Statement of Activities  
For the Fiscal Year Ended August 31, 2023

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
0011	Instruction	\$ 127,977,740	\$ 1,010,340	\$ 19,002,700
0012	Instructional resources and media services	2,393,200	43	98,147
0013	Curriculum and instructional staff development	8,136,488	6,689	4,956,234
0021	Instructional leadership	5,107,642	37,703	954,596
0023	School leadership	12,438,478	5,016	1,264,019
0031	Guidance, counseling, and evaluation services	8,717,082	76	2,613,269
0032	Social work services	1,098,593	11,174	892,704
0033	Health services	3,328,325	-	936,594
0034	Student transportation	8,013,000	-	1,522,539
0035	Food services	12,176,966	474,101	12,109,718
0036	Cocurricular/extracurricular activities	6,148,754	875,388	167,879
0041	General administration	5,072,826	1,189	2,733,609
0051	Plant maintenance and operations	19,311,579	88,133	2,629,669
0052	Security and monitoring services	2,048,690	-	78,794
0053	Data processing services	2,393,332	-	79,123
0061	Community services	343,586	1,351	234,664
0072	Interest on long-term debt	7,158,082	941	638,031
0081	Facilities repair and maintenance	2,409,809	-	-
0095	Payments to juvenile justice alternative education programs	45,116	-	-
0099	Other intergovernmental charges	1,147,344	-	-
TG	Total governmental activities	235,466,632	2,512,144	50,912,289
Business-type activities:				
0002	BISD concessions	89,779	81,921	-
TB	Total business-type activities	89,779	81,921	-
TP	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 235,556,411</b>	<b>\$ 2,594,065</b>	<b>\$ 50,912,289</b>
General revenues:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
GS	Gain on sale of capital asset			
MI	Miscellaneous			
E1	Extraordinary item - storm damages, net of recoveries			
TR	Total general revenues and extraordinary items			
CN	Change in net position			
	Net position - beginning			
NE	<b>NET POSITION - ENDING</b>			

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (107,964,700)	\$ -	\$ (107,964,700)
(2,295,010)	-	(2,295,010)
(3,173,565)	-	(3,173,565)
(4,115,343)	-	(4,115,343)
(11,169,443)	-	(11,169,443)
(6,103,737)	-	(6,103,737)
(194,715)	-	(194,715)
(2,391,731)	-	(2,391,731)
(6,490,461)	-	(6,490,461)
406,853	-	406,853
(5,105,487)	-	(5,105,487)
(2,338,028)	-	(2,338,028)
(16,593,777)	-	(16,593,777)
(1,969,896)	-	(1,969,896)
(2,314,209)	-	(2,314,209)
(107,571)	-	(107,571)
(6,519,110)	-	(6,519,110)
(2,409,809)	-	(2,409,809)
(45,116)	-	(45,116)
<u>(1,147,344)</u>	<u>-</u>	<u>(1,147,344)</u>
(182,042,199)	-	(182,042,199)
-	(7,858)	(7,858)
-	(7,858)	(7,858)
(182,042,199)	(7,858)	(182,050,057)
96,857,468	-	96,857,468
31,265,947	-	31,265,947
56,566,725	-	56,566,725
6,030,523	-	6,030,523
28,923	-	28,923
1,027,692	-	1,027,692
<u>(263,402)</u>	<u>-</u>	<u>(263,402)</u>
191,513,876	-	191,513,876
9,471,677	(7,858)	9,463,819
36,750,167	103,788	36,853,955
<u>\$ 46,221,844</u>	<u>\$ 95,930</u>	<u>\$ 46,317,774</u>

# Bryan Independent School District

Balance Sheet  
 Governmental Funds  
 August 31, 2023

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 6,436,413	\$ 5,913
1120	Current investments	42,573,211	7,927,399
1220	Property taxes receivables	3,807,219	1,049,819
1230	Allowance for uncollectable taxes	(47,017)	(12,965)
1240	Due from other governments	7,326,422	-
1250	Accrued interest	26,638	-
1260	Due from other funds	4,131,736	-
1290	Other receivables	225,545	7,165
1300	Inventories	630,775	-
1410	Prepaid items	12,694	-
1000	Total assets	<u>65,123,636</u>	<u>8,977,331</u>
1000a	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 65,123,636</u>	<u>\$ 8,977,331</u>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 1,087,184	\$ -
2160	Accrued wages payable	10,294,856	-
2170	Due to other funds	5,292,164	14,531
2180	Due to other governments	-	286,002
2300	Unearned revenue	-	-
2000	Total liabilities	<u>16,674,204</u>	<u>300,533</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Unavailable revenue - property taxes	<u>3,760,202</u>	<u>1,036,854</u>
	Total deferred inflows of resources	3,760,202	1,036,854
<b>FUND BALANCES</b>			
3410	Nonspendable - inventories	630,775	-
3430	Nonspendable - prepaid items	12,694	-
3450	Restricted - grants	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-
3480	Restricted - debt service	-	7,639,944
3545	Committed - other	5,250,000	-
3590	Assigned - purchases on order	709,001	-
3600	Unassigned	<u>38,086,760</u>	<u>-</u>
3000	Total fund balances	<u>44,689,230</u>	<u>7,639,944</u>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 65,123,636</u>	<u>\$ 8,977,331</u>

<b>Capital Projects Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,335,366	\$ 7,777,692
34,791,465	6,364,338	91,656,413
-	-	4,857,038
-	-	(59,982)
-	4,315,268	11,641,690
-	-	26,638
14,531	2,525,583	6,671,850
-	410,928	643,638
-	278,771	909,546
-	5,039	17,733
<u>34,805,996</u>	<u>15,235,293</u>	<u>124,142,256</u>
<u>\$ 34,805,996</u>	<u>\$ 15,235,293</u>	<u>\$ 124,142,256</u>
\$ 8,072,875	\$ 420,190	\$ 9,580,249
-	986,942	11,281,798
1,034,016	3,038,666	9,379,377
-	-	286,002
-	2,411,993	2,411,993
<u>9,106,891</u>	<u>6,857,791</u>	<u>32,939,419</u>
-	-	4,797,056
<u>-</u>	<u>-</u>	<u>4,797,056</u>
-	-	630,775
-	-	12,694
-	7,046,159	7,046,159
25,699,105	-	25,699,105
-	-	7,639,944
-	1,331,343	6,581,343
-	-	709,001
-	-	38,086,760
<u>25,699,105</u>	<u>8,377,502</u>	<u>86,405,781</u>
<u>\$ 34,805,996</u>	<u>\$ 15,235,293</u>	<u>\$ 124,142,256</u>

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**Bryan Independent School District**

**Exhibit C-1R**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
August 31, 2023

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)** \$ 86,405,781

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets, excluding those capital assets reported in the internal service funds, at year-end consists of:

Governmental capital assets costs	\$ 634,575,178	
Accumulated depreciation and amortization of governmental capital assets	<u>(312,573,497)</u>	322,001,681

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		4,797,056
---	--	-----------

Long-term liabilities, including bonds, loans, leases and subscriptions payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (244,870,000)	
Premiums on bonds payable	(10,075,456)	
Accreted interest on capital appreciation bonds	(466,344)	
Accrued interest on bonds	(332,483)	
Notes payable - SECO loan	(4,864,286)	
Leases payable	(908,277)	
Subscriptions payable	(1,206,026)	
Compensated absences	(2,885)	
Net pension liability	(60,744,497)	
Net OPEB liability	<u>(32,193,218)</u>	(355,663,472)

Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.

Deferred charge on refunding	31,534	
Pension	28,308,859	
OPEB	<u>15,188,702</u>	43,529,095

Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred gain on refunding	(525,696)	
Pension	(5,310,929)	
OPEB	<u>(51,381,093)</u>	(57,217,718)

The internal service funds are used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities:

Internal transportation services	\$ 1,413,733	
Print shop	283,547	
Supplemental - health care	67,957	
Group benefits - health care	(1,289,365)	
Workers' compensation fund	<u>1,893,549</u>	<u>2,369,421</u>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)** \$ 46,221,844

**Bryan Independent School District**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances – Governmental Funds  
For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 100,901,556	\$ 31,703,635
5800	State program revenues	63,464,971	579,968
5900	Federal program revenues	4,153,791	-
5020	Total revenues	168,520,318	32,283,603
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	104,549,043	-
0012	Instructional resources and media services	1,624,081	-
0013	Curriculum and instructional staff development	3,497,472	-
0021	Instructional leadership	4,157,086	-
0023	School leadership	10,852,602	-
0031	Guidance, counseling, and evaluation services	6,193,252	-
0032	Social work services	192,990	-
0033	Health services	2,237,878	-
0034	Student transportation	7,394,159	-
0035	Food services	2,065	-
0036	Cocurricular/extracurricular activities	4,119,357	-
0041	General administration	4,739,397	-
0051	Plant maintenance and operations	14,582,938	-
0052	Security and monitoring services	1,852,963	-
0053	Data processing services	3,728,933	-
0061	Community services	82,495	-
Debt service:			
0071	Principal on long-term debt	1,461,223	22,835,000
0072	Interest on long-term debt	115,204	7,954,265
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0095	Payments to juvenile justice alternative education programs	45,116	-
0099	Other intergovernmental charges	1,147,344	-
6030	Total expenditures	172,575,598	30,789,265
1100	Excess (deficiency) of revenues over (under) expenditures	(4,055,280)	1,494,338
<b>OTHER FINANCING SOURCES (USES)</b>			
7912	Sale of real and personal property	22,265	-
7913	Issuance of leases	545,455	-
7940	Issuance of subscriptions	1,556,791	-
8911	Transfers out	(1,000,000)	-
7080	Total other financing sources (uses)	1,124,511	-
<b>EXTRAORDINARY ITEMS</b>			
8913	Restoration costs for storm damage	(263,402)	-
	Total extraordinary items	(263,402)	-
1200	Net change in fund balances	(3,194,171)	1,494,338
	Fund balances - beginning	47,883,401	6,145,606
3000	<b>FUND BALANCES - ENDING</b>	<b>\$ 44,689,230</b>	<b>\$ 7,639,944</b>

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 2,465,147	\$ 2,900,943	\$ 137,971,281
-	1,956,100	66,001,039
-	42,463,279	46,617,070
<hr/>	<hr/>	<hr/>
2,465,147	47,320,322	250,589,390
-	17,889,740	122,438,783
-	80,583	1,704,664
-	4,801,770	8,299,242
-	932,664	5,089,750
-	1,117,009	11,969,611
-	2,466,211	8,659,463
-	906,629	1,099,619
-	870,097	3,107,975
-	1,455,107	8,849,266
-	11,234,617	11,236,682
-	860,232	4,979,589
-	248,646	4,988,043
201,036	2,502,507	17,286,481
-	69,762	1,922,725
-	57,794	3,786,727
-	234,591	317,086
-	58,690	24,354,913
-	63	8,069,532
42,219,329	-	42,219,329
-	-	45,116
-	-	1,147,344
<hr/>	<hr/>	<hr/>
42,420,365	45,786,712	291,571,940
(39,955,218)	1,533,610	(40,982,550)
-	6,658	28,923
-	-	545,455
-	-	1,556,791
-	-	(1,000,000)
<hr/>	<hr/>	<hr/>
-	6,658	1,131,169
<hr/>	<hr/>	<hr/>
-	-	(263,402)
<hr/>	<hr/>	<hr/>
-	-	(263,402)
(39,955,218)	1,540,268	(40,114,783)
65,654,323	6,837,234	126,520,564
<hr/>	<hr/>	<hr/>
\$ 25,699,105	\$ 8,377,502	\$ 86,405,781

**Bryan Independent School District**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended August 31, 2023

**Exhibit C-3**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)** \$ (40,114,783)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation and amortization expense.

Capital assets increased	\$ 45,119,276	
Depreciation and amortization expense	<u>(20,592,139)</u>	24,527,137

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. 420,384

Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Leases payable	\$ (1,313,169)	
Subscriptions payable	<u>(1,556,791)</u>	(2,869,960)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds payable	\$ 22,835,000	
Notes payable - SECO loan	730,370	
Leases payable	404,892	
Subscriptions payable	<u>378,923</u>	24,349,185

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The change reported in the statement of activities consists of the following:

Accrued interest on bonds payable (increased) decreased	\$ 36,067	
Interest accreted on the capital appreciation bonds	(20,674)	
Amortization of bond premium	901,777	
Amortization of deferred gain on refunding	99,493	
Amortization of deferred charge on refunding	<u>(99,136)</u>	917,527

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. (5)

An internal service fund is used by the District to charge the costs of various services to the individual funds. The net activity of the following internal service funds is reported in the government-wide statements:

Internal transportation services	\$ 187,070	
Print shop	27,732	
Supplemental - health care	(26,592)	
Group benefits - health care	(471,346)	
Workers' compensation fund	<u>397,855</u>	114,719

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 8,042,053	
Deferred inflows (increased) decreased	23,853,251	
Net pension liability (increased) decreased	<u>(34,340,056)</u>	(2,444,752)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 1,357,558	
Deferred inflows (increased) decreased	(14,238,429)	
Net OPEB liability (increased) decreased	<u>17,453,096</u>	4,572,225

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)** \$ 9,471,677

**Bryan Independent School District**  
Statement of Net Position  
Proprietary Funds  
August 31, 2023

**Exhibit D-1**

<b>Data Control Codes</b>		<b>Business-type Activities</b>	<b>Governmental Activities</b>
		<b>Nonmajor Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>			
	Current assets:		
1110	Cash and cash equivalents	\$ 167,728	\$ 25,058
1120	Current investments	-	284,577
1260	Due from other funds	-	2,766,581
1290	Other receivables	-	216,601
1300	Inventories	-	25,452
	Total current assets	167,728	3,318,269
	Noncurrent assets:		
	Capital assets:		
1530	Furniture and equipment	-	968,639
1550	Right-to-use lease assets	-	228,992
1570	Accumulated depreciation and amortization	-	(1,042,285)
	Total noncurrent assets	-	155,346
1000	Total assets	167,728	3,473,615
<b>LIABILITIES</b>			
	Current liabilities:		
2110	Accounts payable	8,918	46,408
2123	Claims payable - due within one year	-	985,696
2130	Leases payable - due within one year	-	67,559
2160	Accrued wages payable	3,826	4,531
2170	Due to other funds	59,054	-
2000	Total liabilities	71,798	1,104,194
<b>NET POSITION</b>			
3200	Investment in capital assets	-	87,787
3900	Unrestricted	95,930	2,281,634
3000	<b>TOTAL NET POSITION</b>	<b>\$ 95,930</b>	<b>\$ 2,369,421</b>

**Bryan Independent School District**  
Statement of Revenues, Expenses, and Changes  
in Net Position – Proprietary Funds  
For the Fiscal Year Ended August 31, 2023

**Exhibit D-2**

<u>Data Control Codes</u>		<u>Business-type Activities</u>	<u>Governmental Activities</u>
		<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>			
5700	Charges for services	\$ 81,921	\$ 24,679,200
5020	Total operating revenues	81,921	24,679,200
<b>OPERATING EXPENSES</b>			
6100	Payroll costs	44,917	338,476
6200	Professional and contracted services	2,800	24,692,917
6300	Supplies and materials	38,401	369,619
6400	Other operating costs	3,661	38,306
6449	Depreciation and amortization expense	-	141,066
6030	Total operating expenses	89,779	25,580,384
1100	Operating loss	(7,858)	(901,184)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
7955	Earnings from temporary deposits and investments	-	16,252
6500	Interest	-	(349)
7080	Total nonoperating revenues (expenses)	-	15,903
	Loss before transfers	(7,858)	(885,281)
7915	Transfers in	-	1,000,000
1200	Change in net position	(7,858)	114,719
0100	Net position - beginning	103,788	2,254,702
3000	<b>NET POSITION - ENDING</b>	<b>\$ 95,930</b>	<b>\$ 2,369,421</b>

**Bryan Independent School District**  
Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended August 31, 2023

**Exhibit D-3**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Nonmajor Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from services provided	\$ 112,789	\$ 24,288,744
Cash payments for claims	-	(21,024,670)
Cash payments to suppliers for goods and services	(42,982)	(4,056,668)
Cash payments to employees for services	(42,051)	(338,810)
Net cash provided by (used for) operating activities	27,756	(1,131,404)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	1,000,000
Net cash provided by noncapital financing activities	-	1,000,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on leases	-	(80,840)
Interest paid on leases	-	(349)
Net cash used for capital and related financing activities	-	(81,189)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends received on investments	-	16,252
Sale of investments	-	196,341
Net cash provided by investing activities	-	212,593
Net increase in cash and cash equivalents	27,756	-
Cash and cash equivalents - beginning	139,972	25,058
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 167,728</b>	<b>\$ 25,058</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (7,858)	\$ (901,184)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	-	141,066
(Increase) decrease in assets:		
Due from other funds	30,762	(581,024)
Other receivables	-	190,568
Inventories	-	3,150
Increase (decrease) in liabilities:		
Accounts payable	1,880	28,697
Claims payable	-	(12,343)
Accrued wages payable	2,866	(334)
Due to other funds	106	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 27,756</b>	<b>\$ (1,131,404)</b>

**Bryan Independent School District**  
Statement of Fiduciary Net Position  
Fiduciary Fund  
August 31, 2023

**Exhibit E-1**

<u>Data Control Codes</u>		<u>Custodial Fund</u>
	<b>ASSETS</b>	
1110	Cash and cash equivalents	\$ 103,230
1120	Current investments	<u>25,000</u>
1000	<b>TOTAL ASSETS</b>	128,230
	<b>LIABILITIES</b>	
2110	Accounts payable	<u>47</u>
2000	<b>TOTAL LIABILITIES</b>	47
	<b>NET POSITION</b>	
	Restricted for:	
	Student activity	<u>128,183</u>
3000	<b>TOTAL NET POSITION</b>	<u><u>\$ 128,183</u></u>

**Bryan Independent School District**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended August 31, 2023

**Exhibit E-2**

<u>Data Control Codes</u>		<u>Custodial Fund</u>
	<b>ADDITIONS</b>	
5700	Contributions and fees	\$ 81,070
	Total additions	81,070
	<b>DEDUCTIONS</b>	
6200	Student activities	77,882
	Total deductions	77,882
	Net change in fiduciary net position	3,188
	Net position - beginning	124,995
	<b>NET POSITION - ENDING</b>	<b>\$ 128,183</b>

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# Bryan Independent School District

## Notes to the Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The Bryan Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the District.

#### B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally 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 funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. 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.

#### 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.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

## Bryan Independent School District

### Notes to the Financial Statements

The District reports the following nonmajor enterprise fund:

The *BISD concessions fund* is used to account for the charges for services at concessions for events the District holds.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The *internal service fund* is used to account for revenues and expenses related to internal transportation services, print shop, supplemental – health care, group benefits – health care, and workers' compensation services provided to parties inside the District. These funds facilitate distribution of support costs to the users or support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

The *custodial fund* is reported in the fiduciary fund financial statements and accounts for assets held by the District for student organizations. Contributions, student fees and fundraisers benefit the related organizations.

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. 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 transfers 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 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.

## **Bryan Independent School District**

### Notes to the Financial Statements

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 required under accrual accounting. However, debt service expenditures, as well as expenditures related to 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 leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has 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 this revenue source (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

##### **1. Cash and Cash Equivalents**

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

##### **2. Deposits and Investments**

Investments for the District, except for certain investments pools, are reported at fair value. Non-negotiable certificates of deposit are reported at cost. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the weighted average cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **4. Capital Assets**

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment and right-to-use assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

# Bryan Independent School District

## Notes to the Financial Statements

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	10-35
Furniture and equipment	2-15
Leases	Shorter of lease term or useful life
Subscriptions	Shorter of subscription term or useful life

### 5. Leases

#### Lessee

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

## **Bryan Independent School District**

### Notes to the Financial Statements

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

#### **6. Subscription-Based Information Technology Arrangements (SBITAs)**

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

#### **7. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net assets/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable property tax revenues are recognized in the period the amount becomes available.

## **Bryan Independent School District**

### Notes to the Financial Statements

#### **8. Compensated Absences**

On retirement, death or resignation of certain employees hired prior to July 1, 1992, the District pays an accrued local sick leave in a lump sum payment to such employee or his estate up to a maximum of 20 days. These benefits are paid back at a specified rate and not the current employees' rate of pay.

#### **9. Pension**

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 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.

#### **10. Other Postemployment Benefits**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

#### **11. Net Position Policies**

Net position of governmental and business-type activities is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies net position as follows:

*Net investment in capital assets* – the component of net position that reports capital assets, net of accumulated depreciation, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

*Restricted* – the component of net position that is constrained for specific purposes, which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, and federal and state grants.

*Unrestricted* – the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

#### **12. 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.

## **Bryan Independent School District**

### Notes to the Financial Statements

#### **13. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies governmental fund balances as follows:

*Nonspendable* – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items and inventories.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs and other federal and state grants.

*Committed* – includes amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the District's highest level of decision-making authority. The Board of Trustees (the Board) is the highest level of decision-making authority for the District that can, by action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by Board action or the resolution remains in place until a similar action is taken (the Board action or adoption of another resolution) to remove or revise the limitation.

*Assigned* – includes fund balance amounts that are self-imposed by the District to be used for specific purposes, but do not meet the criteria to be classified as non-spendable, restricted or committed. The Board has, by policy, authorized the superintendent or his/her designee to assign fund balance. The 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 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.

*Unassigned* – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Board shall attempt to maintain an unreserved fund balance in the general fund that would allow the District to operate for 60 to 90 days if funds from the Texas Education Agency and/or tax revenues were delayed.

#### **14. 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.

# Bryan Independent School District

## Notes to the Financial Statements

### G. Revenues and Expenditures/Expenses

#### 1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### 2. Property Taxes

Property values are determined by the Brazos Central Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District adopts its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

#### 3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are sales of services provided. Operating expenses for the enterprise funds include payroll cost, professional and contracted services, and other operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### I. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

### J. Implementation of New Accounting Standards

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the District's fiscal year 2023 financial statements, resulting in recognition of \$28,158 in subscription assets and subscriptions payable as of September 1, 2022 to conform to the new standard, with no impact to beginning net position in the government-wide financial statements.

# Bryan Independent School District

## Notes to the Financial Statements

### K. Recent Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

## Note 2. Stewardship, Compliance, and Accountability

### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and child nutrition special revenue fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

### B. Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2023, expenditures exceeded appropriations in the following functions:

Fund	Function	Final Budget	Actual	Variance
General Fund	11	\$ 101,651,021	\$ 104,549,043	\$ (2,898,022)
General Fund	13	3,485,850	3,497,472	(11,622)
General Fund	33	2,080,308	2,237,878	(157,570)
General Fund	34	7,230,668	7,394,159	(163,491)
General Fund	51	14,135,805	14,582,938	(447,133)
General Fund	52	1,792,030	1,852,963	(60,933)
General Fund	53	2,603,532	3,728,933	(1,125,401)
General Fund	61	81,256	82,495	(1,239)
General Fund	71	742,531	1,461,223	(718,692)
General Fund	72	92,469	115,204	(22,735)
General Fund	99	1,127,500	1,147,344	(19,844)

The District exceeded its final budget due to unanticipated expenditures during the year-end financial statement closing process.

# Bryan Independent School District

## Notes to the Financial Statements

### C. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Significant encumbrances included in the governmental fund balances are as follows:

	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General fund	\$ -	\$ -	\$ 709,001
Capital projects fund*	32,952,035	-	-
Nonmajor governmental funds	<u>99,898</u>	<u>-</u>	<u>-</u>
<b>Total encumbrances</b>	<b><u>\$ 33,051,933</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 709,001</u></b>

\*The District issued an additional \$53.9 million of Unlimited Tax School Building Bonds, Series 2023 in September 2023 to fund the remaining obligations in the capital projects fund. See Note 4.G. for additional details.

### D. Deficit Fund Equity

As of August 31, 2023, the District reported a deficit of \$1,289,365 in the Group Benefits – Health Care internal service fund. During 2023, The Board of Trustees authorized a \$1 million transfer from the general fund to offset losses due to claims. In addition, administration was more aggressive with both premium increases and plan design changes for the past five plan years, which run from January through December. These changes, now fully implemented, have improved the financial performance of the plan which has shown a profit or minimal loss in the 2 fiscal years prior to 2021 and the COVID pandemic.

## Note 3. Detailed Notes on All Funds

### A. Deposits and Investments

#### Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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.

# Bryan Independent School District

## Notes to the Financial Statements

### Investments

The District's investment policy is in accordance with the Public Funds Investment Act (PFIA), the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in:

1. Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent;
2. Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas;
3. Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase;
4. Securities lending program as permitted by Government Code 2256.0115;
5. Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank;
6. Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least: two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds as permitted by Government Code 2256.014;
8. A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; and
9. Public funds investment pools which meet the requirements of the Public Funds Investment Act.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

# Bryan Independent School District

## Notes to the Financial Statements

The District has recurring fair value measurements as presented in the table below, which includes the fiduciary funds. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Primary Government	Amount	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)	Credit Rating
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Investments measured at amortized cost:							
Investment pools:							
TexPool	\$ 42,125,712	\$ -	\$ -	\$ -	46%	23	AAAm*
TexPool Prime	33,124,695	-	-	-	36%	32	AAAm*
TexStar	123	-	-	-	0%	27	AAAm*
Investments measured at net asset value, not subject to level reporting:							
Investment pools:							
Texas CLASS	11,229,426	-	-	-	12%	40	AAAm*
Money market	33,066	-	-	-	0%	24	AAAm*
Investments measured at fair value:							
U.S. government & agency securities	3,938,310	-	3,938,310	-	4%	289	Aaa
Municipal bonds	1,489,658	-	1,489,658	-	2%	621	AA+ to Aaa
<b>Total value</b>	<b>\$ 91,940,990</b>	<b>\$ -</b>	<b>\$ 5,427,968</b>	<b>\$ -</b>	<b>100%</b>		
<b>Portfolio weighted average maturity</b>						49	

\* Standard & Poor's rating

Fiduciary Fund	Amount	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)	Credit Rating
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Investments measured at cost:							
Certificates of deposit							
	\$ 25,000	\$ -	\$ -	\$ -	100%	111	Not Rated
<b>Total value</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100%</b>		
<b>Portfolio weighted average maturity</b>						111	

\* Standard & Poor's rating

Money market funds and investment pools are measured at amortized cost or net asset value, and are not required to be reported by levels in the table above. Certificate of deposits are reported at cost.

U.S. government and agency securities, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

As of August 31, 2023 the District's investments included TexPool, TexStar and Texas CLASS.

TexPool is duly chartered and overseen by the State Comptroller's Office, and administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The TexPool portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds. The TexPool Prime portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; money market mutual funds; commercial paper and certificates of deposit.

## **Bryan Independent School District**

### Notes to the Financial Statements

TexPool and TexPool Prime transact at a net asset value of \$1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The pools have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

TexStar is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

The primary objectives of TexStar are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. TexStar may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; and SEC-registered no-load money-market fund which meet the requirements of the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

#### **Credit Risk**

At year-end, the District's investments were rated as noted in the table on the previous page. All credit ratings met acceptable levels required by legal guidelines prescribed in both the PFIA and the District's investment policy.

**Bryan Independent School District**

Notes to the Financial Statements

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed two years from the time of purchase (three years for capital projects funds), unless specifically authorized by the Board of Trustees.

**Concentration of Credit Risk**

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

**Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2023, District's deposits were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, 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. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk due to the investments are in the District's name or held by the District's agent in the District's name.

**B. Receivables**

Tax revenues of the general and debt service funds are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$	(2,436)
Change in uncollectibles related to debt service property taxes		<u>(1,235)</u>
<b>Total change in uncollectibles of the current fiscal year</b>	<b>\$</b>	<b><u><u>(3,671)</u></u></b>

Approximately 75% of the delinquent outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

# Bryan Independent School District

## Notes to the Financial Statements

### C. Interfund Receivables, Payables, and Transfers

#### 1. Receivables/Payables

The composition of interfund balances as of August 31, 2023, is as follows:

	Interfund Receivables	Interfund Payables
Governmental funds:		
General fund	\$ 4,131,736	\$ 5,292,164
Debt service fund	-	14,531
Capital projects fund	14,531	1,034,016
Nonmajor governmental funds	2,525,583	3,038,666
	<hr/>	<hr/>
Total governmental funds	6,671,850	9,379,377
Enterprise funds:		
Nonmajor enterprise fund	-	59,054
	<hr/>	<hr/>
Total enterprise funds	-	59,054
Internal service fund:		
Internal transportation services	1,329,905	-
Print shop	258,935	-
Supplemental - health care	109,302	-
Group benefits - health care	2,500,000	3,078,246
Workers' compensation	4,146,685	2,500,000
Eliminations	(5,578,246)	(5,578,246)
	<hr/>	<hr/>
Total internal service fund	2,766,581	-
	<hr/>	<hr/>
<b>Totals - all funds</b>	<b>\$ 9,438,431</b>	<b>\$ 9,438,431</b>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. As of August 31, 2023, a balance of approximately \$1,034,000 was due from the capital projects fund to the general fund for capital expenditures paid by the general fund which will be reimbursed in a subsequent period. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds. The amount between the internal service funds and the general fund are for services that the internal service funds provide to the different departments.

# Bryan Independent School District

## Notes to the Financial Statements

### 2. Transfers

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. To mitigate the losses in the Group Benefits – Health Care internal service fund, the Board of Trustees authorized a \$1.0 million transfer from the general fund to offset losses from the year ended August 31, 2023.

Transfers Out	Transfers In	Amount
General Fund	Internal Service - Group Benefits Health Care	\$ 1,000,000

### D. Capital Assets

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

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated / amortized:				
Land and improvements	\$ 16,809,775	\$ -	\$ -	\$ 16,809,775
Construction in progress	43,689,336	39,425,208	(6,018,385)	77,096,159
Total capital assets, not being depreciated / amortized	60,499,111	39,425,208	(6,018,385)	93,905,934
Capital assets, being depreciated / amortized:				
Buildings and improvements	483,642,923	244,347	6,018,385	489,905,655
Furniture and equipment	46,488,079	2,247,696	(102,481)	48,633,294
Right-to-use lease assets	-	1,873,726	(131,249)	1,742,477
Right-to-use subscription assets*	28,158	1,557,291	-	1,585,449
Total capital assets, being depreciated / amortized	530,159,160	5,923,060	5,784,655	541,866,875
Less accumulated depreciation and amortization for:				
Buildings and improvements	(254,210,021)	(17,656,129)	-	(271,866,150)
Furniture and equipment	(38,827,549)	(2,131,391)	102,481	(40,856,459)
Right-to-use lease assets	-	(890,070)	131,249	(758,821)
Right-to-use subscription assets	-	(134,352)	-	(134,352)
Total accumulated depreciation / amortization	(293,037,570)	(20,811,942)	233,730	(313,615,782)
Total capital assets, being depreciated / amortized, net	237,121,590	(14,888,882)	6,018,385	228,251,093
<b>Governmental activities capital assets, net</b>	<b>\$ 297,620,701</b>	<b>\$ 24,536,326</b>	<b>\$ -</b>	<b>\$ 322,157,027</b>

\* Right-to-use subscription assets have been restated as of September 1, 2022 to reflect a beginning balance upon adoption of GASB 96, Subscription-based information technology arrangements. See Note 1 for additional details.

# Bryan Independent School District

## Notes to the Financial Statements

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

Governmental activities:	
11 Instruction	\$ 12,273,923
12 Instructional resources and media services	757,947
21 Instructional leadership	132,455
23 School leadership	638,513
31 Guidance, counseling, and evaluation services	285,208
33 Health services	278,088
34 Student transportation	863,387
35 Food services	1,027,737
36 Cocurricular/extracurricular activities	1,294,288
41 General administration	190,873
51 Plant maintenance and operations	2,631,328
52 Security and monitoring services	183,213
53 Data processing services	87,746
61 Community services	26,170
Assets held by internal service fund	<u>141,066</u>
<b>Total depreciation and amortization expense-governmental activities</b>	<b><u>\$ 20,811,942</u></b>

### Construction Commitments

The District has active construction projects as of August 31, 2023. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
Maintenance and Transportation	\$ 19,965,295
Intermediate School	4,000,238
Districtwide IPPA/VOIP Upgrades	896,571
Rudder Additions	404,217
Roofing projects/various locations	140,503
Various projects	<u>93,068</u>
<b>Total</b>	<b><u>\$ 25,499,892</u></b>

The construction commitments are restricted in the capital project fund balance. The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues.

### E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, notes payable - SECO loan, leases and subscriptions payable, health insurance and workers' compensation claims, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The entire claims liabilities for health and workers' compensation insurance are liquidated by their respective internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

# Bryan Independent School District

## Notes to the Financial Statements

### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 267,705,000	\$ -	\$ (22,835,000)	\$ 244,870,000	\$ 14,620,000
Issuance premiums	10,977,233	-	(901,777)	10,075,456	-
Accreted interest on capital appreciation bonds	445,670	20,674	-	466,344	-
Total bonds payable, net	279,127,903	20,674	(23,736,777)	255,411,800	14,620,000
Notes payable - SECO loan	5,594,656	-	(730,370)	4,864,286	742,309
Leases payable	-	1,467,297	(491,461)	975,836	409,343
Subscriptions payable	28,158	1,556,791	(378,923)	1,206,026	330,008
Health insurance	933,719	20,789,664	(20,795,663)	927,720	927,720
Workers' compensation	64,320	210,320	(216,664)	57,976	57,976
Compensated absences	2,880	5	-	2,885	2,885
Net pension liability	26,404,441	39,393,696	(5,053,640)	60,744,497	-
Net OPEB liability	49,646,314	3,532,834	(20,985,930)	32,193,218	-
<b>Governmental activities total long-term liabilities</b>	<b>\$ 361,802,391</b>	<b>\$ 66,971,281</b>	<b>\$ (72,389,428)</b>	<b>\$ 356,384,244</b>	<b>\$ 17,090,241</b>

\* Subscriptions payable have been restated as of September 1, 2022 to reflect a beginning balance upon adoption of GASB 96, Subscription-based information technology arrangements. See Note 1 for additional details.

### General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF).

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 5-25 year current interest or capital appreciation bonds (CAB) with various amounts of principal maturing each year. Rates may be fixed or variable.

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2013 BLDG AND REF	1.00-4.00%	9,235,000	2029	\$ 5,045,000	\$ -	\$ (3,940,000)	\$ 1,105,000
2013 BLDG AND REF (CAB)	4.30%	30,000	2028	30,000	-	-	30,000
2015A BLDG	2.00-5.00%	43,510,000	2040	34,935,000	-	(1,455,000)	33,480,000
2015B REF	2.00-4.00%	42,020,000	2028	11,940,000	-	(1,935,000)	10,005,000
2016 BLDG	2.00-5.00%	42,125,000	2041	30,975,000	-	(1,225,000)	29,750,000
2017 REF	2.00-3.00%	41,765,000	2031	29,870,000	-	(2,935,000)	26,935,000
2017 BLDG	3.25-3.50%	44,000,000	2042	34,035,000	-	(1,225,000)	32,810,000
2018 REF	3.00-5.00%	20,365,000	2023	4,985,000	-	(4,985,000)	-
2019 BLDG	1.00-3.00%	11,585,000	2029	6,795,000	-	(500,000)	6,295,000
2021 BLDG	2.13-4.00%	112,950,000	2046	109,095,000	-	(4,635,000)	104,460,000
<b>Totals</b>				<b>\$ 267,705,000</b>	<b>\$ -</b>	<b>\$ (22,835,000)</b>	<b>\$ 244,870,000</b>

## Bryan Independent School District

### Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 14,620,000	\$ 7,225,864	\$ 21,845,864
2025	14,030,000	6,712,951	20,742,951
2026	14,535,000	6,214,683	20,749,683
2027	15,015,000	5,734,726	20,749,726
2028	14,925,000	5,818,732	20,743,732
2029 - 2033	56,950,000	19,886,963	76,836,963
2034 - 2038	52,540,000	11,624,153	64,164,153
2039 - 2043	45,460,000	4,421,898	49,881,898
2044 - 2046	16,795,000	585,408	17,380,408
<b>Totals</b>	<b>\$ 244,870,000</b>	<b>\$ 68,225,378</b>	<b>\$ 313,095,378</b>

As of August 31, 2023, the District has \$55,000,000 of authorized but unissued bonds from the November 2020 bond election.

The District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2023, the District there were no outstanding defeased.

#### Notes Payable

In June 2020, the District entered into a loan agreement with the State Energy Conservation Office (SECO) for an amount not to exceed \$6,421,852. The loan agreement states that the District shall make payments in accordance with the terms of the loan payment schedule, which was provided and finalized upon completion of the project associated with the loan. As of August 31, 2023, the loan balance was \$4,864,286 and is due in quarterly installments at 2% interest as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 742,309	\$ 92,295	\$ 834,604
2025	757,267	77,337	834,604
2026	772,527	62,078	834,605
2027	788,094	46,511	834,605
2028	803,974	30,630	834,604
2029 - 2030	1,000,115	15,468	1,015,583
<b>Totals</b>	<b>\$ 4,864,286</b>	<b>\$ 324,319</b>	<b>\$ 5,188,605</b>

## Bryan Independent School District

### Notes to the Financial Statements

#### Leases Payable

The District has entered into multiple lease agreements as lessee. The leases allow the right-to-use equipment over the term of the lease. The District is required to make monthly, quarterly, or annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Lease Term In Years	Ending Balance
<b>Governmental activities</b>			
Copiers	0.22 - 3.31%	1.9 - 5.0	\$ 975,836
<b>Total governmental activities</b>			<u>\$ 975,836</u>

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 409,343	\$ 13,572	\$ 422,915
2025	247,551	9,458	257,009
2026	169,876	5,730	175,606
2027	123,524	2,349	125,873
2028	25,542	175	25,717
<b>Totals</b>	<u>\$ 975,836</u>	<u>\$ 31,284</u>	<u>\$ 1,007,120</u>

#### Subscription Based Information Technology Arrangements (SBITA)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make quarterly or annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Subscription Term In Years	Ending Balance
<b>Governmental activities</b>			
Software subscriptions	1.71 - 2.89%	1.2 - 5.0	\$ 1,206,026
<b>Total governmental activities</b>			<u>\$ 1,206,026</u>

The future principal and interest SBITA payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 330,008	\$ 29,093	\$ 359,101
2025	285,442	20,698	306,140
2026	291,840	13,955	305,795
2027	298,736	7,059	305,795
<b>Totals</b>	<u>\$ 1,206,026</u>	<u>\$ 70,805</u>	<u>\$ 1,276,831</u>

# Bryan Independent School District

## Notes to the Financial Statements

### F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund:	
Technology	\$ 1,000,000
Insurance deductibles	2,250,000
Maintenance projects	1,000,000
Group benefit risk pool	1,000,000
Nonmajor funds:	
Campus activities	1,314,703
Scholarship fund	16,640
	<hr/>
<b>Total committed for other purposes</b>	<b>\$ 6,581,343</b>

### G. Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources of the governmental funds consisted of the following:

	General	Debt Service	Capital Projects	Nonmajor Funds	Totals
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Property taxes	\$ 96,562,060	\$ 31,140,971	\$ -	\$ -	\$ 127,703,031
Charges for services	662,450	-	-	1,849,694	2,512,144
Investment earnings	2,674,082	551,793	2,465,147	322,606	6,013,628
Other	1,002,964	10,871	-	728,643	1,742,478
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Totals</b>	<b>\$ 100,901,556</b>	<b>\$ 31,703,635</b>	<b>\$ 2,465,147</b>	<b>\$ 2,900,943</b>	<b>\$ 137,971,281</b>

### Note 4. Other Information

#### A. Risk Management

##### Property/Liability

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty and liability coverage through commercial insurance carriers and from participation in a risk pool. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

##### Health Insurance

During the period ended August 31, 2023, employees of the District were covered by a partially self-insured health insurance plan (the Plan) accounted for through an internal service fund. The District made contributions to cover the employees and the employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator acting on behalf of the District. The Plan was authorized by state statute and was documented by contractual agreement. The contract between the District and the third party administrator is renewable annually.

## Bryan Independent School District

### Notes to the Financial Statements

In accordance with state statute, the District was protected against unanticipated catastrophic loss by stop-loss coverage in excess of \$325,000 per individual and \$28,388,850 in the aggregate carried through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Estimates of claims payable and of claims incurred but not reported at August 31, 2023, are reflected as accrued liabilities of the Fund. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and damage awards, the process used in computing claims liability is an estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2023	Year Ended 8/31/2022
Unpaid claims, beginning of fiscal year	\$ 933,719	\$ 841,313
Incurred claims, including provision (adjustment) for IBNR	20,789,664	23,329,095
Claim payments	(20,795,663)	(23,236,689)
<b>Unpaid claims, end of fiscal year</b>	<b>\$ 927,720</b>	<b>\$ 933,719</b>

#### Workers' Compensation

During the period ended August 31, 2023, employees of the District were covered by a self-funded workers' compensation insurance plan (the "Plan"). The District contributes to the plan based upon established rates. Contributions were paid to a District Internal Service Fund. The third party administrator acts on behalf of the District to administer claims filed against the self-funded pool. The plan was authorized under the rules of the Texas Insurance Code and was documented by contractual agreement. This contract between the District and the third party administrator is renewable annually and terms of coverage and premium costs are included in the contractual provision.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other non-incremental claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$400,000 and an annual employers maximum limit of \$1,000,000.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2023	Year Ended 8/31/2022
Unpaid claims, beginning of fiscal year	\$ 64,320	\$ 71,227
Incurred claims, including provision (adjustment) for IBNR	210,320	227,530
Claim payments	(216,664)	(234,437)
<b>Unpaid claims, end of fiscal year</b>	<b>\$ 57,976</b>	<b>\$ 64,320</b>

## **Bryan Independent School District**

### Notes to the Financial Statements

#### **B. Litigation and Contingencies**

The District is a defendant in various legal claims arising principally in its normal course of operations. In the opinion of the District's management, such claims will not have a material effect of the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2023, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

#### **C. 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) and is 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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

##### **Pension Plan Fiduciary Net Position**

Detailed information about the TRS'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 [http://www.trs.texas.gov/Pages/about\\_archive\\_acfr.aspx](http://www.trs.texas.gov/Pages/about_archive_acfr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

##### **Benefits Provided**

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

# Bryan Independent School District

## Notes to the Financial Statements

### Contributions

Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 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. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contribution entity (State)	8.00%	7.75%
Employers (District)	8.00%	7.75%

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$	5,819,212
Member contributions		10,533,500
NECE on-behalf contributions (State)		6,498,720

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.

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

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

## Bryan Independent School District

### Notes to the Financial Statements

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.

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

On August 31, 2023, the District reported a liability of \$60,744,497 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 are as follows:

District's proportionate share of the net pension liability	\$ 60,744,497
State's proportionate share of the net pension liability associated with the District	<u>80,048,685</u>
<b>Total</b>	<u><u>\$ 140,793,182</u></u>

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

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.1023196%, which was a decrease of 0.0013636% from its proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the District recognized pension expense of \$15,915,711 and revenue of \$7,651,747 for support provided by the State.

On August 31, 2023, the District reported 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 experience	\$ 880,790	\$ 1,324,345
Changes of assumptions	11,318,677	2,820,930
Difference between projected and actual earnings on pension plan investments	6,001,362	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	4,288,818	1,165,654
District contributions paid subsequent to the measurement date	<u>5,819,212</u>	<u>-</u>
<b>Totals</b>	<u><u>\$ 28,308,859</u></u>	<u><u>\$ 5,310,929</u></u>

# Bryan Independent School District

## Notes to the Financial Statements

\$5,819,212 reported as deferred outflows of resources 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending August 31,	
2024	\$ 4,697,390
2025	2,962,115
2026	1,539,771
2027	7,117,130
2028	862,312
Thereafter	-
<b>Total</b>	<b>\$ 17,178,718</b>

### Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2022	3.91%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

# Bryan Independent School District

## Notes to the Financial Statements

### Discount Rate and Long-term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in 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 these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-term Portfolio Returns
Global equity:			
U.S.	18.00%	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%	-
Stable value hedge funds	5.00%	3.40%	0.18%
Real return:			
Real estate	15.00%	4.10%	0.94%
Energy, natural resources and infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk parity:			
Risk parity	8.00%	4.60%	0.43%
Asset allocation leverage:			
Cash	2.00%	3.00%	0.01%
Asset allocation leverage cash	-6.00%	3.60%	-0.05%
Inflation expectation			2.70%
Volatility drag****			-0.91%
<b>Total</b>	<b>100.00%</b>		<b>8.21%</b>

\* Absolute return includes credit sensitive investments.

\*\* Target allocations are based on the FY 2022 policy model.

\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2022).

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

# Bryan Independent School District

## Notes to the Financial Statements

### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 94,495,405	\$ 60,744,497	\$ 33,387,801

### Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

### Change of Benefit Terms Since the Prior Measurement Date

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

## D. Defined Other Postemployment 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 Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. 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

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_acfr.aspx](http://www.trs.texas.gov/Pages/about_archive_acfr.aspx); 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 schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

# Bryan Independent School District

## Notes to the Financial Statements

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

TRS-Care Monthly Plan Premium Rates

	Medicare	Non-medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

### Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

\* Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$ 1,158,065
Member contributions	900,285
NECE on-behalf contributions (State)	1,433,440

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 hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$677,881, \$495,933 and \$525,727 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

## Bryan Independent School District

### Notes to the Financial Statements

TRS-Care received a supplemental appropriation 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.

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

On August 31, 2023, the District reported a liability of \$32,193,218 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 32,193,218
State's proportionate share of the net OPEB liability associated with the District	<u>39,270,668</u>
<b>Total</b>	<u>\$ 71,463,886</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 August 31, 2021 rolled forward to August 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.1344521%, which was a decrease of 0.0057496% from its proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the District recognized net OPEB revenue of \$(8,986,985) due to recognition of deferred inflows in excess of deferred outflows and current year expenses. OPEB revenue of \$(5,572,825) was recognized for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,789,829	\$ 26,819,841
Changes of assumptions	4,903,665	22,365,933
Difference between projected and actual earnings on OPEB plan investments	95,895	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	7,241,248	2,195,319
District contributions paid subsequent to the measurement date	<u>1,158,065</u>	<u>-</u>
<b>Totals</b>	<u>\$ 15,188,702</u>	<u>\$ 51,381,093</u>

## Bryan Independent School District

### Notes to the Financial Statements

\$1,158,065 reported as deferred outflows of resources 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB revenue as follows:

Year Ending August 31,	
2024	\$ (7,080,852)
2025	(7,080,504)
2026	(5,715,302)
2027	(3,867,052)
2028	(4,879,029)
Thereafter	<u>(8,727,717)</u>
<b>Total</b>	<b>\$ <u>(37,350,456)</u></b>

#### Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

**Bryan Independent School District**

Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	3.91%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

**Discount Rate**

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of August 31, 2022.

**Sensitivity Analysis of Rates**

Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
District’s proportionate share of the net OPEB liability	\$ 39,957,357	\$ 32,193,218	\$ 27,522,716

# Bryan Independent School District

## Notes to the Financial Statements

### Healthcare Cost Trend Rates

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 26,527,357	\$ 32,193,218	\$ 39,538,279

### **Change of Assumptions Since the Prior Measurement Date**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change increased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

### **Change of Benefit Terms Since the Prior Measurement Date**

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

### **E. Nonmonetary Transactions**

During 2023, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of \$741,016 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

### **F. Property Valuation Limitation**

Bryan Independent School District entered into an economic development program with taxpayers as allowed by Chapter 313 of the Texas Economic Development Act of the Texas Local Tax Code (the "agreement(s)"). Under Chapter 313, an appraised value limitation agreement is executed in which a taxpayer agrees to build or install property and create jobs in exchange for a limitation, up to ten years, on the taxable property value for school district maintenance and operations tax (M&O) purposes.

Under these agreements, the taxable valuation limit has been set for the District at \$30 million and the taxpayers must meet certain criteria with regard to property valuations, jobs and payroll. The agreements allow for a qualifying period to construct and build out the facilities and business with the value limitations applying after conditions have been met. The value limitation applies to the maintenance and operations (M&O) property tax rate only. The purpose of the program is as follows:

- Encourage large-scale capital investments
- Create new, high-paying jobs
- Strengthen and improve the overall economic performance of the area
- Expand and enlarge the ad valorem tax base

## **Bryan Independent School District**

### Notes to the Financial Statements

The agreements require the taxpayer to hold harmless the District for any cost associated with implementation and monitoring of the agreements as well as any loss in revenue during the agreement period. In addition, the agreements may also require the taxpayers to make a payment in lieu of taxes (PILOT) annually to the District, calculated as a portion of the property tax savings.

For the fiscal year ended August 31, 2023, total qualified property per the agreements had a taxable value of \$189,585,813. Total value limitation applicable to the M&O tax rate was \$30,000,000, resulting in total abated tax revenues of \$1,379,779. The District received \$443,419 of PILOT payments in the current year resulting from the agreements. The agreements are scheduled to end in the fiscal year 2036-37.

#### **G. Subsequent Events**

##### **Issuance of Bonds**

In September 2023, the District issued \$53,890,000 of Unlimited Tax School Building Bonds, Series 2023. The bonds were issued to fund the designing, constructing, renovating, improving, upgrading and equipping of school facilities, purchasing of necessary sites for school facilities, purchase of new school buses and to pay the costs of issuance. The bonds were issued with interest rates ranging from 4.00% to 5.00% and are scheduled to mature in series between 2024 through 2048.

# **Required Supplementary Information (Unaudited)**

**Bryan Independent School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance – Budget and Actual  
General Fund  
For the Fiscal Year Ended August 31, 2023

**Exhibit G-1**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 97,176,000	\$ 99,526,000	\$ 100,901,556	\$ 1,375,556
5800	State program revenues	58,499,000	61,695,000	63,464,971	1,769,971
5900	Federal program revenues	2,610,000	5,144,000	4,153,791	(990,209)
5020	Total revenues	158,285,000	166,365,000	168,520,318	2,155,318
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	97,041,021	101,651,021	104,549,043	(2,898,022)
0012	Instructional resources and media services	1,548,815	1,648,815	1,624,081	24,734
0013	Curriculum and instructional staff development	3,485,850	3,485,850	3,497,472	(11,622)
0021	Instructional leadership	3,495,741	4,195,741	4,157,086	38,655
0023	School leadership	10,454,870	10,854,870	10,852,602	2,268
0031	Guidance, counseling, and evaluation services	5,694,480	6,194,480	6,193,252	1,228
0032	Social work services	420,371	220,371	192,990	27,381
0033	Health services	1,955,308	2,080,308	2,237,878	(157,570)
0034	Student transportation	7,455,668	7,230,668	7,394,159	(163,491)
0035	Food services	25,000	25,000	2,065	22,935
0036	Cocurricular/extracurricular activities	4,158,088	4,158,088	4,119,357	38,731
0041	General administration	4,542,665	4,742,665	4,739,397	3,268
0051	Plant maintenance and operations	16,035,805	14,135,805	14,582,938	(447,133)
0052	Security and monitoring services	1,792,030	1,792,030	1,852,963	(60,933)
0053	Data processing services	2,563,532	2,603,532	3,728,933	(1,125,401)
0061	Community services	156,256	81,256	82,495	(1,239)
Debt service:					
0071	Principal on long-term debt	742,531	742,531	1,461,223	(718,692)
0072	Interest on long-term debt	92,469	92,469	115,204	(22,735)
Intergovernmental:					
0095	Payments to juvenile justice alternative education programs	60,000	60,000	45,116	14,884
0099	Other intergovernmental charges	1,127,500	1,127,500	1,147,344	(19,844)
6030	Total expenditures	162,848,000	167,123,000	172,575,598	(5,452,598)
1100	Excess (deficiency) of revenues over (under) expenditures	(4,563,000)	(758,000)	(4,055,280)	(3,297,280)
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of real and personal property	-	22,000	22,265	265
7913	Issuance of leases	-	-	545,455	545,455
7940	Issuance of subscriptions	-	-	1,556,791	1,556,791
8911	Transfers out	-	(1,000,000)	(1,000,000)	-
7080	Total other financing sources (uses)	-	(978,000)	1,124,511	2,102,511
<b>EXTRAORDINARY ITEMS</b>					
8913	Restoration costs for storm damage	-	-	(263,402)	(263,402)
	Total extraordinary items	-	-	(263,402)	(263,402)
1200	Net change in fund balance	(4,563,000)	(1,736,000)	(3,194,171)	(1,458,171)
0100	Fund balance - beginning	47,883,401	47,883,401	47,883,401	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ 43,320,401</b>	<b>\$ 46,147,401</b>	<b>\$ 44,689,230</b>	<b>\$ (1,458,171)</b>

## Bryan Independent School District

## Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Nine Fiscal Years\*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.1023196%	\$ 60,744,497	\$ 80,048,685	\$ 140,793,182	\$ 123,452,698	49.20%	75.62%
2022	0.1036832%	26,404,441	34,736,782	61,141,223	117,572,477	22.46%	88.79%
2021	0.1031862%	55,264,439	72,546,689	127,811,128	114,320,696	48.34%	75.54%
2020	0.0897795%	46,670,165	75,453,808	122,123,973	104,205,720	44.79%	75.24%
2019	0.0825055%	45,413,053	85,718,826	131,131,879	102,171,849	44.45%	73.74%
2018	0.0903312%	28,883,055	47,673,813	76,556,868	96,748,727	29.85%	82.17%
2017	0.0891413%	33,685,162	56,742,836	90,427,998	93,514,599	36.02%	78.00%
2016	0.0847717%	29,965,668	56,090,155	86,055,823	89,539,335	33.47%	78.43%
2015	0.0615781%	16,448,361	46,407,214	62,855,575	86,671,917	18.98%	83.25%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**Bryan Independent School District****Exhibit G-3**

Schedule of the District's Contributions to the  
Teacher Retirement System of Texas Pension Plan  
For the Last Nine Fiscal Years\*

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$ 5,819,212	\$ (5,819,212)	\$ -	\$ 131,158,153	4.44%
2022	4,857,593	(4,857,593)	-	123,452,698	3.93%
2021	4,430,483	(4,430,483)	-	117,572,477	3.77%
2020	4,289,793	(4,289,793)	-	114,320,696	3.75%
2019	3,189,628	(3,189,628)	-	104,205,720	3.06%
2018	2,841,945	(2,841,945)	-	102,171,849	2.78%
2017	2,960,505	(2,960,505)	-	96,748,727	3.06%
2016	2,832,462	(2,832,462)	-	93,514,599	3.03%
2015	2,509,391	(2,509,391)	-	89,539,335	2.80%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

**Bryan Independent School District**

**Exhibit G-4**

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

<b>Year</b>	<b>District's Proportion of Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>State's Proportionate Share of the Net OPEB Liability Associated with the District</b>	<b>Total</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2023	0.1344521%	\$ 32,193,218	\$ 39,270,668	\$ 71,463,886	\$ 123,452,698	26.08%	11.52%
2022	0.1287025%	49,646,314	66,514,997	116,161,311	117,572,477	42.23%	6.18%
2021	0.1294160%	49,196,865	66,108,793	115,305,658	114,320,696	43.03%	4.99%
2020	0.1238226%	58,557,245	77,809,479	136,366,724	104,205,720	56.19%	2.66%
2019	0.1291626%	64,492,045	82,289,414	146,781,459	102,171,849	63.12%	1.57%
2018	0.1224781%	53,261,130	73,487,954	126,749,084	96,748,727	55.05%	0.91%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**Bryan Independent School District****Exhibit G-5**

Schedule of the District's Contributions to the  
 Teacher Retirement System of Texas OPEB Plan  
 For the Last Six Fiscal Years\*

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$ 1,158,065	\$ (1,158,065)	\$ -	\$ 131,158,153	0.88%
2022	1,103,531	(1,103,531)	-	123,452,698	0.89%
2021	1,005,906	(1,005,906)	-	117,572,477	0.86%
2020	983,678	(983,678)	-	114,320,696	0.86%
2019	891,261	(891,261)	-	104,205,720	0.86%
2018	816,586	(816,586)	-	102,171,849	0.80%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
 Ten years of data is not available.

# Bryan Independent School District

## Notes to the Required Supplementary Information

### Note 1. Budget

#### A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the child nutrition special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

#### B. Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2023, expenditures exceeded appropriations in the following functions:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	11	\$ 101,651,021	\$ 104,549,043	\$ (2,898,022)
General Fund	13	3,485,850	3,497,472	(11,622)
General Fund	33	2,080,308	2,237,878	(157,570)
General Fund	34	7,230,668	7,394,159	(163,491)
General Fund	51	14,135,805	14,582,938	(447,133)
General Fund	52	1,792,030	1,852,963	(60,933)
General Fund	53	2,603,532	3,728,933	(1,125,401)
General Fund	61	81,256	82,495	(1,239)
General Fund	71	742,531	1,461,223	(718,692)
General Fund	72	92,469	115,204	(22,735)
General Fund	99	1,127,500	1,147,344	(19,844)

The District exceeded its final budget due to unanticipated expenditures during the year-end financial statement closing process.

**Bryan Independent School District**

Notes to the Required Supplementary Information

**Note 2. Net Pension Liability and Net OPEB Liability**

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

**Changes in Actuarial Assumptions and Inputs**

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

**Changes in Demographic and Economic Assumptions**

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

**Changes in Benefit Terms**

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85<sup>th</sup> Texas Legislature.

**Other Changes**

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

## **Bryan Independent School District**

### Notes to the Required Supplementary Information

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

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# Supplementary Information

**Bryan Independent School District**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds – Special Revenue Funds  
 August 31, 2023

Data Control Codes		206	211	212
		ESEA Title X, Part C - Homeless	ESEA Title I, Part A - Improving Basic Programs	ESEA Title I, Part C - Migrant
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Current investments	-	-	-
1240	Due from other governments	-	603,725	55,859
1260	Due from other funds	7,025	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
<b>1000</b>	<b>TOTAL ASSETS</b>	<u>\$ 7,025</u>	<u>\$ 603,725</u>	<u>\$ 55,859</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ -	\$ 5,869	\$ 823
2160	Accrued wages payable	7,025	266,761	-
2170	Due to other funds	-	331,095	55,036
2300	Unearned revenue	-	-	-
2000	Total liabilities	7,025	603,725	55,859
<b>FUND BALANCES</b>				
3450	Restricted - grants	-	-	-
3545	Committed - other	-	-	-
3000	Total fund balances	-	-	-
<b>4000</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,025</u>	<u>\$ 603,725</u>	<u>\$ 55,859</u>

224	225	240	244	255	263	272
IDEA - Part B, Formula	IDEA - Part B, Preschool	Child Nutrition and Summer Feeding	Career and Technical - Basic Grant	ESEA, Title II, Part A, Teacher & Principal Training & Recruiting	Title III, Part A, English Language Acquisition & Enhancement	Medicaid Administrative Claiming Program - MAC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,349,053	-	-	-	-
650,046	7,626	989,306	65,556	145,244	72,285	-
-	-	-	-	-	-	233,802
-	-	37,646	-	450	-	-
-	-	278,771	-	-	-	-
5,039	-	-	-	-	-	-
<u>\$ 655,085</u>	<u>\$ 7,626</u>	<u>\$ 7,654,776</u>	<u>\$ 65,556</u>	<u>\$ 145,694</u>	<u>\$ 72,285</u>	<u>\$ 233,802</u>
\$ 86,920	\$ -	\$ 190,623	\$ 14,000	\$ 363	\$ 6,695	\$ -
93,505	2,734	229,132	-	22,122	14,566	-
474,660	4,892	372,093	51,556	123,209	51,024	-
-	-	68,938	-	-	-	-
655,085	7,626	860,786	65,556	145,694	72,285	-
-	-	6,793,990	-	-	-	233,802
-	-	-	-	-	-	-
-	-	6,793,990	-	-	-	233,802
<u>\$ 655,085</u>	<u>\$ 7,626</u>	<u>\$ 7,654,776</u>	<u>\$ 65,556</u>	<u>\$ 145,694</u>	<u>\$ 72,285</u>	<u>\$ 233,802</u>

**Bryan Independent School District**

Combining Balance Sheet

Nonmajor Governmental Funds – Special Revenue Funds - Continued

August 31, 2023

<b>Data Control Codes</b>	<b>278</b>	<b>279</b>	<b>281</b>
	<b>ARP ESSER Fund - Homeless Children and Youth</b>	<b>Texas COVID Learning Acceleration Supports - ARPA</b>	<b>Elementary and Secondary School Emergency Relief Fund II (CRRSA)</b>
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ -	\$ -
1120	Current investments	-	-
1240	Due from other governments	14,574	-
1260	Due from other funds	-	-
1290	Other receivables	-	-
1300	Inventories	-	-
1410	Prepaid items	-	-
<b>1000</b>	<b>TOTAL ASSETS</b>	<b>\$ 14,574</b>	<b>\$ -</b>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ -	\$ -
2160	Accrued wages payable	3,777	-
2170	Due to other funds	10,797	-
2300	Unearned revenue	-	-
2000	Total liabilities	14,574	-
<b>FUND BALANCES</b>			
3450	Restricted - grants	-	-
3545	Committed - other	-	-
3000	Total fund balances	-	-
<b>4000</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,574</b>	<b>\$ -</b>

282	284	285	288	289	315	340
Elementary and Secondary School Emergency Relief Fund III (ARPA)	IDEA - Part B, Formula - American Rescue Plan (ARP) Act	IDEA - Part B, Preschool - American Rescue Plan (ARP) Act	COVID-19 School Health Report	Other Federally Funded Special Revenue Funds	Shared Service Arrangements - IDEA - Part B, Discretionary	Shared Service Arrangements - IDEA, Part C
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
1,128,162	-	-	-	-	32,266	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,128,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,266</u>	<u>\$ -</u>
\$ 74,380	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -
213,896	-	-	-	-	13,383	-
839,886	-	-	-	-	18,825	-
-	-	-	-	-	-	-
1,128,162	-	-	-	-	32,266	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,128,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,266</u>	<u>\$ -</u>

**Bryan Independent School District**

Combining Balance Sheet

Nonmajor Governmental Funds – Special Revenue Funds - Continued

August 31, 2023

		385	397	410
Data Control Codes		State Supplemental Visually Impaired	Advanced Placement Incentives	State Instructional Materials Fund
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Current investments	-	-	-
1240	Due from other governments	-	-	-
1260	Due from other funds	-	-	529
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
<b>1000</b>	<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-
2170	Due to other funds	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	-	-	-
<b>FUND BALANCES</b>				
3450	Restricted - grants	-	-	529
3545	Committed - other	-	-	-
3000	Total fund balances	-	-	529
<b>4000</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529</u>

429	435	461	465	499	
Other State Funded Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	Scholarship Fund	Locally Funded Special Revenue Funds	Total Nonmajor Funds (See Exhibit C-1)
\$ -	\$ -	\$ 1,334,011	\$ 1,355	\$ -	\$ 1,335,366
-	-	-	15,285	-	6,364,338
426,944	-	-	-	-	4,315,268
-	1,209,654	-	-	1,074,573	2,525,583
-	-	8,904	-	363,928	410,928
-	-	-	-	-	278,771
-	-	-	-	-	5,039
<u>\$ 426,944</u>	<u>\$ 1,209,654</u>	<u>\$ 1,342,915</u>	<u>\$ 16,640</u>	<u>\$ 1,438,501</u>	<u>\$ 15,235,293</u>
\$ -	\$ 3,944	\$ 25,742	\$ -	\$ 10,773	\$ 420,190
3,958	85,582	-	-	17,025	986,942
417,094	-	2,470	-	175,830	3,038,666
5,892	1,120,128	-	-	1,217,035	2,411,993
426,944	1,209,654	28,212	-	1,420,663	6,857,791
-	-	-	-	17,838	7,046,159
-	-	1,314,703	16,640	-	1,331,343
-	-	1,314,703	16,640	17,838	8,377,502
<u>\$ 426,944</u>	<u>\$ 1,209,654</u>	<u>\$ 1,342,915</u>	<u>\$ 16,640</u>	<u>\$ 1,438,501</u>	<u>\$ 15,235,293</u>

# Bryan Independent School District

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds – Special Revenue Funds  
For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>	<b>206</b>	<b>211</b>	<b>212</b>
	<b>ESEA Title X, Part C - Homeless</b>	<b>ESEA Title I, Part A - Improving Basic Programs</b>	<b>ESEA Title I, Part C - Migrant</b>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-
5900 Federal program revenues	72,498	7,198,623	125,954
5020 Total revenues	72,498	7,198,623	125,954
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	-	4,561,073	60,262
0012 Instructional resources and media services	-	29,885	-
0013 Curriculum and instructional staff development	-	1,825,131	272
0021 Instructional leadership	-	136,015	4,843
0023 School leadership	-	554,214	7,060
0031 Guidance, counseling, and evaluation services	-	-	-
0032 Social work services	72,498	4,607	51,984
0033 Health services	-	-	-
0034 Student transportation	-	-	-
0035 Food services	-	-	-
0036 Cocurricular/extracurricular activities	-	-	-
0041 General administration	-	-	-
0051 Plant maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	-
0053 Data processing services	-	-	-
0061 Community services	-	73,478	1,533
Debt service:			
0071 Principal on long-term debt	-	14,220	-
0072 Interest on long-term debt	-	-	-
6030 Total expenditures	72,498	7,198,623	125,954
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7912 Sale of real and personal property	-	-	-
7080 Total other financing sources	-	-	-
1200 Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
3000 <b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

224	225	240	244	255	263	272
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>Child Nutrition and Summer Feeding</u>	<u>Career and Technical - Basic Grant</u>	<u>ESEA, Title II, Part A, Teacher &amp; Principal Training &amp; Recruiting</u>	<u>Title III, Part A, English Language Acquisition &amp; Enhancement</u>	<u>Medicaid Administrative Claiming Program - MAC</u>
\$ -	\$ -	\$ 777,699	\$ -	\$ -	\$ -	\$ -
-	-	45,580	-	-	-	-
3,429,988	49,313	12,252,903	357,257	816,142	425,681	94,357
3,429,988	49,313	13,076,182	357,257	816,142	425,681	94,357
1,688,078	49,313	-	169,854	3,800	127,680	-
-	-	-	-	-	-	-
222,750	-	-	-	803,124	285,213	-
87,289	-	-	187,403	-	5,089	-
189	-	-	-	-	-	-
1,340,612	-	-	-	-	-	-
-	-	-	-	-	-	-
5,028	-	-	-	-	-	60,764
-	-	11,047,760	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	9,218	-	-
-	-	465,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86,042	-	-	-	-	7,699	-
-	-	2,239	-	-	-	-
-	-	25	-	-	-	-
3,429,988	49,313	11,515,024	357,257	816,142	425,681	60,764
-	-	1,561,158	-	-	-	33,593
-	-	6,658	-	-	-	-
-	-	6,658	-	-	-	-
-	-	1,567,816	-	-	-	33,593
-	-	5,226,174	-	-	-	200,209
\$ -	\$ -	\$ 6,793,990	\$ -	\$ -	\$ -	\$ 233,802

# Bryan Independent School District

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue Funds - Continued

For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>		<b>278</b>	<b>279</b>	<b>281</b>
		<b>ARP ESSER Fund - Homeless Children and Youth</b>	<b>Texas COVID Learning Acceleration Supports - ARPA</b>	<b>Elementary and Secondary School Emergency Relief Fund II (CRRSA)</b>
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	130,960	463,016	9,754,716
5020	Total revenues	130,960	463,016	9,754,716
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	-	352,012	4,298,995
0012	Instructional resources and media services	-	-	47,652
0013	Curriculum and instructional staff development	-	26,990	253,072
0021	Instructional leadership	-	-	164,616
0023	School leadership	-	-	408,055
0031	Guidance, counseling, and evaluation services	-	-	314,701
0032	Social work services	130,960	-	34,314
0033	Health services	-	-	287,532
0034	Student transportation	-	-	1,450,079
0035	Food services	-	-	186,857
0036	Cocurricular/extracurricular activities	-	-	37,385
0041	General administration	-	84,014	105,414
0051	Plant maintenance and operations	-	-	2,037,507
0052	Security and monitoring services	-	-	23,562
0053	Data processing services	-	-	57,794
0061	Community services	-	-	8,440
Debt service:				
0071	Principal on long-term debt	-	-	38,741
0072	Interest on long-term debt	-	-	-
6030	Total expenditures	130,960	463,016	9,754,716
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Sale of real and personal property	-	-	-
7080	Total other financing sources	-	-	-
1200	Net change in fund balances	-	-	-
	Fund balances - beginning	-	-	-
3000	<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

282	284	285	288	289	315	340
Elementary and Secondary School Emergency Relief Fund III (ARPA)	IDEA - Part B, Formula - American Rescue Plan (ARP) Act	IDEA - Part B, Preschool - American Rescue Plan (ARP) Act	COVID-19 School Health Report	Other Federally Funded Special Revenue Funds	Shared Service Arrangements - IDEA - Part B, Discretionary	Shared Service Arrangements - IDEA, Part C
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,807,741	741,085	41,145	508,526	52,523	138,426	2,425
5,807,741	741,085	41,145	508,526	52,523	138,426	2,425
4,244,990	360,912	57	-	52,523	138,426	2,425
2,995	-	-	-	-	-	-
772,751	25,811	-	-	-	-	-
49,752	28,067	-	-	-	-	-
140,422	118	-	-	-	-	-
441,044	325,591	41,088	-	-	-	-
142,512	-	-	-	-	-	-
13,275	-	-	508,526	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	586	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,807,741	741,085	41,145	508,526	52,523	138,426	2,425
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bryan Independent School District**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue Funds - Continued

For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>	<b>385</b>	<b>397</b>	<b>410</b>
	<b>State Supplemental Visually Impaired</b>	<b>Advanced Placement Incentives</b>	<b>State Instructional Materials Fund</b>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ -	\$ -	\$ -
5800 State program revenues	10,809	960	-
5900 Federal program revenues	-	-	-
5020 Total revenues	10,809	960	-
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	10,809	960	-
0012 Instructional resources and media services	-	-	-
0013 Curriculum and instructional staff development	-	-	-
0021 Instructional leadership	-	-	-
0023 School leadership	-	-	-
0031 Guidance, counseling, and evaluation services	-	-	-
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student transportation	-	-	-
0035 Food services	-	-	-
0036 Cocurricular/extracurricular activities	-	-	-
0041 General administration	-	-	-
0051 Plant 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	-	-	-
6030 Total expenditures	10,809	960	-
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7912 Sale of real and personal property	-	-	-
7080 Total other financing sources	-	-	-
1200 Net change in fund balances	-	-	-
Fund balances - beginning	-	-	529
3000 <b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 529</b>

429	435	461	465	499	
Other State Funded Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	Scholarship Fund	Locally Funded Special Revenue Funds	Total Nonmajor Funds (See Exhibit C-2)
\$ -	\$ 258,685	\$ 1,217,960	\$ 643	\$ 645,956	\$ 2,900,943
780,926	822,465	-	-	295,360	1,956,100
-	-	-	-	-	42,463,279
780,926	1,081,150	1,217,960	643	941,316	47,320,322
160,569	931,590	446,685	-	228,727	17,889,740
-	-	51	-	-	80,583
574,157	822	7,617	-	4,060	4,801,770
-	145,210	-	-	124,380	932,664
-	-	5,946	-	1,005	1,117,009
-	-	-	-	3,175	2,466,211
-	-	-	-	469,754	906,629
-	-	-	-	-	870,097
-	-	-	-	-	1,455,107
-	-	-	-	-	11,234,617
-	-	819,445	-	3,402	860,232
-	-	-	-	50,000	248,646
-	-	-	-	-	2,502,507
46,200	-	-	-	-	69,762
-	-	-	-	-	57,794
-	-	-	-	56,813	234,591
-	3,490	-	-	-	58,690
-	38	-	-	-	63
780,926	1,081,150	1,279,744	-	941,316	45,786,712
-	-	(61,784)	643	-	1,533,610
-	-	-	-	-	6,658
-	-	-	-	-	6,658
-	-	(61,784)	643	-	1,540,268
-	-	1,376,487	15,997	17,838	6,837,234
\$ -	\$ -	\$ 1,314,703	\$ 16,640	\$ 17,838	\$ 8,377,502

**Bryan Independent School District**  
Combining Statement of Net Position  
Internal Service Funds  
August 31, 2023

<u>Data Control Codes</u>		<b>751</b>	<b>752</b>
		<b>Internal Transportation Services</b>	<b>Print Shop</b>
<b>ASSETS</b>			
	Current assets:		
1110	Cash and cash equivalents	\$ -	\$ -
1120	Current investments	-	-
1260	Due from other funds	1,329,905	258,935
1290	Other receivables	-	-
1300	Inventories	-	25,452
	Total current assets	<u>1,329,905</u>	<u>284,387</u>
	Noncurrent assets:		
	Capital assets:		
1530	Furniture and equipment	816,834	151,805
1550	Right-to-use lease assets	-	228,992
1570	Accumulated depreciation and amortization	<u>(733,006)</u>	<u>(309,279)</u>
	Total noncurrent assets	<u>83,828</u>	<u>71,518</u>
1000	Total assets	<u>1,413,733</u>	<u>355,905</u>
<b>LIABILITIES</b>			
	Current liabilities:		
2110	Accounts payable	-	268
2123	Claims payable - due within one year	-	-
2130	Leases payable - due within one year	-	67,559
2160	Accrued wages payable	-	4,531
2170	Due to other funds	-	-
2000	Total liabilities	<u>-</u>	<u>72,358</u>
<b>NET POSITION</b>			
3200	Investment in capital assets	83,828	3,959
3900	Unrestricted (deficit)	<u>1,329,905</u>	<u>279,588</u>
3000	<b>TOTAL NET POSITION (DEFICIT)</b>	<u><u>\$ 1,413,733</u></u>	<u><u>\$ 283,547</u></u>

753	773	784	<b>Total Internal Service Funds (See Exhibit D-1)</b>	
<u>Supplemental - Health Care</u>	<u>Group Benefits - Health Care</u>	<u>Workers' Comp</u>	<u>Eliminations</u>	<u>D-1)</u>
\$ -	\$ -	\$ 25,058	\$ -	\$ 25,058
-	-	284,577	-	284,577
109,302	2,500,000	4,146,685	(5,578,246)	2,766,581
-	216,601	-	-	216,601
-	-	-	-	25,452
109,302	2,716,601	4,456,320	(5,578,246)	3,318,269
-	-	-	-	968,639
-	-	-	-	228,992
-	-	-	-	(1,042,285)
-	-	-	-	155,346
109,302	2,716,601	4,456,320	(5,578,246)	3,473,615
41,345	-	4,795	-	46,408
-	927,720	57,976	-	985,696
-	-	-	-	67,559
-	-	-	-	4,531
-	3,078,246	2,500,000	(5,578,246)	-
41,345	4,005,966	2,562,771	(5,578,246)	1,104,194
-	-	-	-	87,787
67,957	(1,289,365)	1,893,549	-	2,281,634
<u>\$ 67,957</u>	<u>\$ (1,289,365)</u>	<u>\$ 1,893,549</u>	<u>\$ -</u>	<u>\$ 2,369,421</u>

**Bryan Independent School District**  
Combining Statement of Revenues, Expenses,  
and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>		<b>751</b>	<b>752</b>
		<b>Internal Transportation Services</b>	<b>Print Shop</b>
<b>OPERATING REVENUES</b>			
5700	Charges for services	\$ 546,220	\$ 477,734
5020	Total operating revenues	546,220	477,734
<b>OPERATING EXPENSES</b>			
6100	Payroll costs	164,970	140,815
6200	Professional and contracted services	-	16,497
6300	Supplies and materials	131,840	213,604
6400	Other operating costs	11	-
6449	Depreciation and amortization expense	62,329	78,737
6030	Total operating expenses	359,150	449,653
1100	Operating income (loss)	187,070	28,081
<b>NONOPERATING REVENUES (EXPENSES)</b>			
7955	Earnings from temporary deposits and investments	-	-
6500	Interest	-	(349)
7080	Total nonoperating revenues (expenses)	-	(349)
	Income (loss) before transfers	187,070	27,732
7915	Transfers in	-	-
1200	Change in net position	187,070	27,732
0100	Net position - beginning	1,226,663	255,815
3000	<b>NET POSITION - ENDING</b>	<b>\$ 1,413,733</b>	<b>\$ 283,547</b>

753	773	784		Total Internal Service Funds (See Exhibit D-2)
Supplemental - Health Care	Group Benefits - Health Care	Workers' Comp	Eliminations	
\$ 495,894	\$ 22,432,690	\$ 726,662	\$ -	\$ 24,679,200
495,894	22,432,690	726,662	-	24,679,200
-	32,691	-	-	338,476
522,486	23,833,050	320,884	-	24,692,917
-	-	24,175	-	369,619
-	38,295	-	-	38,306
-	-	-	-	141,066
522,486	23,904,036	345,059	-	25,580,384
(26,592)	(1,471,346)	381,603	-	(901,184)
-	-	16,252	-	16,252
-	-	-	-	(349)
-	-	16,252	-	15,903
(26,592)	(1,471,346)	397,855	-	(885,281)
-	1,000,000	-	-	1,000,000
(26,592)	(471,346)	397,855	-	114,719
94,549	(818,019)	1,495,694	-	2,254,702
\$ 67,957	\$ (1,289,365)	\$ 1,893,549	\$ -	\$ 2,369,421

**Bryan Independent School District**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended August 31, 2023

	751	752
	<u>Internal Transportation Services</u>	<u>Print Shop</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from services provided	\$ 296,821	\$ 450,309
Cash payments for claims	-	-
Cash payments to suppliers for goods and services	(131,851)	(227,971)
Cash payments to employees for services	(164,970)	(141,149)
	<u>-</u>	<u>81,189</u>
Net cash provided by (used for) operating activities	-	81,189
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	-
	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on leases	-	(80,840)
Interest paid on leases	-	(349)
	<u>-</u>	<u>(81,189)</u>
Net cash used for capital and related financing activities	-	(81,189)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends received on investments	-	-
Sale of investments	-	-
	<u>-</u>	<u>-</u>
Net cash provided by investing activities	-	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents - beginning	-	-
	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 187,070	\$ 28,081
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	62,329	78,737
(Increase) decrease in assets:		
Due from other funds	(249,549)	(27,425)
Other receivables	150	-
Inventories	-	3,150
Increase (decrease) in liabilities:		
Accounts payable	-	(1,020)
Claims payable	-	-
Accrued wages payable	-	(334)
	<u>-</u>	<u>(334)</u>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ 81,189</u>

753	773	784		Total Internal Service Funds (See Exhibit D-3)
Supplemental - Health Care	Group Benefits - Health Care	Workers' Comp	Eliminations	
\$ 495,894	\$ 22,910,035	\$ 135,685	\$ -	\$ 24,288,744
-	(20,801,662)	(223,008)	-	(21,024,670)
(495,894)	(3,075,682)	(125,270)	-	(4,056,668)
-	(32,691)	-	-	(338,810)
-	(1,000,000)	(212,593)	-	(1,131,404)
-	1,000,000	-	-	1,000,000
-	1,000,000	-	-	1,000,000
-	-	-	-	(80,840)
-	-	-	-	(349)
-	-	-	-	(81,189)
-	-	16,252	-	16,252
-	-	196,341	-	196,341
-	-	212,593	-	212,593
-	-	-	-	-
-	-	25,058	-	25,058
\$ -	\$ -	\$ 25,058	\$ -	\$ 25,058
\$ (26,592)	\$ (1,471,346)	\$ 381,603	\$ -	\$ (901,184)
-	-	-	-	141,066
-	286,927	(590,977)	-	(581,024)
-	190,418	-	-	190,568
-	-	-	-	3,150
26,592	-	3,125	-	28,697
-	(5,999)	(6,344)	-	(12,343)
-	-	-	-	(334)
\$ -	\$ (1,000,000)	\$ (212,593)	\$ -	\$ (1,131,404)

**Bryan Independent School District**  
 Schedule of Delinquent Taxes Receivable  
 For the Fiscal Year Ended August 31, 2023

<u>Year Ended</u> <u>August 31,</u>	<u>Tax Rates</u>		<u>Assessed/Appraised</u> <u>Value For School Tax</u> <u>Purposes</u>
	<u>Maintenance</u>	<u>Debt Service</u>	
2014 and Prior Years	\$ Various	\$ Various	\$ Various
2015	1.0400	0.2500	6,231,533,721
2016	1.0400	0.3100	6,541,906,370
2017	1.0400	0.3100	6,657,699,926
2018	1.0600	0.2800	7,276,798,264
2019	1.0600	0.2800	7,905,872,388
2020	0.9900	0.2800	8,699,596,693
2021	0.9525	0.2800	9,246,881,055
2022	0.9518	0.2750	9,483,905,527
2023	0.8646	0.2750	11,174,739,996

**1000 TOTALS**

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

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

Exhibit J-1

<b>Beginning Balance 9/1/2022</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Collections</b>	<b>Debt Service Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 8/31/2023</b>
\$ 852,490	\$ -	\$ 48,623	\$ 11,688	\$ (77,466)	\$ 714,713
202,186	-	7,620	1,832	(340)	192,394
221,732	-	15,916	4,744	(1,807)	199,265
241,950	-	19,829	5,911	(1,758)	214,452
300,722	-	35,070	9,264	(1,792)	254,596
363,526	-	53,537	14,142	(3,340)	292,507
436,972	-	87,652	24,790	27,015	351,545
593,396	-	65,537	19,266	(58,031)	450,562
1,220,009	-	332,644	96,110	(137,883)	653,372
-	127,347,337	95,453,253	30,360,450	(2)	1,533,632
<u>\$ 4,432,983</u>	<u>\$ 127,347,337</u>	<u>\$ 96,119,681</u>	<u>\$ 30,548,197</u>	<u>\$ (255,404)</u>	<u>\$ 4,857,038</u>

\$ 4,440	\$ -
\$ -	\$ -

**Bryan Independent School District**  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance – Budget and Actual  
 Child Nutrition  
 For the Fiscal Year Ended August 31, 2023

**Exhibit J-2**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 520,000	\$ 1,100,000	\$ 777,699	\$ (322,301)
5800	State program revenues	45,000	45,000	45,580	580
5900	Federal program revenues	10,435,000	11,250,000	12,252,903	1,002,903
5020	Total revenues	11,000,000	12,395,000	13,076,182	681,182
<b>EXPENSES</b>					
Current:					
0035	Food services	10,535,000	11,152,600	11,047,760	104,840
0051	Plant maintenance and operations	465,000	465,000	465,000	-
Debt service:					
0071	Principal on long-term debt	-	-	2,239	(2,239)
0072	Interest on long-term debt	-	-	25	(25)
6030	Total expenditures	11,000,000	11,617,600	11,515,024	102,576
1100	Excess (deficiency) of revenues over (under) expenditures	-	777,400	1,561,158	783,758
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of real and personal property	-	15,000	6,658	(8,342)
7080	Total other financing sources (uses)	-	15,000	6,658	(8,342)
1200	Net change in fund balance	-	792,400	1,567,816	775,416
0100	Fund balance - beginning	5,226,174	5,226,174	5,226,174	-
3000	<b>FUND BALANCE - ENDING</b>	<u>\$ 5,226,174</u>	<u>\$ 6,018,574</u>	<u>\$ 6,793,990</u>	<u>\$ 775,416</u>

**Bryan Independent School District**

**Exhibit J-3**

Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended August 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 31,003,602	\$ 31,003,602	\$ 31,703,635	\$ 700,033
5800	State program revenues	150,000	800,000	579,968	(220,032)
5020	Total revenues	31,153,602	31,803,602	32,283,603	480,001
<b>EXPENDITURES</b>					
Current:					
Debt service:					
0071	Principal on long-term debt	22,835,000	22,835,000	22,835,000	-
0072	Interest on long-term debt	8,311,102	8,311,102	7,954,265	356,837
0073	Issuance costs and fees	7,500	-	-	-
6030	Total expenditures	31,153,602	31,146,102	30,789,265	356,837
1200	Net change in fund balance	-	657,500	1,494,338	836,838
0100	Fund balance - beginning	6,145,606	6,145,606	6,145,606	-
3000	<b>FUND BALANCE - ENDING</b>	<u>\$ 6,145,606</u>	<u>\$ 6,803,106</u>	<u>\$ 7,639,944</u>	<u>\$ 836,838</u>

**Bryan Independent School District**  
 Use of Funds Report – Select State Allotment Programs  
 For the Fiscal Year Ended August 31, 2023

**Exhibit J-4**

<u>Data Codes</u>		<u>Responses</u>
<b>Section A: Compensatory Education Programs</b>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the LEA'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 LEA's fiscal year.	\$ 19,730,741
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)	\$ 11,996,761
<b>Section B: Bilingual Education Programs</b>		
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.	\$ 2,852,382
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 1,553,674

**Overall Compliance, Internal Control Section  
and Federal Awards**

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Trustees of  
Bryan Independent School District  
Bryan, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bryan 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 the District's basic financial statements, and have issued our report thereon dated January 19, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

The Board of Trustees of  
Bryan Independent School District

**Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 19, 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**

To the Board of Trustees of  
Bryan Independent School District  
Bryan, Texas

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

**Opinion on Each Major Federal Program**

We have audited Bryan 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 the District's major federal programs for the year ended August 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

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

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

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

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

The Board of Trustees of  
Bryan Independent School District

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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 19, 2024

**Bryan Independent School District**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended August 31, 2023

**Section 1. Summary of Auditor’s Results**

**Financial Statements**

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

**Federal Awards**

- 4. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 5. Type of auditor's report issued on compliance with major programs Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
- 7. Identification of major programs Special Education Cluster – IDEA, Part B 84.425D, 84.425U, 84.425W – ESSER (ARP), ESSER (TCLAS), ESSER II, and ESSER III
- 8. Dollar threshold used to distinguish between Type A and Type B federal programs \$1,317,347
- 9. Auditee qualified as a low-risk auditee? Yes

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal Award Findings and Questioned Costs**

None reported

**Bryan Independent School District**

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended August 31, 2023

**Prior Year Findings**

None reported

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**Bryan Independent School District**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2023

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
Child Nutrition Cluster:			
Passed Through Texas Education Agency:			
School Breakfast Program	10.553	71402201	\$ 337,163
School Breakfast Program	10.553	71402301	2,518,085
Total Assistance Listing Number 10.553			2,855,248
Passed Through Texas Education Agency:			
National School Lunch Program	10.555	71302201	980,630
National School Lunch Program	10.555	71302301	7,250,356
Passed Through Texas Department of Agriculture:			
National School Lunch Program - Noncash Assistance	10.555	806780706	741,016
COVID 19 - Supply Chain Assistance Program	10.555	806780706	371,133
COVID 19 - National School Lunch Program - Commodity Warehouse Fees	10.555	806780706	27,758
Total Assistance Listing Number 10.555			9,370,893
Passed Through Texas Department of Agriculture:			
Fresh Fruits and Vegetables	10.582	806780706	26,762
Total Child Nutrition Cluster			12,252,903
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			12,252,903
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
Passed Through Texas Education Agency:			
Title I, Part A - Improving Basic Programs	84.010A	23610101021902	6,571,388
Title I 1003 School Improvement Grant	84.010A	23610141021902	43,000
Title I, Part D - Delinquent Programs	84.010A	23610103021902	78,882
Total Assistance Listing Number 84.010			6,693,270
Special Education Cluster (IDEA):			
IDEA-B Formula	84.027A	236600010219026600	3,429,988
COVID 19 - IDEA-B Formula (ARP)	84.027X	225350020219025350	741,085
IDEA-B Discretionary (Deaf)	84.027A	236600110219026673	138,426
Total Assistance Listing Number 84.027			4,309,499
IDEA-B Preschool			
IDEA-B Preschool	84.173A	236610010219026610	49,313
COVID 19 - IDEA-B Preschool (ARP)	84.173X	225360020219025360	41,145
Total Assistance Listing Number 84.173			90,458
Total Special Education Cluster (IDEA)			4,399,957
Carl D. Perkins Career and Technical Basic Grant			
Carl D. Perkins Career and Technical Basic Grant	84.048A	23420006021902	291,701
Carl D. Perkins Career and Technical Basic Grant	84.048A	24420006021902	65,556
Total Assistance Listing Number 84.048			357,257
IDEA-C Early Childhood Intervention			
IDEA-C Early Childhood Intervention	84.181A	233911010219023911	2,425
Texas Education for Homeless Children & Youth			
Texas Education for Homeless Children & Youth	84.196A	234600057110012	74,373

**Bryan Independent School District**  
 Schedule of Expenditures of Federal Awards - Continued  
 For the Fiscal Year Ended August 31, 2023

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	23671001021902	384,682
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	24671001021902	<u>40,999</u>
Total Assistance Listing Number 84.365			425,681
Title II, Part A - Supporting Effective Instruction	84.367A	23694501021902	745,922
Title II, Part A - Supporting Effective Instruction	84.367A	24694501021902	<u>70,220</u>
Total Assistance Listing Number 84.367			816,142
Improving Academic Achievement, Summer School LEP	84.369A	69552102	25,898
Improving Academic Achievement, Summer School LEP	84.369A	69552202	<u>26,625</u>
Total Assistance Listing Number 84.369			52,523
Title IV, Part A	84.424A	23680101021902	505,353
COVID 19 - Coronavirus Response and Relief Supplemental Appropriations - CRRSA (ESSER II)	84.425D	21521001021902	12,983,449
COVID 19 - American Rescue Plan - ARP (ESSER III)	84.425U	21528001021902	4,008,562
COVID 19 - Texas COVID Learning Acceleration Supports (TCLAS) ESSER III	84.425U	21528042021902	463,016
COVID-19 - American Rescue Plan - ARP (Homeless I - TECHY Supplement)	84.425W	215330017110012	<u>130,960</u>
Total Assistance Listing Number 84.425			17,585,987
Passed Through Region 6 Education Service Center: Title I, Part C - Migratory Children	84.011A	23615001236950	<u>125,954</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			31,038,922
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Passed Through Texas Education Agency: ELC Reopening Schools	93.323	22393503021902	525,400
Passed Through Texas Health and Human Services Commission: Medicaid Administrative Claiming (MAC)	93.778	HHS000537900163	<u>94,357</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>619,757</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 43,911,582</u>

# Bryan Independent School District

Notes to the Schedule of Expenditures of Federal Awards

## Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bryan Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. National School Lunch Program non-cash commodities are recorded at their estimated acquisition value at the time of donation.

## Note 2. De Minimis Cost Rate

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

## Note 3. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total expenditures of federal awards per Exhibit K-1	\$ 43,911,582
General fund - federal revenue:	
School health and related services (SHARS)	2,640,045
Reserve officers training corps (ROTC)	<u>65,443</u>
<b>Total federal revenues per Exhibit C-2</b>	<b><u>\$ 46,617,070</u></b>

**Bryan Independent School District**  
 Schedule of Required Responses to Selected  
 School FIRST Indicators (Unaudited)  
 For the Fiscal Year Ended August 31, 2023

**Exhibit L-1**

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 466,344

**Certificate of the Board**

**Bryan Independent School District**

Name of School District

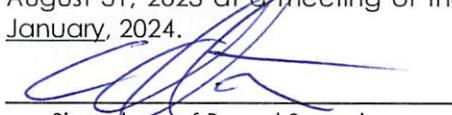
**Brazos**

County

**021-902**

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and ✓ approved \_\_\_\_\_ disapproved for the fiscal year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 22<sup>nd</sup> day of January, 2024.



Signature of Board Secretary



Signature of Board President

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

**Closed Session**

1. Discuss Issues Pertaining to Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee - Texas Government Code Chapter 551.074
2. Pursuant to Texas Government Code Sections 551.0821, Deliberation Concerning a Public School Student Wherein Personally Identifiable Information will Necessarily be Revealed
3. Discussion Regarding Superintendent Evaluation (Texas Government Code 551.074)

**Reconvene in Open Session**

**ADJOURN**

In accordance with the Texas Open Meetings Act Subchapters D and E of Chapter 551, Texas Government Code (§551.071 Attorney/Client Consultation, §551.072 Real Estate, §551.073 Contracts for Gifts or Donations, §551.074 Personnel Matters, §551.075 Investments, §551.076 Security Devices, §551.082 Discipline of Student or Employee Complaint, §551.0821 Personally Identifiable Student Information, §551.083 Employee Groups Consultation, §551.084 Exclusion of Hearing Witnesses), the board may enter closed meeting to deliberate any subject authorized by Subchapters listed.